

Routledge Studies in African Development

ECONOMIC DUALISM IN ZIMBABWE

**FROM COLONIAL RHODESIA TO
POST-INDEPENDENCE**

Daniel B. Ndlela



Economic Dualism in Zimbabwe

This book identifies the root causes of income inequality in underdeveloped economies and proposes new solutions for structural reform in economies that have long neglected and exploited working people. It focuses on the case of Zimbabwe, a classic example of an African post-colonial state continuing with dualistic economic structures while simultaneously laying the blame for the initiation of this form of underdevelopment with colonialism. The book explores the colonial roots of economic dualism, in which traditional sectors run alongside newer forms of wage employment, and suggests ways for Zimbabwe to move beyond the ingrained inequalities and asymmetries in production and organisation that it generates.

Using a combination of theoretical and empirical approaches, *Economic Dualism in Zimbabwe* demonstrates how economic dualism can be eliminated through structural transformation of the traditional agricultural sector and reallocation of labour across sectors. The author comprehensively discusses the origins of dualism in Zimbabwe, how it developed in land, labour, credit and financial markets, who stands to gain and lose from it, and ultimately what reforms are needed to eliminate dualism from the economic system. The book aims to complement efforts made by both North and South to transform this structurally embedded cause of underdevelopment and seeks to motivate change in the collective development agenda mindset.

This book will be of interest to graduate-level students, scholars, researchers and policy practitioners in the fields of Development Studies, Economics, Agricultural Policy, Labour Policy, Economic Planning and African Studies.

Daniel B. Ndlela is a Lead Researcher and Team Leader with Zimconsult, Zimbabwe, formerly taught economics at the University of Zimbabwe, and was Senior Regional Adviser on economic co-operation and integration for the United Nations Economic Commission for Africa (UNECA).

Routledge Studies in African Development

Political Transition and Inclusive Development in Malawi

The Democratic Dividend

Edited by Dan Banik and Blessings Chinsinga

National Liberation Movements as Government in Africa

Edited by Redie Bereketeab

Hunger and Poverty in South Africa

The Hidden Faces of Food Insecurity

Jacqueline Hanoman

Extractive Industries and Changing State Dynamics in Africa

Beyond the Resource Curse

Edited by Jon Schubert, Ulf Engel and Elísio Macamo

Peacebuilding in Contemporary Africa

In Search of Alternative Strategies

Edited by Kenneth Omeje

The Challenge of Governance in South Sudan

Corruption, Peacebuilding, and Foreign Intervention

Edited by Steven C. Roach and Derrick K. Hudson

African Peacekeeping Training Centres

Socialisation as a Tool for Peace?

Anne Flaspöler

Corporate Governance in Tanzania

Ethics and Accountability at the Crossroads

Peter C. Mhando and Andulile J. Mwakalyeye

Economic Dualism in Zimbabwe

From Colonial Rhodesia to Post-Independence

Daniel B. Ndlela

Economic Dualism in Zimbabwe

From Colonial Rhodesia to
Post-Independence

Daniel B. Ndlela

First published 2019
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN
and by Routledge
52 Vanderbilt Avenue, New York, NY 10017
Routledge is an imprint of the Taylor & Francis Group, an informa business
© 2019 Daniel B. Ndlela

The right of Daniel B. Ndlela to be identified as author of this work has been asserted by him in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data
A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data
Names: Ndlela, Daniel Boda, editor.
Title: Economic dualism in Zimbabwe : from colonial Rhodesia to post-independence / edited by Daniel B. Ndlela.
Description: Abingdon, Oxon ; New York, NY : Routledge, 2019. |
Series: Routledge studies in African development | Includes bibliographical references and index.
Identifiers: LCCN 2019005035 (print) | LCCN 2019007405 (ebook) | ISBN 9780429054921 (eBook) | ISBN 9780367150860 (hardback)
Subjects: LCSH: Economic development—Zimbabwe—History. | Zimbabwe—Economic conditions. | Zimbabwe—Economic policy.
Classification: LCC HC910 (ebook) | LCC HC910 .E26 2019 (print) | DDC 330.9681—dc23
LC record available at <https://lccn.loc.gov/2019005035>

ISBN: 978-0-367-15086-0 (hbk)
ISBN: 978-0-429-05492-1 (ebk)

Typeset in Goudy
by Wearset Ltd, Boldon, Tyne and Wear

For my wife, Thando, and my sons, Kwazakele, Mongezi
and Mlandeli.



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

Contents

<i>List of figures</i>	viii
<i>List of tables</i>	ix
1 Introduction	1
2 The origins of dualism in Zimbabwe	8
3 Land tenure and economic dualism	19
4 Dualism in agricultural credit and produce markets	33
5 Economic dualism in the labour market	68
6 The theory of economic dualism	90
7 Dualism theory revisited	121
8 The consequences of economic dualism	147
9 Destroying dualism	174
10 Conclusions	201
<i>Index</i>	210

Figures

5.1	A shift in the labour supply curve	75
5.2	Labour market behaviour in segmented economic sectors	80
6.1	Key features in the process of capitalist accumulation	96
6.2	Labour-force behaviour in the agricultural sector	100
6.3	Absorption of disguisedly unemployed labour	101
6.4	A production function with fixed technical coefficients	105
6.5	Production function for the industrial sector	107
6.6	Production function for the rural sector	108
7.1	An integrated policy making space	128
7.2	The duality of the African economy	141
8.1	Production isoquants and isocost lines (relative factor prices)	152

Tables

4.1	Purposes for which credit was granted to white farmers	35
4.2	Loans granted to farmers by the land and agricultural bank, 1924–1971	38
4.3	Short-term credit extended to white farmers (R\$'000)	40
4.4	Volume (\$ million) and structure (%) by origin of short-term credit to white agriculture 1965, 1971 and 1975	40
4.5	Basic statistics related to the agricultural marketing boards	52
8.1	African and European agriculture (including forestry): share in total output 1967–1976	162



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

1 Introduction

Background

In setting the foundations of the present book, the introduction chapter locates economic dualism from colonial Rhodesia in both its historic and geographical location terms at the end of the nineteenth century, as having formed the foundation and cradle of its distorted economic structure and underdevelopment, which has continued to be so well into the twenty-first century. The chapter also spells out the origin and central task of the study of dualistic development in the Zimbabwean economy.

With a land area of approximately 390,000 square kilometres,¹ Zimbabwe is bordered by Mozambique to the east, South Africa to the south, Botswana and Namibia (the Caprivi Strip) to the west and Zambia to the north and north-west. Zimbabwe's distinctive physical characteristic is the high plateau, the 'high-veld' that runs from the south-west to the north-east through the centre of the country; it is about 650 kilometres long and 80 kilometres wide and lies mostly on an altitude of between 1,200 and 1,500 metres above sea level. Areas on both sides of the plateau lying at an altitude between 600 and 1,200 metres are called the, 'middle-veld', and the lowest part at an altitude below 600 metres, the 'low-veld', which consists of the Zambezi Valley, the Limpopo Valley and the Sabi Basin.

The climate corresponds to the altitude pattern with temperate climate in the high plateau and middle-veld and more extreme temperature variations in the low-veld. The country's natural regions strongly influence the pattern of agricultural cropping. As will be seen, land distribution under the colonial rule also followed the landscape and the climatic variations as well as the natural resource endowment patterns. Thus, the majority of the African settlements were moved from the high- and middle-veld areas to the generally arid low-veld, where both agricultural cropping and livestock farming are hazardous for lack of rainfall and vegetation. On the other hand, the plateau became the centre of European settlement because of its good climate, rainfall, vegetation and proximity to most of the commercial mineral deposits.

While the white settler politically induced land distribution remained a sore point to the indigenous people whose only hope was the expected

2 Introduction

independence which ushered majority rule. The country's climatic condition and attractiveness has remained a permanent feature. According to an International Quality of Life Index, published in January 2011 ranking 192 countries, Zimbabwe ties with the Mediterranean island of Malta for having the best climate on Earth.² Zimbabwe scored 100 per cent on climate, 75 per cent on leisure and culture and 67 per cent on cost of living.³ The crime rate in Zimbabwe was ranked as very low. The country, however, did not do as well on the economy, politics and infrastructure.

Summary

While uneven distribution of wealth has been characteristic of most post-colonial economies, the situation in Southern Africa with particular focus on Zimbabwe, South Africa and Namibia took its own special dimension and characteristics. This book constitutes a continuation and update of my earlier book *Dualism in the Rhodesian Colonial Economy* (1981). The motivation behind the book is to address the structural problem of the distribution of income of the masses in the rural segment of underdeveloped economies, especially as a result of land alienation in the Southern African economies, with special focus on the Zimbabwean settler colonial economy, then known as Rhodesia. The central task of the book is to demonstrate from both theory and empirical evidence that the dualistic economic development was the result of consistent efforts of the colonial governments' economic policies and monopoly power possessed by large-scale operators and employers of labour in the modern sector. The racially determined ownership of land was entrenched in the early twentieth century by legislation which included the Land Native Act of 1913 in South Africa, the Land Settlement Proclamation of 1920 in Namibia, the Land Apportionment Act of 1930 and the Land Tenure Act of 1969 in Zimbabwe. As will be shown in detail in the case of Zimbabwe, the aim was to hold back any prospects of development in the indigenous African economy in order to extract cheap labour from these communities.

As the capitalist mode of production to dominate the economy, positive steps were taken to both reduce the competitiveness of African agriculture and to establish a permanent labour supply from the impoverished indigenous population. A similar and even more robust economic dualism divide took place in the South African case. Thabo Mbeki contends that, on one hand, there was the first economy, the modern economy, producing the bulk of the country's wealth and this first economy was integrated within the global economy. On the other hand, the second economy (also known as the marginalised economy) characterised by under-development, contributed little to the Gross Domestic Product (GDP). The latter economy, contained a big percentage of our population, incorporating the poorest of the country's rural and urban population, structurally disconnected from both the first and global economy, and was incapable of self-generated growth and development.⁴

The current book while re-stating the key positions taken in my earlier publication,⁵ discusses and adds new trends that have taken place since the publication of the earlier volume. The views being developed in this volume will continue to directly affect the politics and development genre of many countries in the African region, at least until the key issues raised in the book have been addressed. The focus is built on the theoretical and empirical foundations of economic dualism in the literature. This is in order to find solutions towards structural transformation, an inclusive social order and sustainable development.

It will be argued in the rest of the book that, the Zimbabwean experience of continuation with the colonial economic dualism is a typical and even 'classic' example of the African post-colonial state's 'normalising the abnormal'. In the Zimbabwean case, the post-independent state has continued with dualistic structures of the economy as a new normal, while loudly blaming colonialism and imperialism for having planted and perpetrated this form of underdevelopment. This social formation, typically of Zimbabwe and South Africa has historically been characterised by an articulation of modes of production – the pre-capitalist and capitalist modes of production. But it is widely agreed that this situation, has to change, however formidable the historical and continued structural disconnection between the modes of production, which best analyses the processes of economic development in these economies.

What this book hopes to do differently, is to show how economic dualism can be eradicated through structural transformation of the colonial entrenched pre-capitalist 'traditional' agricultural sector and creation of conditions for the reallocation of labour across sectors. The book also addresses the wide spread of economic dualism that has in the post-independence period penetrated the economy through the growth of the informal sector.

The key motivation of the book is to change the mind-set of society's tolerance of underdevelopment, and urge the present generation of political leadership, academia and other societal actors to unleash and unshackle the existing economy by liberal economic reforms. Accompanied by structural transformation of the economy, this is expected to lower existing trade barriers and tax rates, and break the post-independent established and enhanced state monopolies. In this way, these economies can be structurally transformed towards industrialisation, competitiveness, and hence open them to regional economic integration and fair trade with the rest of the world.

The foundations of the present study

Economic dualism manifests itself in many ways and is an inherent part of the subject matter of underdevelopment. Economic dualism is still with us and has continued to be so until well into the twenty-first century. The

4 Introduction

subject of economic dualism has been dealt with at length and in various forms in the literature of development economics. It is essential to note that revisiting the subject is not only justifiable but it is essential for our understanding of the binding relations behind the phenomenon of underdevelopment. The term underdevelopment in the relevant literature refers to the generally less favourable indices that characterise the lower level of productive forces of the countries of the Third World – the present day underdeveloped countries. By today's designations some of the countries are in the category of Least Developed Countries (LDCs). The latter term is connected with the theory according to which these countries have fallen behind in the process of their historical development or 'have lost time and tempo, and consequently are now at an earlier, lower stage of general process of growth'.⁶

According to the United Nations the world's most impoverished and vulnerable countries, the LDCs group of countries have been classified as 'least developed' in terms of their low gross national income (GNI), their weak human assets and their high degree of economic vulnerability.

My original and central task of the study was to demonstrate that the dualistic economic development in Zimbabwe was the result of consistent efforts of the colonial government's economic policies and monopoly power possessed by large-scale operators and employers of labour in the modern sector. These forces tended to hold back any prospects of development in the traditional agrarian economy. Policies of land alienation, discrimination and low wage levels in the wage employment sector, unequal provision of capital inputs between the African peasant farmers and the large-scale white farmers as well as discriminatory marketing arrangements in the produce market formed a system of causation that constitutes the interrelationships of dualism. The essential feature of economic dualism in the Zimbabwe is that causation runs from imperfections in the land market to the other factor markets. This results in a downward causation of interlocking components starting from population pressure on the designated African farming lands, land degradation and soil erosion, low productivity, and ending in low and falling incomes per capita both in the rural African areas and in the modern sector. Riddell also emphasised that

the effect of measures taken to restrict the competitiveness of African agriculture together with an increasing population farming a fixed area of land had been that the majority cannot provide enough for the needs of their families and so they are forced to work outside the Reserves.⁷

Teboho P. Bojabotseha recently highlighted that the idea that South African society is characterised by dual socio-economic structures is once more gaining ascendancy.⁸ Its key advocates include the former President of the Republic of South Africa – Thabo Mbeki – and the majority of members of the ANC-dominated judiciary, legislative and executive assemblies.⁹ Like

in the case of Zimbabwe, the dualist interpretation in the context of development is presented as a 'correct' way of understanding reality in South Africa and problems that beset it. In these circumstances, in general there is an irresistible temptation to adopt dualist propositions as they appear to be self-evidently true.

Recent advances in empirical knowledge of underdeveloped economies show convincing evidence that the distribution of income of the rural masses in such economies as well as their absolute standard of living are highly dependent on the degree of concentration of landed wealth. There is also evidence that rapid growth in such enclave economies does not guarantee that those in the bottom deciles of socio-economic strata can improve their relative, or even their absolute position. This is because the economic policies employed have pronounced class bias which tends to disfavour the poor and those who own little property. In the specific conditions of Zimbabwe, this concentration of land-ownership was fostered by land alienation policies of successive colonial governments as well as by racial discrimination by law. The existing stock of assets, especially land resources, was acquired by whites through alienation of the African lands and property, especially African livestock.¹⁰ From the stand point of origin, Zimbabwe's economic dualism has its roots in the land alienation by white settlers. This was buttressed by the subsequent colonial legal system. In general terms, dualism on the social and economic level became entrenched as the enclave economy, i.e. the mining and plantation sector became superimposed on the African pre-capitalistic economy.

As soon as the British Colonial Office realised and had misgivings about the BSA Company's conduct, it set out the 1898 Southern Rhodesia Order-in-Council which required the Company to ensure that sufficient land was set aside as reserves for the Africans' traditional agricultural requirements 'within which the life of the natives might be continued under protection and control'.¹¹ It was under this provision that the first native reserves were demarcated. As will be shown in Chapters 2 and 3, thereafter, a succession of land commissions progressively entrenched the division of land between Europeans and Africans. This created staggering differences between black subsistence smallholders and white commercial farmers. This development conclusively eliminates the sometimes widely held myth in Rhodesia and elsewhere that the African agriculture practised in the post-colonial Reserves from the end of the 1890s to early 1900s, and later to be called Tribal Trust Lands (TTLs) up to the country's independence in 1980 was the 'traditional and continuous farming methods' used before the arrival of the white farmers.

Once inaugurated, the policies of government frequently reinforce particular social structures. This, of course, comes as no surprise 'since governments are part of the society and respond to pressures exerted by those who possess political and economic power'.¹² One major consequence of these pressures manifests itself in the so called 'anti-rural bias'. However, many such policies have a greater stance on a class rather than a locational or

6 Introduction

sector bias.¹³ In the modern era, the class bias of these policies is often seen in the channelling of scarce foreign exchange resources towards well established economic units of the modern sector to the disadvantage of small producers and potential competitors. Similarly, the low real interest rates on loans from the banking system and associated lack of credit rationing policies encourage the adoption of capital-intensive methods of production both in industry and in agriculture. Because of the structure of factor endowments (the amounts of factors of production that the country possesses) in an underdeveloped country and the inferior capacity of the small economic units, notably small farmers, policies tend to be inefficient in terms of allocation of the resources and have a negative impact on equity.¹⁴

This chapter sets out the background of the low and extremely unequal growth of the economy from the colonial to post white settler economies. This has continued to be a subject of interest and focus for scholarly research. In the chapters below we attempt to develop and elaborate the argumentation of how the persistence of dualism was created, and sustained throughout the colonial period to post independent Zimbabwe.

Notes

- 1 For a Standard book on the Zimbabwean geography, see Kay, 1970.
- 2 *International Living Magazine*, 2011.
- 3 *Ibid.*
- 4 Mbeki, 2004:29.
- 5 Ndlela, 1981.
- 6 Szentes, 1976:131; see also Thomas, 1974:25.
- 7 *Ibid.*
- 8 Bojabotseha, 2011:1.
- 9 *Ibid.*
- 10 A figure of 30,000 cattle was entered into the books of the Native Commissioner as representing cattle taken for 'for the use of settlers' before the final distribution in December 1895 in which the British South Africa Company (BSAC) helped itself to an additional 35,000 head. Stigger, 1977:20.
- 11 Palmer, 1977:58.
- 12 Griffin, 1976:5.
- 13 *Ibid.*
- 14 Lipton, 1977:75.

References

- Bojabotseha, T.P. 2011. 'Dualism and the Social Formation of South Africa', *African Journal of Hospitality, Tourism and Leisure*, Vol. 1, No. 3:2.
- Griffin, Keith. 1976. *Land Concentration and Rural Poverty*. London: Macmillan.
- International Living Magazine*. 2011. *Quality of Life Index*, January publication.
- Kay, George. 1970. *Rhodesia: A Human Geography*. London: University of London Press.
- Lipton, Michael. 1977. *Why Poor People Stay Poor: Urban Bias in World Development*. London: Temple Smith.

- Mbeki, T. 2004. 'Meeting the Challenge for the Second Economy', *New Agenda: South African Journal of Social and Economic Policy*, Issue 14, Second Quarter:29.
- Ndlela, Daniel Boda. 1981. 'Dualism in the Rhodesian Colonial Economy', *Lund Economic Studies*, 22, Lund, Sweden: Department of Economics, University of Lund.
- Palmer. 1977. *Land and Racial Domination in Rhodesia*. London: Heinemann.
- Stigger, P. 1977. 'Volunteers and the Profit Motive in the Anglo-Ndebele War, 1893', *Rhodesian History*, Vol. 2:20.
- Szentes, Tamas. 1976. *The Political Economy of Underdevelopment*. Third, Revised and Enlarged Edition, Budapest: Akademia Kiado.
- Thomas, Clive Y. 1974. *Dependence and Transformation: The Economics of the Transition to Socialism*. New York and London: Amazon.

2 The origins of dualism in Zimbabwe

The roots of dualism during Zimbabwe's colonial period

The chapter sets out the roots of dualism on the Zimbabwean colonial economy starting with the country's invasion and disruption of the traditional pre-colonial economy. The chapter provides the background to the main features of the pre-colonial economy – the Gold trade and the agricultural and grazing activities – leading to the origins of the colonial laws that set out land alienations. It also sets the background to the enactment of the Land Apportionment Act of 1930, which became the legal and institutional basis of the dualistic structure of the economy.

Without the understanding and appreciation of Zimbabwe's pre-colonial and colonial economy, many aspects of the present economy will be lost. Most of the characteristics of the contemporary social and economic life in Zimbabwe cannot be adequately appreciated without some knowledge of the society that existed before the advent of the Rhodesian colonialism. It is therefore a good idea to review briefly the development of the 'original' traditional economy before the colonisation of the country.

A great deal of research, particularly during the colonial period, enables us to reconstruct the main features of the social and economic life in pre-colonial Zimbabwe.¹ In this chapter, we will concentrate on how the socio-economic system worked. Within its geographical boundaries, pre-colonial Zimbabwe was a comparatively closed system with its own internal dynamics. The bulk of the people were engaged in the production for subsistence (in agricultural and pastoral activities based on communal ownership of land), and production for exchange. Some long-distance trade, via the East African coast, to destinations as far apart as China, India and Portugal existed.² In this sense, pre-colonial Zimbabwe was already connected with the world economy through the exchange of goods.

Gold trade

The most important traded product entering the international trade produced in Zimbabwe was gold. Gold reef mining that had started by the

twelfth century, continued and developed steadily up to the nineteenth century.³ During a large part of this period, gold constituted the most important export product though it was gradually overtaken by ivory. There were some other export products as well, such as copper.⁴ Though gold mining was restricted to those areas where the ore existed, and though it was limited by the state of technical progress, the Zimbabweans had made remarkable achievements in the field of mining before colonisation during the end of the nineteenth century. This is confirmed by David Beach:

All work was carried out by the Shona village communities, which mined, washed and milled gold and reduced it to a condition suitable for export; thus by the 1840s in the south-west and at least the 1890's elsewhere, they had worked out very nearly all payable reef gold, though it was possible to wash for gold in certain areas after this.⁵

The single most important determining factor in Zimbabwe's colonial invasion and subsequently conquest was in search of the territory's over-estimated gold deposits. Though the much expected gold deposits eluded the expectations of the colonialists, a rich and diversified mineral sector came to characterise Zimbabwe to date. Over 40 minerals are mined, with the number of operating mines reaching between 800 and 900. This situation contrasts sharply with the situation in most African countries. Most mining countries in Africa depend on one single or possibly two or three minerals, dominated by a few large-scale mines, and only a handful transnational companies dominating the industry or there is a large state ownership.

It is therefore not an accident that the political boundaries of Zimbabwe had to coincide almost completely with the geological boundaries of the Zimbabwean Craton and are intersected by the Great Dyke. Both are geological phenomena with large reserves of several economic interesting minerals.

More recent studies have proven that the structural geology of Zimbabwe is dominated by the Zimbabwean craton, cut by the Great Dyke and surrounded by rift valleys in the north and north-west (Zambezi Rift) and mobile belts in the north (Zambezi Belt) and south (Limpopo Belt). The craton is overlain in the north, north-west and east by Proterozoic sedimentary basis.⁶ In geological terms, the craton was formed during the early Archaean (3.6 to 2.5 billion years ago) and consists of granites and gneisses that contain few economic minerals except for vein (pegmatite) deposits near contacts, but the craton also contains economically important schist belts also known as greenstone or gold belts which comprise volcano-sedimentary sequence containing most of the mineral deposits currently exploited. These include the vast majority of gold deposits, the nickel-copper-cobalt deposits, the podium chromite deposits, the iron-ore deposits, numerous limestone deposits, asbestos, etc.⁷

Agricultural and grazing activities

Agriculture and grazing activities were much more important than international trade in minerals and ivory. Though Zimbabweans also relied on hunting and gathering activities the latter were secondary to the reliance upon agriculture and herding which were the primary sources of food.⁸ The method of cultivation consisted of a shifting system of cultivation or a land rotation system. (This was probably the result of accumulated knowledge about the conditions of soil fertility and nutrients so that the 'traditional' cultivators had learned the methods of restoring soil fertility through reverting land to fallow.) Indeed the techniques of deep ploughing and the shift from a 'land rotation system' to a continuous system of cultivation emphasising crop rotation rather than fallow, had disastrous effects on soils lacking chemical properties to sustain continuous cultivation. The new techniques produced inferior yields to those of the African peasants who still had access to shifting cultivation until well after the Second World War 'when the agricultural revolution of manufactured fertilisers, herbicides and pesticides, of efficient motorised machinery and crop strains, finally gave a decisive advantage to large-scale capital intensive production'.⁹

Zimbabwe's modern economy was built upon the land alienation policies that followed the country's colonisation by white settlers organised by the British South Africa (BSA) Company in 1890. Though the primary motive of the colonisation by the BSA Company was the pursuit of rich gold deposits, failure to realise this original dream turned the Company towards the exploitation of land and related agricultural resources. Already by the early twentieth century, African peasant agriculture was being vigorously organised to provide food for commercial settlements, namely mines and urban centres. By the beginning of 1900, three types of land categories were in existence in Rhodesia, reserves set aside for the exclusive use by Africans; land alienated to mines and farms, sometimes occupied, sometimes in the hands of absentee landowners or companies; and un-alienated land that the BSA Company (the settler colonial administration) regarded as its own until the Privy Council decision of 1918 conferred it to the Crown.

Though the division of the land into European areas and African reserves had demarcated following the decision of the 1890 Southern Rhodesia Order in Council, in the early years of the twentieth century, there was no clear policy on the agricultural sector of the Rhodesian colony. But from 1908–1914 a so-called 'white agricultural policy' further launched an attack on the African reserves with the intention of recovering the best land and making it available for European settlement.¹⁰ The hallmark of the BSA Company rule was the enactment of racial discriminatory laws, which set aside the reserves for the exclusive use and habitation by Africans, even though this was against the law that had stated that the rest of the land areas in the colony were open for purchase by members of all races. For instance, the BSA Company refused to sell land to leading Ndebele households who

needed it. The Company also refused to sell land to the Fingo Community (migrants from South Africa who had been invited by Rhodes to settle in Rhodesia).¹¹

As already hinted in Chapter 1, it is not correct that Zimbabwe's problem of dualism emanated from its cultural constraints that prevented land occupied under traditional farming from getting onto the market. The pre-colonial 'traditional' farming system 'consisted of a shifting system of cultivation' described above, not the colonial farming system as prescribed by the African reserves. The primary motive of creating and setting aside reserves was the most important means of acquiring labour from the impoverished African farmers. What followed this pattern was the increasing population farming a fixed area of land that forced Africans to look for work outside the reserves. This became a continuous process as reported by the Chief Native Commissioner by 1923 that movements to the reserves consisted of a continuous stream.¹² At the end of the 1920s, the first reports of the reserves being full were being received.¹³ This was by any other means 'overpopulation' of African people within their allocated territories within the reserves.

In these circumstances, there was no resistance by African chiefs to fight for traditional 'cultural' authority in the Tribal Trust Lands in Rhodesia so that they could allocate lands. As Giovanni Arrighi noted

Native Commissioners or Inspectors of Police called on the various chiefs and headmen, informing the villagers that a certain per centage must work for the white man in return for a minimum wage of 10s. per month as well as board and lodging; these orders were enforced by African policemen who often exceeded their authority.¹⁴

In 1908, the Department of Agriculture was reorganised to give technical support to white farmers. A Land Bank was set up in 1912 with a share capital of £250,000 to make credit facilities available to white farmers only.¹⁵ Bank loans up to £2,000 for the purchase of farms, livestock, and other agricultural equipment were made available to white farmers, and no loans were made available to black farmers until 1945 when the Land Bank initiated a scheme of advancing loans to farmers in the African Purchase Areas (APAs). The APAs was a very small proportion of farm land in the country, occupying only 8 per cent of the total land area in 1961.¹⁶ Because of the alleged lack of collateral security among African peasant farmers, the African reserve farmers were not considered for the Land Bank loans.

The Southern Rhodesia Order in Council of 1898, Article 83, had stated that 'a Native may acquire, hold, encumber and dispose of land on the same conditions as a person who is not a Native ...'.¹⁷ This condition was, however, removed at the recommendation of the 1925 Land Commission, which prepared the stage for the Land Apportionment Act of 1930, and consequently also laid the foundations for a permanent division of the

country into African and European areas. In the period up to 1930 the laws had set aside reserves for the exclusive use and habitation by African local population. The rest of the land areas were open for purchase by members of all races, although in practice this was not always the case.¹⁸

These developments laid the foundations for the permanent division of the country into African and European areas. The Land Apportionment Act was the first legal sanction by Parliament to confirm the BSA Company practice and provide for the areas reserved for whites and blacks. The Land Apportionment Act not only legally sanctioned land alienation policies and the creation of African reserves. It was also used to prevent the African peasant farmer from becoming a competitor to the white settler farmers or plantation owners. In many ways it was also used to impoverish the African peasantry to such an extent that the majority of the adults would be compelled to work for white farmers in mines or farms.¹⁹

African peasant agricultural production thus was severely curtailed. During the 1920s a given African labour effort in the produce market gave a lower return than 20 years earlier. Whereas at the beginning of the twentieth century African produce sales accounted for 70 per cent of their total cash earnings, by 1932 the figure had fallen to 20 per cent.²⁰ A stagnant peasant agriculture within the framework of dualism in the economy had emerged as a result of the black peasant farmers being increasingly evicted from the more-fertile lands and from the areas within easy reach of markets. The discriminatory and dualistic political and economic framework developed during the previous periods, especially with regards to land policy, was further entrenched under the Native Land Husbandry Act of 1951. When the Land Apportionment Act of 1930 was superseded by the Land Tenure Act of 1969, all the main provisions of the former were confirmed.

The development of a specific policy on agricultural prices was triggered by a deep slump in Rhodesian cattle and maize prices that occurred in 1921–1923. This slump had far more devastating effects than previous economic depressions. In 1920, the African grain sales to ‘white’ traders was estimated at 19,800 tonnes²¹ at 10s per bag. By 1921 the average price had fallen to approximately 5s per bag, at which prices sales of grain became uneconomic in many districts. As a result, and notwithstanding the bumper harvest that year, only 43,000 bags (4,300 tonnes) were purchased from African peasant farmers, a drop of 78 per cent in sales.

A similar reduction was reported in sales of African cattle. From an estimate of at least 20,000 head of cattle sold in 1919 at prices in the order of £7 to £8, by 1921 the demand for African cattle had declined and practically ceased to exist. The trend of decline over time was spectacular. At the beginning of the century, 70 per cent of Africans’ total earnings came from produce sales, but by 1932 it had fallen to 20 per cent. This change was not just a cyclical phenomenon but rather a ‘deep-seated’ structural change based on the development of policy and institutional changes that had taken