

# Hunger and Farming in Black South Africa

by Frank Vorhies

**A**frica has some of the hungriest people on earth. In nations like Ethiopia and Mozambique, the human suffering is overwhelming. The African people are also among the least free people in the world. There are virtually no democracies on the continent. There is also generally no economic liberty. Simply stated, Africans starve because they do not have the freedom to grow or trade for the food they need to eat.

This essay focuses on black farming in South Africa. It is written in light of an emerging political and economic understanding of poverty and hunger in Africa. As noted, free people are generally not hungry. They do not starve. The question for Africans is: Why are they not free? Why do we not see African nations that are democratic and capitalistic?

The emerging view of the problem can be called a revisionist understanding of the impact of European colonialism on African development. The Marxists have long blamed the plight of Africa on colonialism and neo-colonialism. They are partially correct, but for the wrong reasons.

Africa is not starving because Europeans imposed alienating and exploiting relations of capital on the African people. Africa is starving because colonialism prevented capitalism from flourishing.

The goal of most colonial systems was not to produce, but to take. The classic examples are

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the Spanish in Inca Peru and Aztec Mexico. The Spanish conquered these peoples to extract their wealth, especially their gold. Centuries later, the Europeans went into Africa for the same purpose. The one major exception was the Afrikaners, people of Dutch, French, and German descent who came to the Cape of Good Hope to settle and to produce.

In economic terminology, the European colonialists were rent-seekers, not profit-seekers. They came to take a big slice of the African pie, not to bake more pies. They came to take and not to stay. Accordingly, the Europeans set up structures of government that maximized their ability to extract the wealth of the continent. They set up political and economic systems of rent-seeking, not profit-seeking.

When independence came to Africa starting in the 1950s, the new African leaders took over the existing structures of government. These structures had been designed to extract rents for those in power. They were not designed to promote profit-seeking activity. European colonialism was replaced by African neocolonialism.

Into this situation entered the Marxists. Following Lenin's flawed concept of capitalist imperialism, they labeled colonialism as part of capitalism. In fact, colonialism was part of the pre-capitalist system of mercantilism. Nevertheless, the Marxists, with international support, replaced so-called capitalist colonialism with African socialism. The results have been disastrous.

In Africa today, the hunger brought about by European colonialism has in many nations been replaced by the starvation brought about by



African Marxism. Angola, Ethiopia, Mozambique: they are all Marxist. Their peoples are starving. Within South Africa itself, the same problems and challenges exist. Hunger stemming from European colonialism persists. Starvation from the global effort to instill African socialism in the nation is a real possibility.

### **Farming in South Africa**

The Republic of South Africa covers less than 4 percent of the African continent. Yet the country produces 17 percent of Africa's red meat, 20 percent of its potatoes, 27 percent of its wheat, 31 percent of its sugar, 45 percent of its corn, 54 percent of its wool, and 81 percent of its sunflower seed. The government's Bureau for Information proudly boasts of South Africa's significant agricultural exports: "Today South Africa is one of

only six net food exporting countries in the world. . . . South African food exports have become a lifeline for many countries in Sub-Saharan Africa."

With such impressive statistics, why should one focus on hunger in South Africa? Its agricultural output is indeed impressive. By African standards, malnutrition and starvation are low. The average daily food consumption is 117 percent of the U.N. Food and Agriculture Organization's recommendation. Though average levels of agricultural output and nutrition may be high, the variations are also high. The wealthiest 10 percent of households earn 39.4 percent of national income. The poorest 20 percent earn only 1.9 percent of national income. By comparison, the U.S. shares are 23.3 percent and 5.3 percent, respectively.

Hunger exists in the black regions of South

Africa. These regions are the legally separated tribal reservations or homelands ("bantustans"). The four independent homelands are Bophuthatswana, Ciskei, Transkei, and Venda. The six so-called self-governing homelands are Gazankulu, KaNgwane, KwaNdebele, KwaZulu, Lebowa, and Qwaqwa. The government has assigned approximately 40 percent of the 33 million people in greater South Africa to these districts. The additional 30 percent of the population that is black reside in the four (white) provinces: Cape, Orange Free State, Natal, and Transvaal.

## Early Black Farming

Leon Louw and Frances Kendall begin their best seller, *South Africa: The Solution*, with a chapter called "Black South Africans: Their Rise and Fall." It reviews the early successes of the black farmers in the eastern Cape. Under British colonial rule, these farmers were allowed to own land and to market their products freely.

One of the more interesting stories is of the Mfengu people. In the 1830s, the governor of the Cape Colony allowed the 16,000 Mfengu to settle with their 22,000 cattle in the area now known as the Border Region. He used them as a buffer between the Xhosas and the British settlements, including Port Alfred and Grahamstown. The Mfengu took advantage of their new opportunities and developed into a prosperous farming community. Louw and Kendall explain:

On arrival . . . they entered agricultural service as cattle herders and shepherds, and were engaged in tilling, ploughing and reaping. . . . They used their wages to invest in sheep, wagons and tools, and were rewarded with land for fighting in the Cape Army. . . . By the 1840s and '50s they were selling tobacco, firewood, cattle and milk and disposing of surplus grain for cash or stock. . . . By the 1870s, black farmers in the Eastern Cape were extremely active and prosperous. The Mfengu competed against white farmers at agricultural shows and won many prizes. . . . By 1890 there were many progressive black commercial farmers who had purchased their farms outright. They invested much of their profits in fences, irrigation and improved stock breeds, and adopted the most advanced farming methods of the

time. . . . By 1890 there were between one and two thousand of these affluent black commercial farmers.

Like most colonized peoples during the last century, the Mfengu lacked political rights and civil liberties. They were, however, granted basic economic rights. The success of these early black farmers was due to a guarantee of private property and a free market.

Regrettably, the development of a free market for black farmers in South Africa did not continue. A prosperous, independent black farming community did not fit with the development plans of British colonialism. These plans included white-owned, black-worked farms and mines.

European colonialism had been successful in the western Cape, as in North America, because the indigenous population was easily eliminated. In the eastern Cape, however, the blacks were more sophisticated herders and small-plot farmers. If British colonialism was to expand there, black advancement would have to be halted. Private property and free markets would have to be taken away. Tribal land tenure would have to be reinstated.

Through a series of Location Acts passed in 1869, 1876, and 1884, the colonial government limited the rights of the independent black farmers. This was done to force them to work on the white-owned farms and mines. An empire requiring cheap black labor could not allow for independent, prosperous blacks.

In 1894, Cape Prime Minister Cecil Rhodes limited the land that each black farmer could own to ten acres, an amount barely sufficient for subsistence. In so doing, Rhodes protected white farmers from black competitors and secured a labor force for his mines.

At the turn of the century, over a million blacks were farming their own land or land leased from whites. The 1913 Land Act put an end to this by outlawing rent-paying and sharecropping farming by blacks. Blacks were required to be wage-laborers for white landowners. In the name of the British crown, the colonial government closed the free market to black South Africans.

Years before the 1948 rise of the National Party and official apartheid, blacks had lost rights of private property and free trade. Apartheid went

further. It divided South Africa into the ten tribal homelands. The State based these on traditional tribal lands and on the reserves instituted under British colonialism. The homeland governments imposed inefficient tribal customs regarding property and trade. These were further supported by the restrictive rules and regulations originally set up by the British.

The division of South Africa into white and black areas, however, had virtually been completed by 1936. The Land Act of 1936 completely outlawed black purchase of white land. During the 1960s, blacks still owning land in white areas were forced to move. Today blacks still cannot own land in more than 85 percent of greater South Africa.

In the white areas, whites own their property outright. They can buy and sell land on the open market. In the black areas, land is allocated on a tribal/colonial basis. Under tribal/colonial law, the land available to blacks is commonly not available as private land.

The effect of the lack of private farm land and of free agricultural markets is persistent hunger and poverty. Tribal chiefs allocate land for political, not economic purposes. Farming for profit is virtually impossible. Writing in *Land and People*, David Cooper explains:

In most areas landholding is based on a one-family one-plot system, with land allocated by the Tribal Authorities. . . . Since chiefs and headmen control the system and get their power and privilege from the right to allocate land, they feel no need to find a more productive system of land-use. . . . A few individuals grow crops for market, but most people produce for the home and sell only if they have a surplus. No organised market exists in most of these areas, so there is no incentive for people regularly to produce a surplus.

The inefficiencies of the tribal/colonial land tenure are not unique to South Africa. In neighboring countries, there exist similar systems of land tenure with similar disastrous results. Agricultural output in southern Africa, as in the rest of Sub-Saharan Africa, remains far below potential. Unique to South Africa is the continuation of an inefficient tribal/colonial land system for blacks alongside a system of private ownership for whites. Tribal/colonial land tenure and the

Group Areas Act of 1950 prevent the development of a system of private property for blacks. Productive, commercial black farming is still not possible.

## The Socialist Position

The tribal/colonial system of land tenure has broader implications than low black agricultural output. The system reinforces the socialist view of political-economic relations in South Africa. At the English-speaking universities in South Africa, including Cape Town, Natal, and the Witwatersrand, extensive research programs study agriculture from a Marxist perspective.

South African socialists view the tribal/colonial system that has existed since the days of Rhodes as part of the overall capitalist system. It insures that the (black) workers remain dependent on (white) capitalists for their livelihood. Agrarian problems are viewed as an integral component of capitalist exploitation.

With this perspective, Marxist scholars research issues such as freehold tenure, the moves toward democracy, and the prospects for socialism. For example, in the December 1987 issue of *Africa Perspective*, J. Krikler contends that agriculture is the "weak link in South African capitalism." Breaking that link is believed to be key to a socialist revolution.

Others contend that so-called bourgeois reforms will not improve the conditions of blacks. They maintain that attempts to bring about private ownership and free markets in black farming will make conditions even worse. This view is clearly stated in a recent issue of the *South African Review*:

The establishment of a "free market" in bantustan land will have devastating consequences. Relations in the market are inherently unequal. The abolition of regulatory controls in favour of market forces are inherently unequal. . . . The privatisation of bantustan land based on free market principles will lead to an escalation of landlessness and an intensification of poverty and inequality in access to economic resources.

The socialist analysis of the agrarian problem in South Africa leads to proposals to socialize agriculture. Rather than advocating a move from

the tribal/colonial system to a free market system, the Marxists label the tribal/colonial system capitalistic. Private property reforms will only make matters worse, they claim. Black farming will be improved only through moving directly to socialism.

Socialism means nationalization of agricultural land and the central planning of agricultural production. Krikler contends that: "Expropriation without compensation remains the only feasible first step towards socialism in rural, as in industrial, South Africa." Once the land is seized by the State, it will be managed according to well-established socialist principles. Writing in *South African Review*, David Cooper emphasizes this point:

The productive core controls so much production because it owns such a high proportion of agricultural land and capital. Leaving the periphery with its poor land base and limited resources to provide for the majority of rural South Africans, will in effect extend the bantustans without substantially changing the pattern of poverty found there at present. . . . It will be essential to tap the resources of the productive core for any land redistribution policy to succeed. . . . An expropriation policy must therefore concern itself with the organizational forms—collectives, state farms or cooperative ventures—that will be appropriate in the productive core. Such a policy would involve intensive settlement of people from unviable areas.

The South African socialists, however, are surprisingly utopian about socializing agriculture. One effect of sanctions against the country seems to be that of isolating them from learning about the experiences of socialist countries. The historical record of collective farming shows it to be a dismal failure.

A direct transition from a tribal land tenure system to a socialist system took place in China. Mao's program differed from Stalin's collectivized farming only in that it was even more disastrous. Alvin Rabushka explains:

. . . Mao Zedong launched the most extraordinary economic adventure the world has ever seen—the Great Leap Forward of 1958. He combined agricultural cooperatives into com-

munes. . . . The government confiscated private plots, abolished rural free markets and distributed grain on an egalitarian basis. To Mao's dismay, grain output fell 20 percent in 1960 from 1957 levels, causing widespread famine and an estimated 30 million unnecessary deaths during 1958–1962.

Socialist policies that cannot work in Europe or in Asia also cannot work in Africa. The so-called African socialism in Tanzania destroyed that nation's agricultural economy. Before socialism, Tanzania had a strong agricultural sector. Over 80 percent of its exports were agricultural products. Socialist policies soon changed this. Sven Rydenfelt writes:

By 1979, five years after the enforced resettlement, domestic agricultural production in Tanzania was already incapable of providing the cities with food. Imports had to be increased to compensate for declining production, and in 1980 no less than half of the food needed by Tanzania was being imported. A decade of socialist agricultural policy had been sufficient to destroy the socio-ecological system.

The hunger perpetuated by the tribal/colonial land tenure system is surpassed by the mass starvation perpetuated by socializing agriculture. The continuation of an unproductive homeland policy supports Marxist analyses of the South African situation. In so doing, it also suggests a utopian movement that will make matters even worse. The prevention of mass starvation requires instead a reformulation of South Africa's agricultural policies to include productive black farming.

## Black Market for Farming

The solution to the low productivity on black South African farms is to create a system of private property and free markets. In the tribal homelands, prosperity requires that the blacks be allowed to exercise the rights to private sector participation now available to the whites. As noted, the Mfengu tribe in the eastern Cape became productive and prosperous under a system of private property and free markets. In South Africa, this system needs to be reinstated. Tribal/colonial land tenure and the Group Areas Act must go.

Private property and free markets, furthermore, are culturally compatible with black African values. Tribal/colonial land tenure in the homelands only perpetuates inefficiencies existing in pre-industrial African customs. Socialist agriculture, on the other hand, directly conflicts with basic African values. George Ayittey, an economist from Ghana, strongly emphasizes this point:

Africa does not need more IMF loans or Western aid. The most effective aid the world can ever give Africa is to help it reinstitute its own *native* freedom of expression. The emphasis is on native. In fact, the blueprint for real reform in Africa does not lie in the corridors of the IMF or Western banks. Nor in the inner sanctum of the Soviet bureaucratic behemoth, but rather in Africa's own indigenous system. . . . A close study of Africa's indigenous system reveals the existence of the basic tenets of democracy, free markets, free trade, freedom of expression and free enterprise. . . . Instead of developing the native institutions, we destroyed them. That's why Africa starves and is enmeshed in chaos, crisis and disintegration.

A recent study by G. Feder and R. Noronha in *The World Bank Research Observer* supports Ayittey's view. The authors explain that the evolution of land rights was distorted by colonial and post-colonial governments. These interventions brought about serious inefficiencies and inequities that would not have come about naturally in African markets. They contend:

The evidence dispels some popular misconceptions about land rights systems in Sub-Saharan Africa. There is increasing individualization of ownership, and in many areas possession has always been individual. . . . The lesson from other parts of the world is that efficiency ultimately requires formal recognition of individual land rights.

The promotion of private property and free markets for blacks will do more than overcome hunger in South Africa. It will help prevent mass starvation. It will undercut the ever-growing drive for a socialist revolution in the country. At a recent conference, Professor J. A. Groenewald of the University of Pretoria looked at the strategic

aspects of the South African agricultural situation. He explained:

Many a revolution has had its stages of germination and early growth in rural surroundings. . . . It is rather obvious that a happy, satisfied rural population is of great strategic value. Revolutionaries and troublemakers find such an environment to be a completely unsatisfactory growth medium.

A happy and satisfied rural black population will be one that has the right to own farm land privately and to trade their produce freely. Those opposed to hunger in South Africa and the growing prospect of mass starvation have no choice but to support private property and free markets for all South Africans. □

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# GATT and the Alternative of Unilateral Free Trade

by Pierre Lemieux

**F**rom December 5 to December 9 of last year, representatives of more than 100 national governments met in Montreal for the mid-term ministerial review of the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT).

## What Is GATT?

GATT is a commercial treaty, whose aim, as stated in its preamble, is "the substantial reduction of tariffs and other barriers to trade and . . . the elimination of discriminatory treatment in international commerce." Its main principles include: the most-favored-nation clause, according to which any advantage granted to one signatory nation has to be extended to all others (Article I); equal treatment of goods from signatory countries in terms of internal taxation and regulation (Article II); fair trade against dumping and export subsidization (Article VI); the elimination of quantitative restrictions and the exclusive use of tariffs for protection of domestic industry (Article XI); and negotiated settlement of commercial disputes (Articles XXII and XXIII).

The name "GATT" also refers to the somewhat informal association of signatory nations, called "Contracting Parties." All Western European countries, the United States, Canada, Australia, New Zealand, Japan, as well as some 70 underdeveloped countries, plus a few Communist-bloc nations (Czechoslovakia, Hungary,

Poland, Rumania, and Yugoslavia) are members. The supreme governing body of GATT is the annual Session of the Contracting Parties but, in practice, the organization is ruled by the Council of Representatives of member states. The secretariat, employing some 400 persons and headed by a Director-General, is located in Geneva.

After World War II, protectionism was widespread. Prewar tariffs and import quotas had been supplemented by wartime measures such as foreign exchange controls. Tariffs on manufactured goods averaged 40 percent in the industrialized world; in the U.S. they averaged 18 percent with peaks of 50 percent or more.

In 1945, the U.S. government started two initiatives to liberalize international trade. First, an international trade treaty, to become known as the Havana Charter, was proposed. Second, trade talks were started among 15 nations—Australia, Belgium, Brazil, Canada, China, Cuba, Czechoslovakia, France, India, Luxembourg, the Netherlands, New Zealand, South Africa, the United Kingdom, and the United States—with the purpose of immediately reducing tariffs.

The Havana Charter was finally rejected as it aimed more at managed trade and economic planning than at free trade. The second initiative, the trade negotiations, was more successful. On October 30, 1947, 23 countries—the original 15 plus Burma, Ceylon, Chile, Lebanon, Norway, Pakistan, South Rhodesia, and Syria—agreed on tariff reductions covering a significant proportion of world trade. They also rescued the commercial section of the stillborn Havana Charter and signed it under the name of the General Agree-

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