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Barak H. Obama read his economics at Harvard University. He is currently in Nairobi working for his doctorate, His dissertation is on "An econometric model of the staple theory of development." His is one of the critiques picked among the many received in the Journal office of the Kenya's Sessional Paper No. 10, on African Socialism.

## Another Critique of Sessional Paper No. 10

## Problems Facing Our Socialism

BY BARAK H. OBAMA

Since many of the African countries achieved their independence there has been much talk about African Socialism. over, there has been no individual or country which has at any time defined this socialism nor has there been any common ground among the leaders as to what they meant when they talked of African Socialism, Where, then, could we look for the definition of this "ism"? If it is accepted that it is the leaders of a country who usually formulate and define ideologies, then the only source for this definition would be to get it from them either through their speeches, press reports or papers or through their actions. So far the statements made by such leaders as President Nkrumah, Nyerere, Toure etc., have not had much in common. Likewise, the actions of these leaders while diverting a little from the capitalistic system have not by any means been directed towards any particularly definedideology, be it scientific socialism — inter alia — communism.

As a first step, the Kenya Government must be congratulated for it has tried to clarify the situation in so far as it is possible to do so in the light of its planning needs. It not only specifies the objectives by which this country should be guided, but states the policies through which it hopes to fulfill these objectives. It also sets out targets, taking into account the priorities and shows ways by which to achieve these targets. The paper goes further to deal with matters of wide The statement about non-alignment is for the first time explicitly expounded and one cannot help but be happy that those who wrote this paper realized the importance and the great urgency of this policy statement. The paper realizes that, as is true of any country, we must encourage international trade, foreign investments etc., since it is

through these that we can hope to get the foreign exchange which we so desperately need for the purchases both of capital goods and consumer goods which we cannot produce locally, thereby enhancing development.

On population growth, the paper notes our high rate of growth and recognizes that this factor can be very detrimental to growth. The paper recognizes the detriments and adverse repercussions which nationalization can have on growth in this country. The policy of the government in this paper is to try to raise per capita incomes. This, it recognizes it can only do by getting high rates of growth and to achieve this high rate of growth there must be a high rate of capital accumulation. The government then tries to spell out means by which it intends to encourage accumulation and this is most important for development. It should be hoped that the government shall find the means by which it intends to achieve these objectives.

The title of the paper is given as "African Socialism and Its Applicability to Flanning in Kenya". One would wonder whether the title is not misleading. Is it Kenya Socialism that we are talking about or African Socialism?

One would have been pleased to see African Socialism defined and how Kenya fits into this definition, and an indication of those characteristics in which Kenya is unique before one can think of the applicability of this definition to Kenya. The part which deals with the applicability can be excused in so far as the planning is taking place in Kenya, hence it has to be done within Kenya's peculiar and unique conditions. But this would mean that we have defined the larger context i.e. African Socialism and that our plans. while having points of variance, do not diverge so much from the defined context. Not only would we question the ideology as undefined, but we may find reason to question the pattern of the plans as to whether they follow the condition prevailing within the country and their practicability.

The applicability of planning within the embryo of African Socialism, while essentially an economic matter, cannot be divorced from the politico-socio-cultural context in which we find ourselves and as such we should not ignore these factors as seem to have occurred in the Sessional Paper No. 10. To

avoid jumping the gun, however, I wish to follow step by step what has been included in the paper and analyze each point sequentially.

The first part of the paper deals with wide topics such as the objectives of societies. The paper states that there are universal desires of societies and these include political equality, social justice, human dignity and freedom of conscience, freedom from want, disease and exploitation, equal opportunities and, lastly, a high and growing per capita income and equitable distribution. While one may question the universality and precedence of these ideals in all societies, let us assume that we take these as our ideals and objectives in Kenya and assume that as is said in the paper we want to satisfy these objectives within the context of African Socialism.

We have noted that African Socialism is We note also its independence from foreign ideologies, but this is not a positive description of an idea. It says that it abhors foreign ideology, but what foreign ideology is meant here? Does what occur in Ghana, Tanzania, Great Britain or the U.S.A. considered foreign? When looked at in this angle one immediately notices the first mistake viz., not defining African Socialism so as to embody a cross-section of Africa as the paper by its very title purports. It would have been more clear and logistic to define African Socialism and then state its independence. After all, how can one talk of the independence of something people do not know?

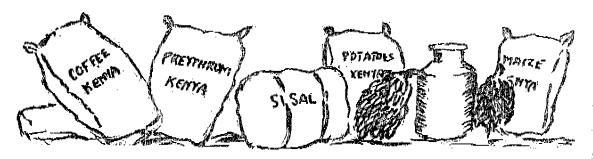
We then have a short description of African traditions and what these traditions imply within contemporary society; yet the interrelations which this bears to what follows is lost. This does not lead to any basic factors. As an example, the African tradition is fundamentally based on communal ownership of major means of production and sharing of the fruits of the labours, so expended in production, to the benefit of all; and yet the paper advocates land title deeds and private ownership of land — a major means of production. How do these two conflicting factors reconcile.

Paragraphs 13 and 14 attempt to define African Socialism. Yet even these paragraphs are incomplete as the very definition is lacking. In fact, one wonders how the statements made here differ from scientific socialism unless one takes the statement "society in turn will reward these efforts" to be different from "reward to each according to his needs." Certainly, the principle is the same. It is only in the manner the principle is fulfilled that may differ, but this is true in every case that applicability of ideologies have to be in accordance with prevailing circumstances.

If one says that the African society was classless as the paper says, what is there to stop it from being a class society as time goes on? Is what has been said in the paper, if implemented, enough to eschew this danger? It may be true that African traditions had no parallels in European Feudal society so that the problems arising there may not arise here, but can one be as blind as not to see that all through the colonial period this same class

It is interesting to note that the paper recognizes failures of both Marxian socialism and laissez-faire in solving these problems, yet recognition only leads to trying new means of doing things and it is a fat cry to say that the blueprint put in the paper will enable us to solve them. It is basically passive rather than active as I shall come to show later.

The paper thus goes into foreign relations. It is a tautology to say that we want to be independent of other countries since every country has always wished this. It would have been more important to talk of how we intend to break our dependence on other countries politically and economically, since this is fait accompli. It may be true that this is still the case because of our lack of basic resources and skilled manpower, yet one can choose to develop by the bootstraps rather



distinction was transplanted here?

Can one deny that the African, while not pleased with the system, did not covet the high place given to the European and Asian? Can one deny the fact that we Africans have likewise started the same thing and that we have the haves and have-nots, which are poles apart, both in the living surroundings, social contacts, and language? How then can we talk of different causes to the same problems when we should be talking of how to correct them? Certainly it is solutions that we are interested in and one cannot say that solutions cannot be the same where causes are different. The question is how are we going is how are we going to remove the disparities in our country such as the concentration of economic power in Asian and European hands while not destroying what has already been achieved and at the same time assimilating these groups to build one country?

than become a pawn to some foreign powers such as Sekou Toure did. While the statement of the policy of non-alignment is good and encouraging, one would wish to see it put into practice.

Let us examine the operating characteristics of African Socialism as put down in the paper. Here the paper goes into use and control of resources. The first statement conperns conflict of opinion on attitude toward landownership. It is true that in most African societies the individual had sole right as to the use of land and proceeds from it. He  $\mathrm{did}_{i}$ however, own it only as a trustee to the clantribe or society. He could give it on loan to someone outside the tribe to use, but he had no right to sell it outside the tribe. In fact, most of our wars were flought because of land. How then can there be a conflict of opinion on communal ownership? The paper should have made this point quite clear. The

paper on the other hand leaves the question there and only plunges into the use of resources. How can one talk of use, whether proper or improper, before one defines the owning unit and the rights thereof? It is true that proper uses of resources are of paramount importance if we are going to increase both productivity and per capita incomes, but we cannot deal with this unless and until we deal with ownership and within the African socialistic system.

The paper goes further to say that these traditions cannot be caried on Indiscriminately in a modern, monetary economoy. This curious. unless the paper means that what is produced communally is unschable. The paper says that because of credit requirements there has to be land titles and registration. If this is the case, must these land titles and registrations be done on individual ownership? Does it mean that co-operatives cannot be registered or that what is owned in common cannot have title deeds? Is communal ownership of land m /incompatible with land consolidation? It is surprising that one of the best African traditions is not only being put aside in this paper but even the principle is not being recognized and enhanced. It is true that mismanagement can occur both in private as well as in public ownership, but we ought to look at the matter within the social context. Looked at this way, we can avoid economic power concentration and bring standardized use and control of resources through public ownership, let alone the equitable distribution of economic gains that would follow. One need not talk of state ownership of everything from a small garden to a big farm. One need only look at the problems now encountered in getting lands consolidated in some areas. Will this be easily done through individual action, through co-operatives or through government ownership? Realizing social stickiness and inflexibility and looking at the society's distrust of change, one would see that, if left to the individual, consolidation will take a long time to come. We have to look at priorities in terms of what is good for society and on this basis we may find it necessary to force people to do things they would not do other-Wise.

Would it not seem, then, that the government could bring more rapid consolidation

through clan co-operatives? Individual initiative is not usually the best method of bringing land reform. Since proper land use and control is very important if we are going to overcome the dual character of our economy and thereby increase productivity, the government should take a positive stand and, if need be, force people to consolidate through the easiest way, which, I think, would be through clan co-operatives rather than through individual initiative. If one were to suppose that the state is an instrument of society and if the society regards growth as well as the cor-\ rection of the lopsided development which has characterized this country as important. then, the society, through the government, which is its instrument, should enforce means /by which this growth and change can be brought about. This is not incompatible with the objectives enumerated in the first part of the paper. If the government should, however, feel that individual ownership is the best policy to take in order to bring development, then it should restrict the size of farms that can be owned by one individual throughout the country and this should apply to everybody from the President to the ordinary man.

On class problems, the paper states that since there was not such a thing in Africa, the problem is that of prevention. This is to ignore the truth of the matter. One wonders whether the authors of the paper have not, noticed that a discernible class structure has emerged in Africa and particularly in Kenya.! While we welcome the idea of prevention, we should also try to cure what has slipped in. The elimination of foreign economic and political domination is a good gesture towards this, so are plans to develop in order to prevent antagonistic classes. But we also need; to eliminate power structures that have been built through excessive accumulation so that\ not only a few individuals shall control a vast. magnitude of resources as is the case now. It is a case of cure and prevention and not prevention alone. The paper says that the principle of political equality eliminates the use of economic power as a political base. It is strange that the government can say this when, wherever we go, in America, in Africa, in Europe, the dollar, the proud and the mark have been used as political weapons despite professed ideologies. It is good to be optimistic, but

so long as we maintain free enterprise one cannot deny that some will accumulate more than others, nor is it unlikely that in a country with low per capita incomes, to subject the poor into submitting to political ideologies and to persuade them to vote for those who offer them money, would not be difficult and has, in fact, been occurring.

We then turn to foreign investors. Here the paper outlines how foreign investors can take an active part in the development of the country and outlines areas of social responsibility in which they can take part. These are: making shares available for Africans, employing Africans on management levels "as soon as qualified people can be found and providing training facilities for Africans". Noble as these objectives are, one cannot fail to see that the government is not committed to any specific and active policy in guiding foreign investors i.e. foreign commercial firms to integrate themselves within the Kenya economy.

It is true that we do not have many people qualified to take up managerial positions in these enterprises nor those who could participate intelligently in policy-making functions. But this is not to say that there are none. At present, many highly qualified Africans are employed by commercial firms and are given very pompous titles. This is done only for publicity. If one were to go into the workings of these companies, however, one would find that they actually have no voice in the companies which give them these high titles. Key positions should be Africanized. They are given public lations work which is the only high position an African has held in commercial firms and this is understandable, or they are made directors in name but lack knowledge about the company's workings so that they are rubber stamps of what is decided. How can this go on with the government's knowledge without her taking a positive stand by seeing to it that real Africanization is taking place? Certainly foreign commercial firms are not going to push this enough unless the government takes a positive stand.

It is "strange" to note that some of the very big commercial firms deal in some products which are the lifeblood of this country but without the people of this country taking

an active part in the formulation of policies thereof. If some of these firms were to stop functioning today the country would be at a standstill. Let the government take an active part in these spheres and see to it that the people are actively represented in them. It is true that there is lack of skilled manpower in the country, but I would rather that the few we have were properly used for the benefit of the country by giving them responsible positions in commercial firms as is being done in public bodies. The government should not only talk of training those who are not yet qualified but should also see to it that those who are qualified are given opportunities to do something for the country. It is strange to talk of lack of skilled manpower when the few who are available are not utilized fully.

The paper wishes to encourage domestic accumulation. This is a good gesture except for the underlying assumption which one only reads between the lines, that it is individual private enterprise and business that tends to encourage accumulation. True, in the paper There is a realization that taxation can be used as a means of forced saving, but it is given a secondary place in this respect. Certainly there is no limit to taxation if the benefits derived from public services by society measure up to the cost in taxation which they have to pay. It is a fallacy to say that there is this limit and it is a fallacy to rely mainly on individual free enterprise to get the savings. How are we going to rid ourselves of economic power concentration when we, in our blueprint, tend towards what we ourselves discredit? In paragraph 47 the paper states that the company form of business organization is a departure from the direct individual ownership typical of Marx's day, Yet one who has read Marx cannot fail to see that corporations are not only what Marx referred to as the advanced stage of capitalism but Marx even called it finance capitalism by which a few would centrol the finances of so many and through this have not only economic power but political power as well.

On the subject of application of African Socialism to planning in Kenya, the emphasis is put on economic growth. While recognizing the importance of growth, one can emphasize it to the detriment of other objectives.

We should not only put all our efforts on growth, but should cover a wider subjects which is development. We can have a high rate of growth economically and yet not develop both economically, politically and socially. A paper such as this one, produced by the government, which should be and is a blueprint of the country's policies, cannot confine itself to mundane and picayune factors when it ought to deal with development which includes growth. Surely this is the more encompassing subject which the paper should have dealt with fully.

I am glad this paper notes what we are short of and seeks ways to correct these shortages. Yet recognition of what we are short of is not the realization of why we are short of them nor how we can remedy these shortages. To say that per capita incomes are low is a thing that any man can see. Likewise, to say that we are short of domestic capital because of the low rate of saving is a tautology. The reasons are that the majority of the populace have such a low per capita income that it is almost impossible

foreign aid and assistance. Is not this the reason the government should tax the rich more so as to generate high tax surpluses?

Theoretically, there is nothing that can stop the government from taxing 100 per cent of income so long as the people get benefits from the government commensurate with their income which is taxed. Assuming that development and the achievement of a high per capita income is a benefit to society as a whole I do not see why the government cannot tax those who have more and syphon some of these revenues into savings which can be utilized in investment for future development, thereby reducing our reliance on foreign aid.

The paper notes lack of qualified and skilled manpower. Training must be expanded so that our already qualified manpower can gain the experience to participate fully in advancing development while the unqualified. Through some of the statistics given on paragraph 62 one can see what we have and what we lack in terms of skilled manpower and the period it takes to train it. It



for them to save. There is a small minority of people and worse still, on a racial basis, who have high incomes and who can afford to save, but no country can afford to rely on one group or a small segment of society / to do all the saving. Nor is all of this savings. being invested in this country. Some are sent abroad in the form of dividends and for many other reasons. What is more important is to find means by which we can redistribute our economic gains to the benefit of all and at the same time be able to channel some of these gains to future production. This is the government's obligation; it should have come out with a plan in the paper to achieve this. The government recognizes that each pound saved can generate three pounds in both

is, in fact, quite an achievement that the government has done so much within a short time. Yet one sometimes wonders why, despite these facts, the government sometimes refused some scholarships which are given to Kenya students, and is fussy in deciding those who can go abroad and those who should study in our East African universities. Are we looking at a gift horse in the mouth when we refuse scholarships?

It is important that we should give priorities in training to what we lack most, but this does not mean that we have to stop people from going to study abroad just because they are not going for what we want them to study, particularly when no one applies for what we

want our people to study. It should be realized that one person who goes out to study leaves a chance in our universities for another person who would not otherwise have had the chance. It is the reason why we should not be so choosy in what we get in terms of scholarships. In fact, sooner or later we are going to wish we did not turn down some of the scholarships which we have been offered and that we had not been so choosy as to discredit those who have offered us those scholarships.

While it is true that Kenya does not suffer from foreign exchange shortages right now, we cannot say that we will not suffer from it in the near future. We should take measure to encourage more import substituting industries and have selective controls with high preference being given to captlal goods purchased from abroad. A form of import licencing ought to be introduced which will only look at the goods imported in terms of their contribution to growth and development, unless they are things that we do not produce ourselves. In this way we will be able to make full use of foreign exchange which we can earn through our exports while at the same time satisfying the needs which we cannot satisfy locally.

Coming to critical issues and choices, it is surprising that no general mention is made of the dual characteristic of our economy. How can we afford to ignore the pockets of this economy which are underdeveloped without some positive statement about their development. In Kenya the colonial government only developed the so-called white areas. Thus we find that the central province, some parts of the Rift Valley and some parts of Kericho are developed, in farming, roads, water systems and the like when most of the former' African reserve areas are eking a living on poor areas without even good road works to serve them. How are these areas going to be monetized and bring development when we do not even have the infrastructure on which development depends unless the government takes a positive stand and does something to correct this lopsided way of development.

The government talks of dealing only with areas where the returns out of any development programme are ostensible. But surely

the returns are low only because these areas are and were undeveloped in the beginning, Must we be so short-sighted as to look only into intermediate gains when these areas are rotting in poverty? In these areas we find a lot of disguised unemployment which, if We were to plan sensibly, could be utilized to the benefit of society. The government says that people who come into the cities in search of jobs should return to the land and farm it. This would have been more sensible if they had a land worth farming. I wonder whether the government really means that a family can live on an acre of undeveloped If these people come out in search of work, it is because they cannot make a living out of whatever land they have had. It is because these lands are undeveloped, it is because these lands are poor and it is because their marginal productivity is zero. In fact, their return to the land is only to stop them from contributing to increased output since those who remain on the land produce the same amount of product as when those who come out are also on the land. this the reason why the government should find projects either in the cities or in rural areas which could absorb them? curious thing that the government does not recognize these facts in its policy paper.

There is a statement made on nationalization. True there are cases in which nationalization is bad, but there are, likewise, quite a few benefits to be derived from it. On this subject, I would like to refer the authors to Prof. Bronferbrenner's work on the "Appeals for confiscation in Economic Development". Nationalization should not be looked at only in terms of profitability alone, but also, or even more, on the benefit to society that such services render and on its importance in terms of public interest. If we were to look at these things purely on profitability, then the railways would not have been nationalized worldwide since it is the least profitable so that in all countries it is subsidized by government. There is also a statement that nationalization will apply to African enterprise. How can we talk of nationalizing African enterprise when

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such enterprises do not exist. If we are going to nationalize, we are going to nationalize what exists and is worth nationalizing. But these are European and Asian enterprises.

One need not be a Kenyan to note that nearly al commercial enterprises from small; shops in River Road to big shops in Govern / ment Road and that industries in the Industrial Areas of Nairobi are mostly owned by Asians and Europeans. One need not be a Kenyan to note that most hotels and entertainment places are owned by Asians and Europeans. One need not be a Kenyan to note that when one goes to a good restaurant he mostly finds Asians and Europeans, nor has he to be a Kenyan to see that the majority of cars running in Kenya are run by Asians and Europeans. How then can we say that we are going to be indiscriminate in rectifying these imbalances? We have to give the African his place in his own country and we have to give him this economic power if he is going to develop. The paper talks of fear of retarding growth if nationalization or purchases of these enterprises are made for Africans. But for whom do we want to grow? Is it the African who owns this country? If he does, then why should he not control the economic means of growth in this country? It is mainly in this country that one finds almost everything owned by the non-indigenous populace. The government must do something about this and soon. For these reasons, all paras, 80, 81, 82, 83 and 84 in this sessional paper are unfortunate in that they did not state the problem clearly and come out with possible solutions.

The paper touches on recent demographic trends in this country and says that the population is growing at the rate of 3 per cent per annum or more. True this is a high rate of population growth, but we have to look at it in terms of the population base and the area of Kenya. Surely we are not an overpopulated country. We have vast areas which are lying idle or sparsely populated or which could be inhabitable if irrigation and proper projects were to be under way. We cannot only absorb three times the population we have now but even more with proper planning. Further, we should not only look at the population as consumers of goods and services, but also as producers of these goods and services. If we realize this then we should not be worried about the rate of growth of population. All we need to think of is to plan properly and find projects, given priorities, which will absorb this populace. In this way we will not only be able to absorb the rising population growth, but also the overwhelming disguised unemployment.

On the question of priorities, there is nothing more demanding and important now than the consolidation and proper utilization of land in the former African areas. After consolidation, we should introduce modern farming methods. Consolidation will add relatively little to output upless productivity is increased and productivity can only be increased if the old methods and tools of production are abandoned. It is the more reason we need modern methods of production, and on this respect the government will have to play an active part, through the purchase and loaning of more small machinery and intensifying the training of people on how to use them in their lands and teaching them intensively ways of rotation of crops, grazing and prevention of erosion. Further there will be a need for more model farms run by the government as example. The government instead of worrying with the settlement schemes should have started with this in the beginning.

There is a statement in the paper about encouraging tourism. It is surprising that the government thinks only about lodges but not about making it cheap so as to include those who are not so rich. At the present time, the cost of living is too high for tourists. The hotels charge exhorbitant rates and there are no price controls so that only the very rich can afford to come to Kenya as tourists. How are we going to encourage tourism and on a wide basis if we make it too expensive for the middle-class people? The government ought to do something about this.

Despite my remarks, it is laudable that the government came out with the paper. But this is not to deny the fact that it could have been a better paper if the government were to look into priorities and see them clearly within their context so that their implementation could have had a basis on which to rely. Maybe it is better to have something perfunctorily done than none at all!