

DEVELOPMENT

&

UNDERDEVELOPMENT

"No, young man, development is not a question of charity: it's a political problem."

"Yes, of course. Then what are you doing about it?"

"Me? Oh I don't get involved in politics!"



DEVELOPMENT and UNDERDEVELOPMENT.

The conventional explanation of underdevelopment in the West is that it represents the persistence of traditional subsistence oriented economies. Applied to South Africa this gives rise to the dual economy thesis. This idea posits the existence of developed and underdeveloped areas in the same country. The developed areas are said to be the result of the initiative, enterprise and skills of white settlers. These settlers came to Africa from literate societies with market economies characterised by private ownership of the means of production and wage labour. They encountered societies which were non-literate, subsistence oriented and pre-capitalist without private property in land or wage labour. The white settlers set about revolutionising the slow pace of life. Their skills and drive initiated the creation of a far more wealthy society. But the indigenous population proved slow to see the benefits of the new way of life. For the most part they clung to their outmoded ideas and customs. The underdeveloped areas in South Africa today represent the remnants of the traditional societies which have failed to adapt their production and institutions to the modern world. Such views give rise to statements such as the following which was made in Parliament in 1978. "Are living standards not linked with the ability to live creatively, to be enterprising? Is it not the problem of Africa that so few people have the ability to be enterprising and to contribute to capital formation?"

The relationship between the developed and underdeveloped sectors is seen as being primarily of benefit to the underdeveloped. Sadie states that "as the population of the Reserves increased and their primitive agriculture could no longer feed them all, some of them could migrate to the neighbouring white parts of the country where ample opportunities for earning a livelihood already existed. The necessity for creating new sources of income on their own initiative did not arise." The points stressed are the voluntary nature of migratory labour and the lack of initiative on the part of African people and the corresponding life-boat function of the developed areas.

Opposed to this view is that which stresses that underdevelopment is not an original condition which has persisted into

modern times. Its roots do not lie in the traditional economy and in traditional values and institutions even if there is some superficial resemblance to traditional society in the underdeveloped regions. In fact the developed/underdeveloped dichotomy is the result of intense interaction between indigenous and settler peoples. An interaction which has produced a new society different both from pre-colonial Africa and from the imperial countries. The essential cause of underdevelopment is seen as rising from this interaction and not as lying in the nature of pre-colonial societies.

At this point let us turn to look at the history of white settlement in South Africa.

First a brief look at the pre-colonial societies. Before the arrival of whites there were three distinct groups of people in Southern Africa. There were nomadic San hunter gatherers who were dispersed in small groups over much of Southern Africa with the main population concentrations in the western Cape and the mountain ranges. The nomadic Khoikhoi grazed large herds of cattle and sheep in the northern and Western Cape. Both the nomadic groups had a fairly restricted material culture because they had to be able to carry whatever they owned with them. The Khoikhoi lived in larger groups than the San because their herds and flocks gave them a more secure material base. The third group was the African people. Their economy was based on agriculture and pastoralism. They had a settled way of life, and a secure material base. This allowed the development of a variety of crafts and in particular the mining and working of various metals, most importantly iron. There were relatively large settlements reaching up to 20,000 people in the Western Transvaal. There was considerable trade within and between these groups in things such as tobacco, skins, cattle and iron.

Competition over the control of this trade had been one of the factors in the growth of several fairly large kingdoms in the Western and Eastern Transvaal. A similar increase in the size of political units had taken place in the Nguni area (Natal). At the beginning of the 19th century population pressure on land further heightened tensions and the result was the emergence of the Zulu kingdom under Shaka. The wars surrounding the formation of this kingdom affected large areas of Southern Africa. People fleeing from Shaka's attacks in their turn attacked others on the Highveld and in the

HOW OUR GREAT DEMOCRATIC CULTURE CIVILIZED THE AFRICAN NATIVE ...

1. SLAVERY, PART of our noble Heritage, constituted the first great step...

2. MISSIONARIES spread the word of God



3 THE WEST, to ensure a high standard of living for the African, introduced capitalism

4 LABOR, a 'moral and legal obligation' would incorporate the African into our economic system



5. COLONIZATION meant responsible, orderly government - by whites, of course!

6. JUSTICE, The key to Western Imperialism, then prevailed.....



Orange Free State in order to secure the land and stock on which their survival depended. The result was that large areas were depopulated. This depopulation coincided with the arrival of small groups of whites from the South. The whites were able to occupy the depopulated areas without meeting much resistance. This led to the well maintained myth that there was no one living in the interior before the whites arrived.

At this point let us return in time to trace the history of the white settlers. After their arrival in 1652, the whites had rapidly dispossessed the nomadic Khoikhoi herdsman in the Western Cape of their herds and grazing lands. This was achieved through a combination of factors. The whites possessed firearms which gave them an advantage when it came to violent confrontation - a fairly frequent occurrence. They persuaded the Khoikhoi to part with herds and land they did not take by force, in exchange for liquor and beads. Missionaries launched an attack on the ideological foundations of Khoikhoi society. Whites introduced a series of diseases which proved fatal to large numbers of the Khoikhoi. Most notable of these was smallpox, followed by various venereal diseases. Finally whites were able to take advantage of the divisions between Khoikhoi groups. On several occasions one group of Khoikhoi allied with the whites to attack a third group.

In this way the whites secured the lands and stock which were the basis of the early settler colony. Some of the Khoikhoi became labourers on white owned farms and vineyards, others became bandits on the periphery of the colony or migrated to more marginal lands in the Northern Cape and Namibia. The San hunter gatherers were largely exterminated by the settlers in protracted series of ruthless campaigns.

As the white settlers continued to expand in search of grazing for their new-found herds they came into contact with the African people in the Eastern Cape. They were not able to dispossess them of their land and cattle with the same ease,

but they did eat away at the borders. The whites also put an end to the gradual drift southward of the African people which had been going on ever since they first crossed the Limpopo river, sometime before 500 AD.

By occupying the areas between the various groups of African people and over the years conquering more of their territory the whites laid the basis of the racial division of land. In the 20th century this was to have serious consequences as the Black population expanded within a restricted area. In the early colonial period the effects were not so serious because of the patterns of land-holding which developed. The whites established title to large areas of land in terms of their own legal conventions. They only used a small portion of this land. When Africans returned to this land they became squatters in terms of white law. They were forced to render some type of tribute to the white owners. This might take the form of sharecropping, of paying rent, or of giving the white owners a certain amount of labour. Generally the first was the most common in the early period. Africans occupied and worked most of the land. Much of the surplus which was generated by these activities now went to the white legal owners of the land. Before the arrival of the Whites any surplus over subsistence requirements had remained in African hands and went to generate local industries such as iron and leatherwork, or it was simply accumulated in the form of cattle, where it served as an insurance against hard times or was used as a source of political patronage.

So, much the same thing happened here as had happened at the Cape. The whites secured the resources they needed to establish an economy by taking them from the black people. The other important fact to bear in mind is that many African people were now dependent on whites for their access to land.

Surplus accumulation took place in white hands, while its extraction from blacks contributed to their underdevelopment. On land not privately owned by whites the different settler governments tried to secure any surplus by taxing Africans. The early settler economy was characterised by a series of mechanisms for extracting surplus from the indigenous population.

Most of the Whites themselves were subsistence farmers with lifestyles very similar to those of the Khoikhoi and African peoples.

The small capitalist agricultural sectors were confined to the ports in the Cape and Natal - the only places where a market economy of any extent operated. These capitalist sectors experienced great difficulty in securing labour, essential to capitalist production. As long as direct access to land was available to Africans they preferred to avoid wage labour, even if access to land was conditional on supplying tribute or labour to a white landowner. Because of this slaves had to be imported to meet the need for labour at the Cape and later indentured labourers were imported to Natal.

The settlers' hold on some of the more isolated areas was tenuous. They had to abandon some of the settlements in the Northern and Eastern Transvaal as a result of attacks by the African peoples in these areas.

The discovery of minerals in the interior changed the fortunes of the settlers quite dramatically. Imperial troops were sent in to conquer or subdue the independent African states. Settlers and capital came to Southern Africa from Europe in hitherto unheard of quantities.

To develop the mining industry and to create the infrastructure in the way of railroads etc, large supplies of labour were needed. This labour was drawn largely from the newly conquered black states. War had disrupted the economies of these countries forcing many men out to seek employment. The new colonial regimes did their bit to ensure that this supply of labour would not dry up by imposing taxes. The taxes were intended not only to ensure a labour supply but also to ensure that any surplus within the black society was transferred to white hands.

For mine-owners and other employers, African labour had an unexpected bonus. Because men came to the cities and industrial centres without their families, employers found that they did not have to pay the costs of supporting their families, or those of providing things such as housing. This naturally meant that the employers could make much greater profits. These high profits became a feature of the South African economy attracting much foreign investment.

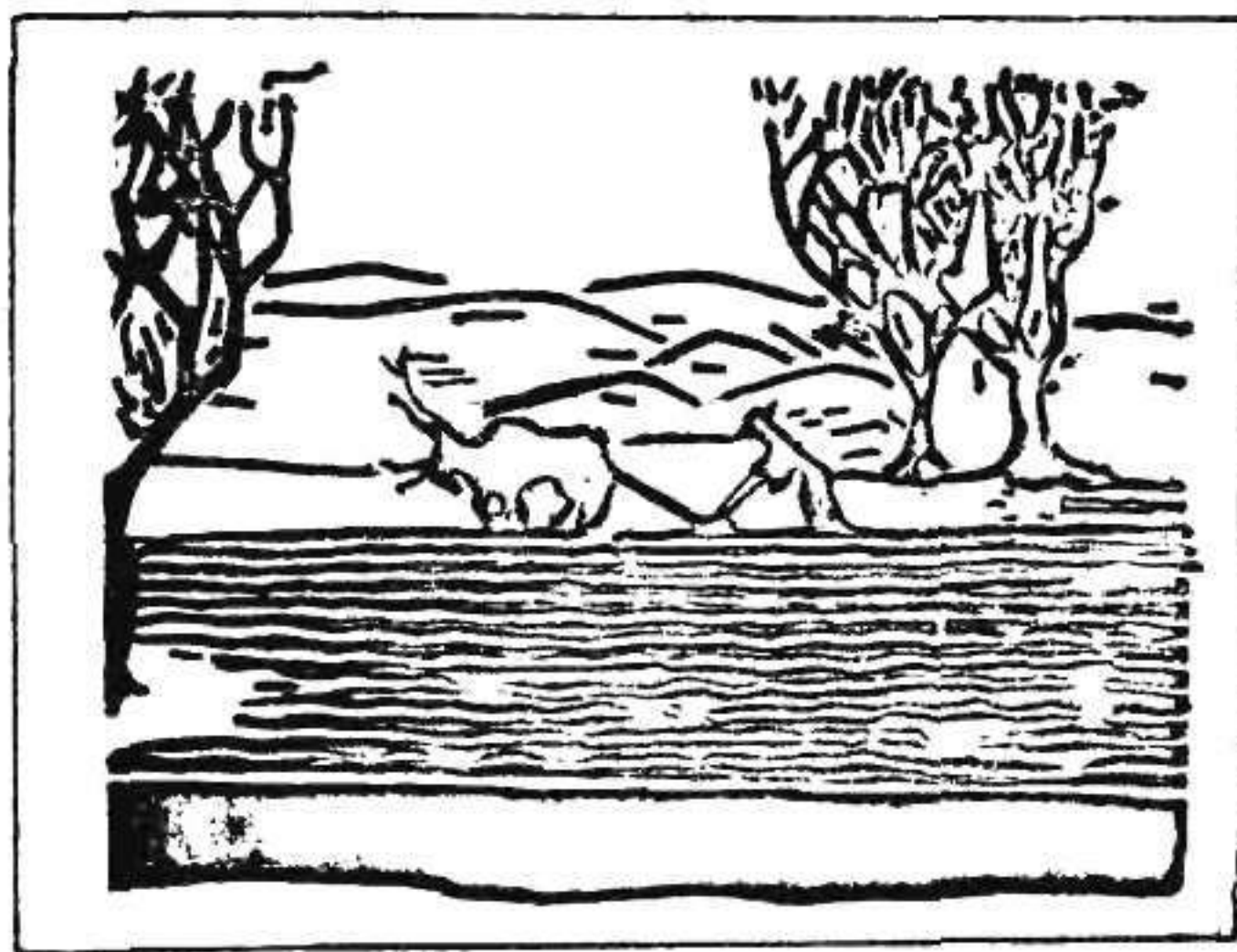
This was the basis on which the South African economy developed; ie migrant labour and the retention of access to the means of subsistence by workers and their families, relieving the capitalists of the costs of paying for the reproduction



of the labour force. In this situation what was needed was a balance that would ensure that the black labourer was sufficiently dependent on wage labour to make it essential for him to offer his services to the capitalist, while at the same time ensuring that his family could meet sufficient of their subsistence requirements so that reproduction of the labour force would continue. In the early years the problem of securing sufficient labour tended to be the main one. Attempts to force black people onto the labour market included taxation by the settler and later Union Governments rents extracted by landlords, and the use of traders as labour touts. They advanced goods or money to Africans against their contracting themselves to work for a certain period of time on the mines.

At first a considerable number of blacks were able to avoid wage labour by exploiting new opportunities for making a cash income. Many went into transport riding, carrying goods from the ports to the minefields. Others expanded their production of food as the opening of new inland markets boosted the possibilities in this field. Although these activities showed that black people did not lack the entrepreneurial spirit they were for the most part, to be short-lived initiatives. Railways put an end to transport riding and opened the interior to cheap imports of grain. White farmers, also aware of the possibilities, brought their political power into play to eliminate competition from black farmers. From early on white farmers improved their competitive position vis a vis blacks through gaining preferential access to credit facilities and agricultural support services.

In addition to this there has been a continued programme of price supports to agricultural products and a tariff structure on the railways that favours agricultural produce. With new markets opening up white landowners began to look to production rather than rents as a course of income. Tenants were evicted, and there was an attempt to convert those who remained into labour tenants rather than rent-paying tenants. After Union these attempts culminated in the 1913 Land Act. By restricting black land purchases to about 13% of the land it ensured that white farmers would not have to compete with blacks in land purchase. The latter were consigned to land which was for the most part isolated from markets by a lack of access to railways and with very few roads. Most of the land in black areas was under tribal tenure which facilitated subdivision amongst members of a growing population which increased problems of overcrowding. By converting all



tenancies into labour tenancies the Land Act ensured a supply of farm labour. Over a period of years it resulted in a large number of evictions from farms. The Reserve areas increasingly became congested with the influx of these people and as early as the 1920's there is evidence of pressure on land in some areas. Grazing lands were being encroached on for residential and agricultural use. In the 20's the Native Economic Commission warned of the danger of the Reserves becoming deserts. The ensuing underdevelopment of these areas and their declining productivity had been ensured and landlessness amongst black people assumed growing proportions. Evidence before the Natal Local Lands Committee in 1916 attested to the existence of people with no arable or grazing lands in the Reserves. These people were now faced with the prospect of depending entirely on migrant labour for their earnings, and their complete proletarianisation and urbanisation appeared imminent. Urbanisation amongst blacks had already occurred to a limited extent, but if it was to become the general pattern, the justification for cheap labour would disappear while a large black urban proletariat would threaten political stability and demand housing and other expensive services. So in 1923 the Urban Areas Act was passed, the first in a long series of measures to attempt to control the influx of black people to the towns.

The high rates of capital accumulation in mining secured by the exploitation of black labour were used to subsidise the development of white capitalist agriculture. That is the secret of its growth and not the dynamic qualities of the white farmer. In the period 1910 to 1936 the State spent over £113m on agriculture. This can be compared with a total agricultural production in the period of about £910m. Thus about one eighth of the agricultural sectors' contribution to GNP was represented by State expenditure drawn mainly from taxes on gold mining.

After the coming to power of the Pact Government representing a coalition of national bourgeois interests with white working class support in 1924, State capital was used to promote secondary industrialisation. The aim was to decrease South Africa's dependence on the developed Western countries and create work for the flood of poor whites who had also been pushed off the land by the development of capitalist agriculture, as well as providing an economic base for the national bourgeoisie. Following the 1922 strike the privileged position of white workers was entrenched by the Pact Government in a number of legislative measures. The wage disparities between black and

white workers were given legislative protection and the latter enjoyed preferential placement in the expanding State sector of the economy. In this way the national bourgeoisie secured the support of the white working class in maintaining their political dominance. State support for secondary industry has been mainly in the form of protection for infant industries through setting up tariff barriers and the promotion of a State capitalist sector in the area of heavy industry providing capital goods. This policy was made possible by the high profits derived from gold mining, which of course depended on the high rate of exploitation of black labour. After a rather shaky start in the 30's, manufacturing expanded rapidly during the Second World War when imports were difficult to obtain. In 1948 the contribution of secondary industry to GNP exceeded that of mining for the first time. This had remained the situation up to the present.

As time went on, the effect on the reserves was disastrous. The wage structure meant that there could be very little private accumulation by black people. Migrant labour absorbed the energies of the most productive members of the black population. There had been no significant attempts by Government to improve production in the black areas through education, extension services, the development of infrastructure or by making capital available. The Reserves had suffered from almost total neglect while population pressure increased rapidly. In addition these areas were expected to act as a convenient hold-all to which the unemployed, the aged, and the problems of social dislocation engendered by migrant labour could be consigned, further increasing pressure on their limited resources. Responsibility for these problems was given to the extended family, while what remained of the traditional hierarchy was propped up by the State and used to combat the growth of political movements which threatened the established system. The result was a rapid deterioration of subsistence production and its ability to supplement black wages. A substantial portion of the Reserve population no longer possessed any agricultural land. This was as high as 30% of the population in some areas by the 1940's.

On the basis of this evidence it is clear that underdevelopment in South Africa has its roots in the extraction of surplus from indigenous societies and in the exploitation of their labour. In the urban areas there had been a steady increase in the size of the black population and in the proportion of the total black population who were permanently urbanised, from

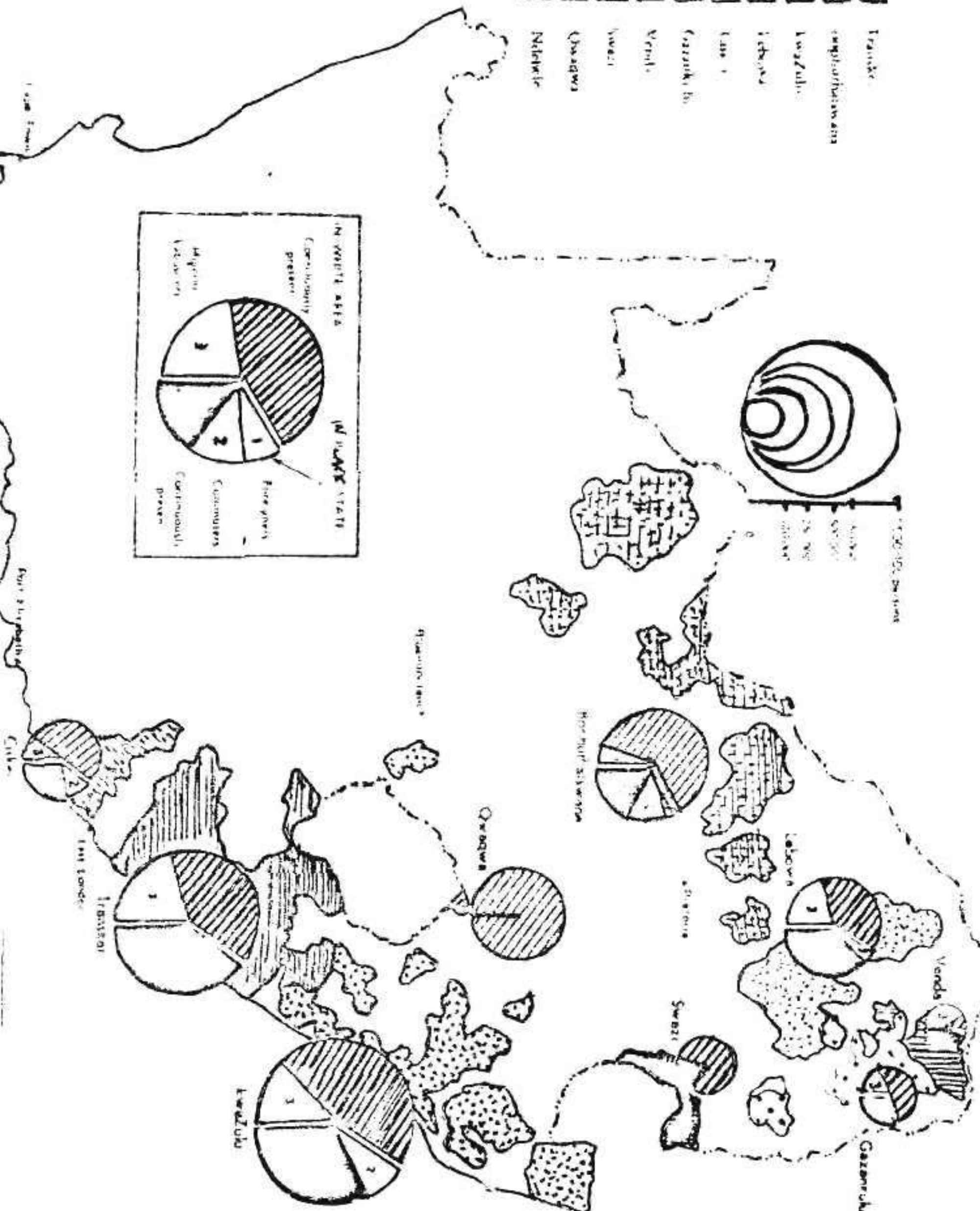
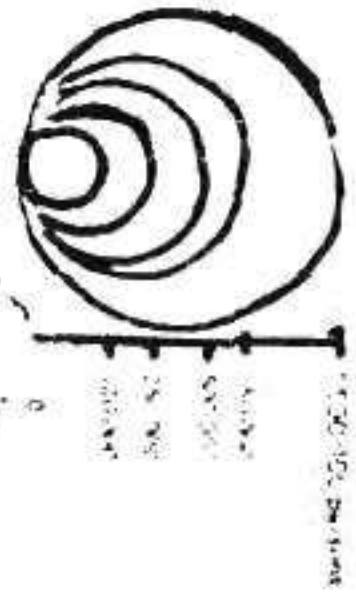
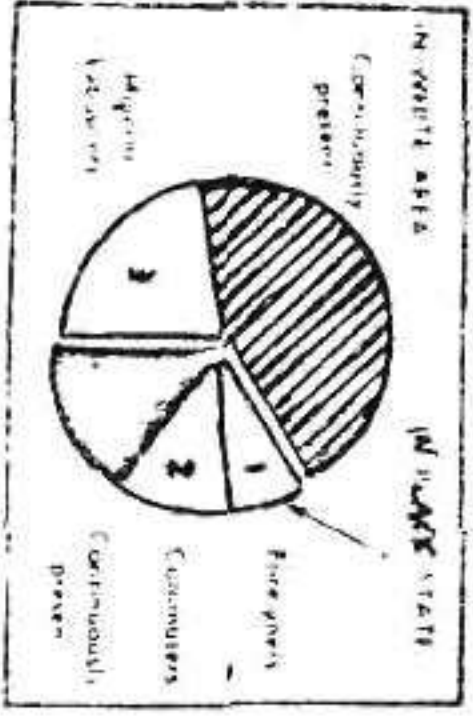
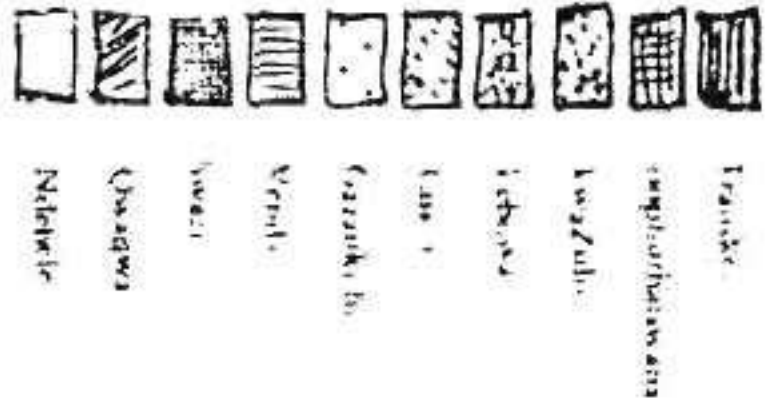
2,6% in 1911 to 24,3% in 1970 (a total of 4,989,000). These people came both from the reserves and the white farms. For black farm-workers conditions had steadily declined, reflecting attempts by white farmers to deprive them of grazing and arable land in order to put this land to use for their own production. The expansion of secondary industry during and after the war offered these people opportunities of finding work. The labour force in this sector of the economy grew from 207,797 in 1945 to 864,300 in 1970.

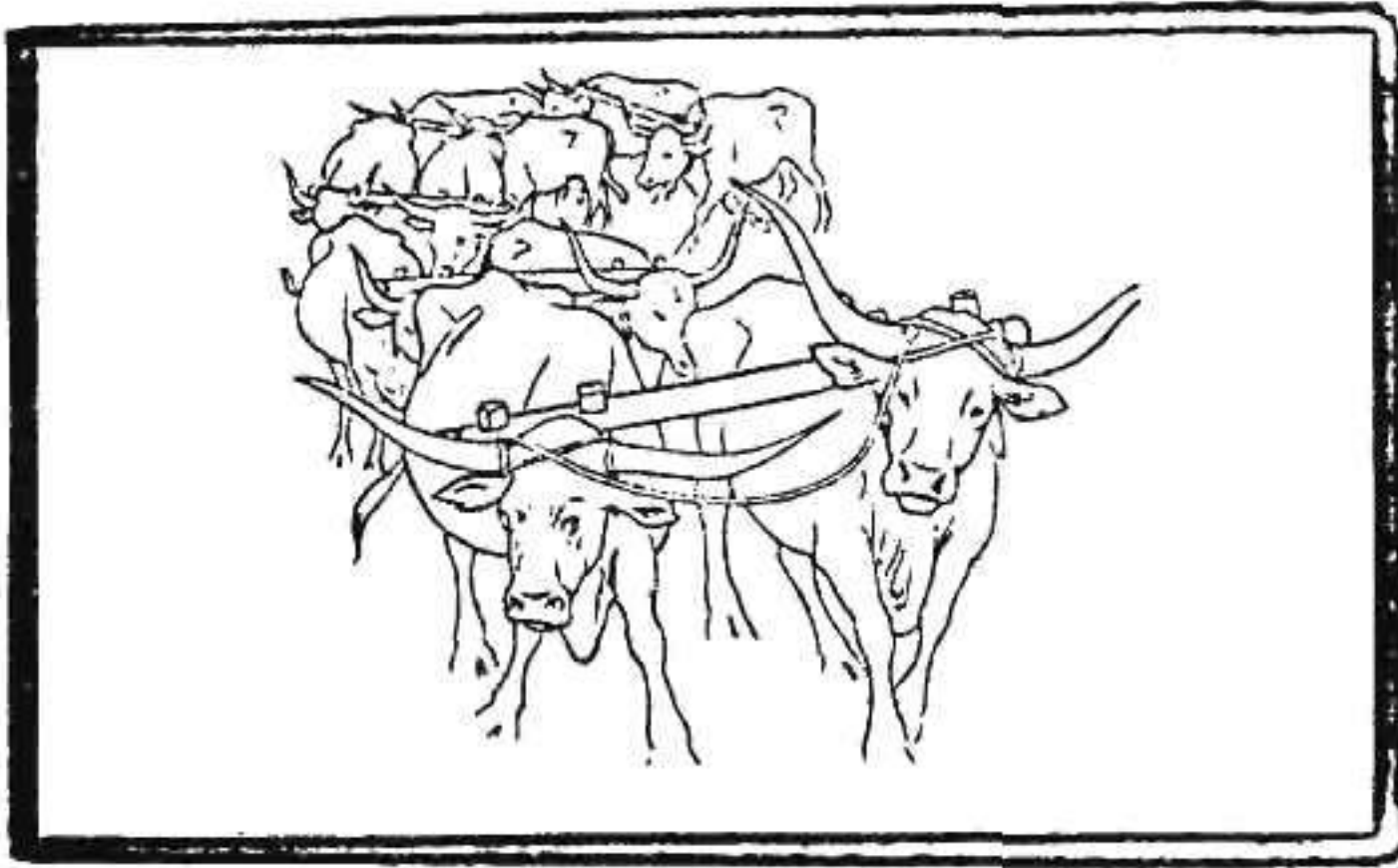
Urbanisation and industrialisation led to an increase in political conflict and industrial action in the 1940's as the black proletariat and petit bourgeoisie increasingly demanded the satisfaction of their needs and aspirations in the urban areas. The response of the ruling United Party was to propose a relaxation of restrictions. They took the view that the growth of secondary industry required a permanent black labour force who would satisfy the demand for semi-skilled workers. The Smit Committee of 1942 recommended a gradual phasing out of migrant labour and the abolition of the pass laws. Social welfare legislation would be extended to black urban workers and there was talk of recognising black trade unions. The complete disappearance of migrant labour was not contemplated. The mines, for instance, would continue to use migrant labour. The Government proved reluctant to tamper with existing institutions and little came of these liberalising tendencies. Nevertheless the discussion of such possibilities was a threat to the position of white workers whose living standards depended on restricted access to skilled work and the protection of those skills from erosion through job reclassification and fragmentation. For nascent Afrikaner capital and petit bourgeois groups it meant the threat that high levels of capital accumulation would be denied by increases in labour costs. The new National Party Government after 1948 acted to secure their interests.

Apartheid, based on the assumption that economic integration would lead to political integration, aimed at the exclusion of all blacks from the white area, except those blacks on whose labour the economy was dependent. Even these people were to be denied any permanence there. Instead they were to be encouraged to develop their own areas. As time went on separate political institutions came to be seen as the guarantee of Afrikaner self determination.

In this situation the Apartheid regime had acted to maintain

BLACK LABOUR FORCE INSIDE AND OUTSIDE THE BLACK STATES, 1970





Cheap labour power and the high rate of capital accumulation as the labour force becomes increasingly proletarianised, dependant solely on wages as a source of support. To enable capital accumulation to continue at a high level it is essential that the subsistence requirements of the black labour force be kept as low as possible. At the same time there is an interest in promoting the growth of a more well to do black middle class.

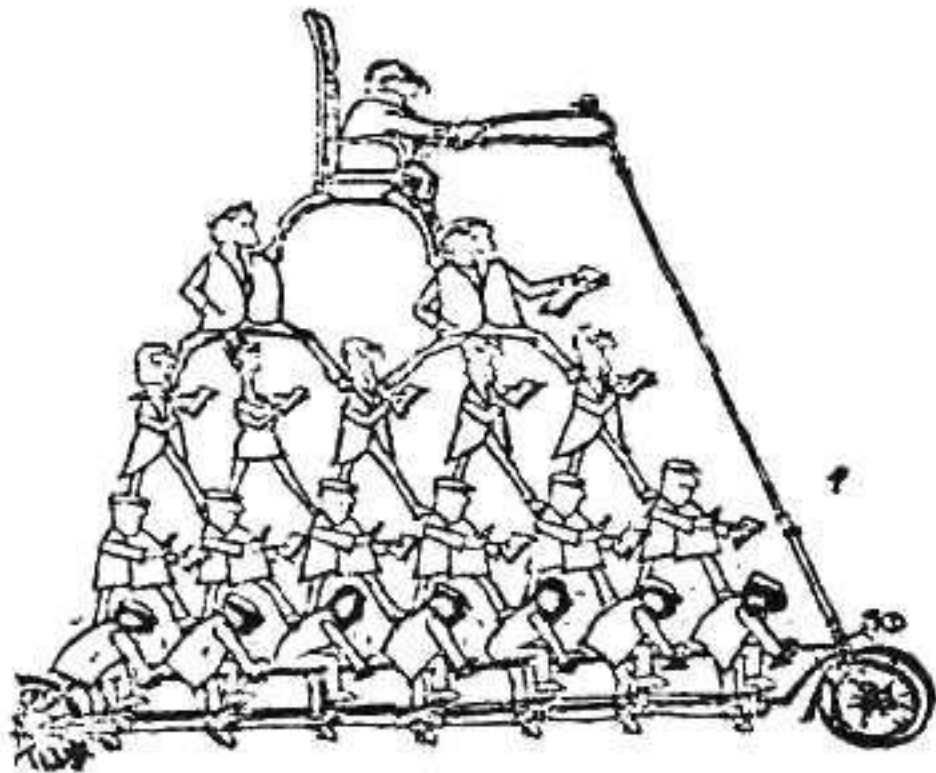
The maintenance of low subsistence levels amongst black workers requires the use of institutional arrangements backed by coercive measures to eliminate attempts to secure an improvement in the black worker's economic condition. In the white areas this has meant a tightening of influx control measures and of their enforcement in the hope of removing all those blacks not essential to the economy from the white areas. Along with this has gone new machinery to direct the flow of labour and to ensure an adequate supply of farm labour. Industrial decentralisation aims to create conditions in which capital can continue to expand and accumulate while at the same time avoiding the problems of further concentrations of black workers in the established industrial centres. To promote decentralisation various tax breaks are offered to capitalists who move enterprises out to the border industrial areas. In addition it is pointed out that in these areas;

"The great advantage for the entrepreneur is the availability of Bantu labour and the absence of restrictions in making use of that labour ... use can be made of large numbers of Bantu women to meet the shortage of unskilled labour ... (and entrepreneurs can) pay skilled and semi-skilled Bantu lower wages than they would be compelled to pay them at the moment ... and a classification of a large number of posts as semi-skilled might likewise lead to lower wages."

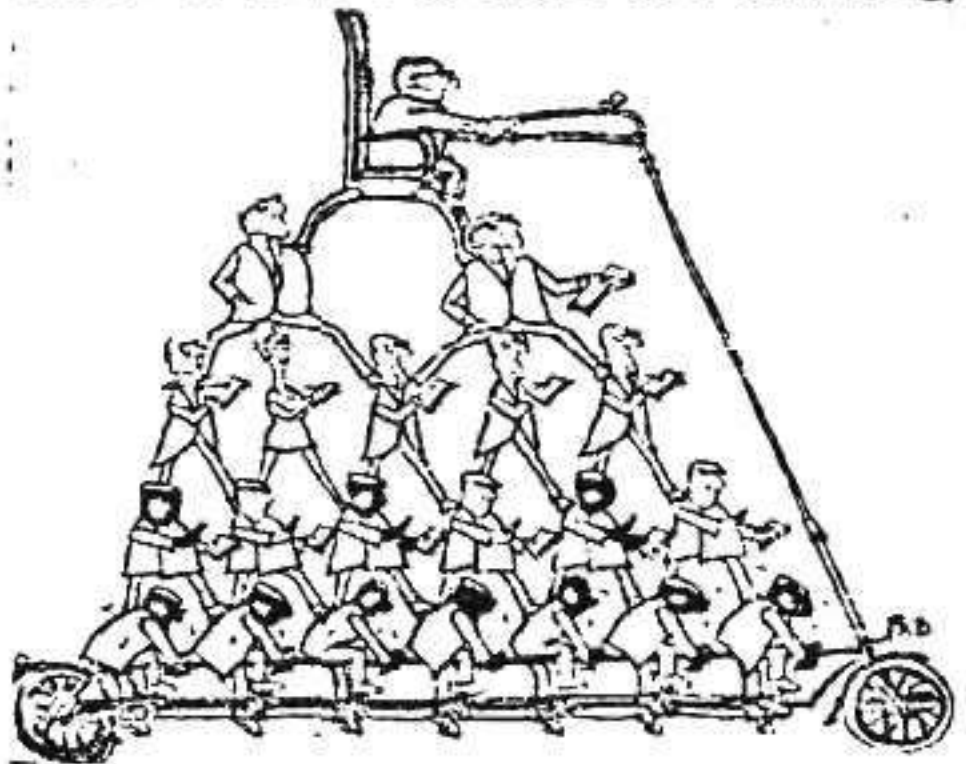
In fact wages in these areas range between 45% to 60% of those for equivalent work in the established industrial areas. The existence of large numbers of unemployed helps to keep wages down and to keep workers docile.

By creating independent Homelands separate from the white areas, low levels of subsistence can be justified by comparisons with other underdeveloped nations. Publications sympathetic to Government policy stress this comparison at the expense of comparisons with the high living standards of white South Africans. Capital as a whole benefits from these attempts

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to keep black wages to the lowest possible level. Calculations such as the poverty datum line and the minimum effective level, (whatever the stated intentions behind them), play an important part in justifying and maintaining the wage differential between black and white.

At the same time there has been an attempt to displace Black political aspirations to the Homelands. Development policy in these areas has been aimed at the creation of a black bourgeoisie who could be relied on to promote the "free enterprise system" and support the Homeland political elites. Their dependence on cheap labour would ensure their sympathy to the interests of capital in Southern Africa as a whole. Chronic shortages of capital and disposable income have severely limited the effectiveness of this policy. Black businessmen have resisted attempts to consign them to the underdeveloped areas and persistently demanded the right to share in the exploitation of the wealthier markets in the established urban areas. In this endeavour they have been supported by elements of white capital concerned to defuse unrest in these areas by the creation of a stable black middle class. By promoting interests such as home improvement they hope that these individuals will be persuaded not to consider too deeply the lot of black workers and the unemployed in the Homelands. That this strategy bears some hope of success is shown by a statement in the "Rand Daily Mail" of April 4, 1978. Bob Hitchcock, Race Relations Correspondent of the newspaper talks to a group of Soweto's elite. One of them characterised as a tough talking insurance consultant has this to say on influx control. "It's a matter of numbers. I don't want Soweto flooded out any more than it is with jobless blacks from hell-and-gone". Well that is the opinion of one man, and one cannot say how pervasive an attitude it represents. It is therefore clear that development work in the Homelands or in the urban areas faces the constant possibility of strengthening the classes who profit from the exploitation of cheap labour in Southern Africa. Development of this nature can only extend the present inequalities, and by strengthening class alliances across racial barriers give them a greater validity.