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SCALE PRODUCERS IN ZIMBABWE

BY M. HALIMANA

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*· STRATEGIES FOR DELINKING FROM IMPERIALISM:
THE CASE OF SMALL-SCALE PRODUCERS IN ZIMBABWE*

by

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DEVELOPMENT STRATEGIES UNDER CONDITIONS OF IMPERIALIST DOMINATION:
The Case of Small Scale Industry in Zimbabwe

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necessarily the Institute]

INTRODUCTION

The impetus of this paper is an effort to understand the processes that are unfolding in Zimbabwe today with a view to being in a position to effectively comment on the content of our contribution to the general anti-imperialist struggle to which we are party.

Therefore underlying this paper is the pre-supposition that imperialism today as represented by: the institution of the Transnational Corporations, the banks, the multi-lateral organisations i.e. the World Bank and the International Monetary Fund; the militaristic nature of the regimes in the imperialist centres; and the aggression and destabilization of the South African regime and the national liberation process in this region all constitute the focus of the struggles of the people of Southern Africa.

To this end therefore, it is my contention that it is necessary to focus on the processes that are unfolding in each of these countries that constitute this broad anti-imperialist front. This approach, I contend, will enable us to better understand the possible strengths and weaknesses of this front and methods to enhance it.

I would also like to make it clear that in talking about a strategy I don't mean a document, although strategies are usually recorded in written documents, but a deliberate and concerted effort to shape the course of events towards certain objectives.

CONTEXT OF THE PAPER

In response to a question in parliament recently, the Prime Minister of Zimbabwe R.G. Mugabe pointed out that Zimbabwe, more than any other member state of the Preferential Trade Area of Eastern and Southern African

States (PTA) and SADCC, was dominated by foreign capital. This, he explained, was affecting the participation of local companies in these markets. In this response, partly reported in The Herald, he says that Zimbabwe should develop its economic sector using local resources instead of turning to foreign investment "as our saviour".¹ He is also reported as saying that another problem the country was facing was one of remission of profits and dividends abroad, which meant the remission of the country's own resources. "We are scooping our bellies, our entrails out of the country."²

These remarks have to be understood against the background that the degree of foreign control of the Zimbabwean economy has been estimated to be at least 70%. "... strategic sectors of the economy are dominated by foreign private investment. It is estimated that over two thirds of capital invested in the economy is foreign-owned. This is indicative of lack of control of the economy by locals and by the state.

(FYNDP - p. 4).³

The Plan also says:

"Five years after Independence, the proportion of the strategic means of production owned by Zimbabweans is still relatively low. This should be increased progressively over the next five years and beyond. Attainment of this objective would give the state greater latitude in directing socio-economic development. Ownership by Zimbabweans can be in the form of ownership by the state, local authorities, co-operatives as well as by private companies and individuals." (FYNDP - p. 27).⁴

What the above statements demonstrate is a tacit acknowledgement at both the political level and that of policymakers that there is

a high degree of 'monopoly capital' control of the economy and the need to do 'something' about it.⁵

To this end, it is interesting to note, therefore, that there has been some move to effect the policy of increasing the participation of Zimbabweans in the economy. With it also goes a very specific meaning of who can participate. The Financial Gazette recently carried an article - DISINVESTORS FACE NEW CONDITIONS ON REMITTABILITY - in which it is said that local subsidiaries of foreign corporations selling their local interests will only be allowed to remit the equity involved if at least 50% (preferably more) of the local equity is placed in the hands of one of three approved categories of local owners. These are said to be listed by the Reserve Bank authorities as: black Zimbabweans, black Zimbabwe corporatives, or the Zimbabwe Government itself.⁶

The question therefore is: what are the social forces that have pushed this policy through at the state level and what are its implications in terms of the class configuration of Zimbabwe? This is the general question that I try to address myself to in this paper.

Let me also try to put into context the recent localisation moves by two subsidiaries of foreign concerns i.e. Astra Corporation, a subsidiary of Bommene de Houdstermaatschappij (Nederland) BV which also has interests in the Barlow Rand organisation in South Africa; and Kenning Holdings (Pvt) Ltd of Zimbabwe a subsidiary of Kenning Overseas Investments Ltd of Britain.

In what was described as a surprise move, the Government bought up 85% of Astra Corporation "thereby largely localising control of the largely engineering group".⁷ And this is the way the managing director described the move:

"... constraints, especially involving local borrowing, new investment and expansion that had previously applied to the group as a foreign owned concern, would now fall away and this ushers in a new era and opens up new opportunities for the group.

Astra is now free to broaden the base of its operations through acquisitions and new investments, compete more effectively in SADCC/PTA markets and, in addition, will be eligible to compete on an equal footing with other Zimbabwean companies for the available commodity and other aid".⁸

In other words, if a reduced stake in the company can lead to an expansion of operations and therefore a greater opportunity for the remittance of higher profits in the long run, foreign capital is quite prepared for such a reduction in shareholdings. At the moment the foreign corporation holds 14%, the Government 80% and the Astra Corporation Workers' Trust 6%. Furthermore the company is now entitled to 100% preferential treatment in the PTA, i.e. a greatly expanded market.

In the case of Kenning Holdings (Pvt) Ltd: the new major shareholders are now the management and the workers, who together hold 70% of the issued equity".⁹

Announcing the localisation to the Financial Gazette the executive chairman said that "this development will enable the company to expand its operations in Zimbabwe. These will include the manufacture of such things as brake drums and agricultural implements for local and regional markets".¹⁰

This company too is now entitled to 100% preferential treatment in the PTA.

These moves, as the editorial of the Financial Gazette itself admits, "will involve fairly heavy payments in foreign exchange".¹¹

While one sees an effort by capital to adjust to the local conditions in these moves, would it be correct to say that one also sees an effort

by the state to strengthen the black petty bourgeoisie through the new conditions on remittance? My response to this question is that this is the case. To this trend let me also point out that on a number of occasions the political leadership has expressed its frustrations at the failure of the emergent black petty bourgeois businessmen to break out of their traditional spheres of accumulation i.e. transport and commerce, into manufacturing.¹²

It is against such a background that I want to focus on small scale industries and the role they are expected to play either under such conditions of foreign monopoly domination or in transforming the relations of production/ownership relations that characterize Zimbabwe today.

DEFINITION

Before we can proceed it is essential that we have some working definition of what we mean by small scale industry so that at least we can be able to delineate at a phenomenal level what we are talking about. I intend to come back to a theoretically worked out definition in a later section of the paper.

By small industry I am referring to any firm engaged in manufacturing that employs not more than 50 people. This is the employment size ceiling that is currently used by the Small Enterprises Development Organisation (SEDCO).¹³ The ceiling on the value of assets that usually goes with this definition (\$500 000 in the case of SEDCO)¹⁴ tends to put a limit on the level of capitalization. But nevertheless it is useful as a working definition and I shall use it interchangeably with employment size.

RATIONALE OF THE FOCUS

My focus on small scale industries in particular as distinguished from small enterprises in general is not accidental. It follows a logic that I draw from arguments for industrialization and the role of the manufacturing sector in this process. Such arguments I set out below. Secondly, the level of interest and the various social class forces that have argued for the promotion of small scale enterprises, and mainly industries, lend credence, I feel, to my attempt to problematize them.

a. The Case for Industrialization

The empirical evidence from both developed capitalist countries and the socialist countries suggests that industrialization involves the progressive spread of industrial techniques of organization and resource use into all branches of the economy.¹⁵ Furthermore, that industrialization, and mainly the development of the capital goods sector, lands dynamism for increasing productivity is an issue on which there is some consensus (see M. Fransman)¹⁶ The divergencies seem to arise on the necessary conditions for such a development and particularly for late industrializers under the domination of TNCs.

Ndlela argues for industrialization and the development of the capital goods sector thus:

"... capital goods should be understood against the background of the role played by this sector as an intersectoral link and that of raising the level of productivity of labour The capital goods sector becomes the lynchpin of all technological innovations and only through it can innovations and other technical designs in all branches of the economy be concretised and embodied in machinery and equipment".¹⁷

Thus the case for industrialization, although briefly stated here, is quite clear. It is within this context that I focus on small scale industries. I shall now look at the nature of the manufacturing sector in Zimbabwe.

The Unido study of the manufacturing sector in Zimbabwe shows the level of monopoly production in this sector.¹⁸ Of the 6000 plus products manufactured in Zimbabwe 50% are produced by only one firm, and 80% are made by 1-3 firms. Only some 50 of 6000 products are manufactured by 20 or more firms.

The report also notes that of 1344 separate manufacturing units in the country in 1982/83, only 105 (7,8%) were responsible for 41% of total (net) output, each employing over 750 employees. "At the other end of the scale, 703 units (52%) produced 8% of total (net) output, each employing 50 employees, or less. (see Table below)

Trends in the size and contribution of manufacturing units by employment 77-82

Item	Numbers Employed					Total
	0-50	51-100	101-500	501-750	750+	
# of units 1977	759	194	260	91	51	1355
# of units 1982	703	205	288	43	105	1344
#s employed 1977	14319	12877	45870	30829	37356	141233
" " 1982	13733	13997	55315	16718	76460	176223
% of Net output '77	9	8	31	15	36	100
" " " " 1982	8	8	31	12	41	100

Source: UNIDO Study on the Manufacturing in Zimbabwe.

This level of monopoly production in conditions of monopoly capital domination of the economy indicates the relative freedom with which the objective laws of the capitalist mode of production operate in Zimbabwe. But furthermore, it demonstrates the problems of breaking into manufacturing for the black petty bourgeoisie. It would appear therefore that there are

only two roads for the black petty bourgeoisie: either an alliance with already existing foreign capital or 'very overt' state interventions on its behalf.

The other issue which emerges from this data is that the concept of small industry using the SEDCO employment criterion is not a post-independence phenomenon but one which has been with the capitalist model of development in the country prior to independence. But when the capital stock criterion is deployed, mindful of the period referred to i.e. 1982, when the capital stock ceiling of SEDCO would have been at most \$200 000, a different picture emerges because: in CSO sector 11 i.e. other Manufactured Products including leather products and substitutes; pens, watches; jewellery; top photographic and optical instruments, the total number of establishments is 94. The number of employees is 3411 giving an average of 36/establishment. The total capital stock is \$30 800 000 giving an average of 327 660/establishment. Mindful of the crudeness of these averages and the tendency towards monopoly in capitalist production i.e. the existence of large firms side by side with very small ones, this sector qualifies in the SEDCO small industry criterion with an average of 36 employees/establishment. But in terms of capital stock at an average of \$327 660 in 1982 this was certainly beyond the lending ceiling of SEDCO.

What this means therefore is that breaking into the least capitalized

sector requires a lot more funding than SEDCO can afford. This support does not take into account the element of technical training which would greatly push up the figures.

b. The level of interest in small scale industries

Interest in small-scale industries permeates policy documents from the Pan African level to the individual country.

1. Thus the Lagos Plan of Action, states some of the requirements for the achievement of industrial development during the period 1980-1990 at the national level as:

- a. creating a network of small and medium-scale industries as well as actively promoting and encouraging the informal sector.
- b. taking effective measures and providing incentives for the development of small and medium-scale industries taking into account the need for local resources uses, employment and technological diffusion.¹⁹

2. The SADCC itself has identified and presented a number of small/medium scale projects for both donor funding and for study. These are:²⁰

For Implementation:

1. A salt refining Plant in Lesotho & Botswana
2. Knitting Projects in, Botswana, Lesotho, Malawi, Zambia, Mozambique
3. Powerloom Projects in Botswana, Lesotho, Malawi, Swaziland, Tanzania
4. Agricultural Implements Units in Angola, Botswana, Lesotho, Malawi, Tanzania, Zambia and Swaziland

5. Artisan Units for Farm Implements in Botswana, Lesotho & Tanzania

N.B. Note the absence of Zimbabwe from projects 4 & 5.

For study:

- 1) Pesticide/Insecticide Formulation Plants in Malawi, Swaziland
& Zimbabwe
- 2) Pesticide Chemicals Plants in Tanzania and Zimbabwe

In explaining the rationale for the choice of these projects, the Tanzanian Minister of Industries said:

"... it is recognized that some countries have a comparatively better industrial infrastructure and geographical location as well as technical and managerial capabilities than others. At the same time, every member state wishes at least to take the opportunity presented by its membership of SADCC to make some progress in industrial development for the benefit not only of her people but indeed of those of the entire region. Therefore it is for this reason that provision has been made for the promotion of primary and secondary manufacturing in the same line or for the existence of large, medium and small scale units in the same product category. In this respect, it may not be an exaggeration to suggest that every project, be it small or large, has its own logic and place in the economic liberation efforts of SADCC member states".²¹

Small Industry Development Organisations (SIDOs) exist in at least five of the nine SADCC countries i.e. Tanzania, Malawi, Zambia, Botswana and Zimbabwe.

It is quite clear therefore that the concept of small industries in development is a very popular one in Africa and SADCC in general.

3. In Zimbabwe various policy documents and politicians have expressed interest in small scale industries.

Thus the Minister of Industry and Technology has said that small scale industries would provide employment by between 5-10 times more than an equivalent investment made by a large scale enterprise.

He has also said that the establishment of small scale industries in the rural areas would contribute towards a faster agricultural development by manufacturing agricultural tools, spare parts and machinery. This would also help to provide maintenance and repair services and the establishment of agro-based enterprises. Thus the role of small scale industries in these areas would stimulate development, increase national income and help spread the benefits of prosperity more equitably".²²

Similarly the Minister of Labour, Manpower Planning and Social Services has said that "it was high time indigenous Zimbabweans ventured into manufacturing with the support of SEDCO and other financial institutions". He is reported, after touring a black owned electrical company, as saying small scale industries were the Government's hope for the generation of jobs for the ever increasing number of school leavers.²³

Both the Transitional National Development Plan (TNDP) and the National Development Plan (NDP) have made reference to the role of small scale industries in development. But more specifically the NDP which says:

"Institutional and other measures (authorities) will be taken to encourage the establishment of small scale industries (SSI) and industrial cooperatives capable of using locally available raw materials as well as indigenous technology or a diffusion of foreign and local technology."²⁴

Their envisaged role during the plan period will be to act as sub-contractors of components to large companies and in the production of basic consumer goods.

The stated objectives of small scale industries are said to be:

- a. decentralization of industry
 - b. increased local participation
 - c. development of entrepreneurial skills
 - d. providing competition to existing monopolistic and inefficient producers
 - e. optimal use of local resources.
4. To this national interest in small scale industries should be added the multilateral and foreign capital interest in them.

To complement the activities of SEDCO the World Bank, in an article carried in The Herald in 1985, announced the granting of a loan of US\$10 million to the former.²⁵

Similarly, the American Chambers Centre for International Private Enterprise is financing a \$320 000 2 year programme which commenced in February 1985 to train small scale and medium scale businessmen. The programme involves university students from the Business Studies Department and is administered by the Zimbabwe National Chamber of Commerce.²⁶

5. In conclusion to this section, it is quite clear that there are various class forces that are operating to promote the concept of small businessmen and small scale industries. In the next section of the paper I intend to subject this concept to a theoretical treatise so that it can be put in its proper context in the social and political matrix of Zimbabwe.

ANALYTICAL OBSERVATIONS

In this section I am going to deal with the question of the definition of small scale industry, the macro and micro-theoretical problems of small scale industry, an examination of existing practice with regard to them, the possibilities and limitations and implications for transformation of existing relations of production and anti-imperialism.

a) Definition

The question of the definition of small scale industry, like any concept in the social sciences, is approached differently by different schools. I split these two schools into two i.e. bourgeois and Marxist.

Bourgeois social science does not have a theoretical definition of small industry. Thus Page and Steel²⁷ of the World Bank argue that:

The variety of reasons for interest in small scale enterprises explains why there is such a variety of definitions for what is to be included - and indeed why so many terms are used to describe the "sector" and its components. One problem is that "small" is relative, and what is "small" in one economic setting may not be so in another. Another is that although attention is often focussed on the manufacturing sector, discussion of small scale enterprises can extend into virtually all non-agricultural sectors of production, each with different relative standards of what is "small".....
The definition of small scale enterprises must be functional, that is, related to the purpose at hand.

Similarly Staley & Morse,²⁸ in what is a classic in the literature on small scale industry development refer to all manufacturing carried on in relatively small establishments. They prefer to stress 'the functional characteristics of small industry rather than an arbitrary boundary between small and large, though such a boundary is required for statistical analysis and also in the administration of small industry development programs'. By their definition small scale manufacturing includes both small factories and non-factory producers of manufactured goods (homework, artisan shops.

'It includes traditional and modern enterprises, hand and machine types of production, urban and rural establishments making any of the hundreds of manufactured products listed in the standard industrial classifications'.

The major thesis of their study is that 'development leaders in newly industrializing countries will be wise to direct small industry policy toward the upbuilding of modern small industry by encouraging

- a) gradual transformation of the traditional small industry sector, and
- b) establishment and growth of new modern types of small industry.

They refer to this twin process as modernization of small industry.

What I find (deliberately) lacking in these conceptions of small industry is

- a) their historical development, and
- b) the existence of large scale industry, and mainly foreign, side by side with them.

The definitions are mainly descriptive and functional and therefore cannot assist in a scientific investigation of the transition of society through different phases. In reality, therefore, they obscure certain relationships in society.

On the other hand Marxist political economy denotes three stages in the development of capitalist modern industry:

- a) simple cooperation which means a comparatively large number of workers doing identical work in one workshop. This form of production is based on handicraft technique.

- b) manufactories which are based on a division of labour and handicraft techniques.
- c) capitalist factory - based on the use of machines.

Prior to simple cooperation is 'domestic industry' which consists of 'the processing of raw materials in the household (peasant family) that produces them'.²⁹ In the peasant population is also to be found artisan production which is 'the production of articles to the order of the consumer'³⁰ i.e. shoe-making, tailoring, blacksmithing etc.

Now, due to the unevenness of the development of capitalist relations of production, all these forms of production are to be found existing side by side. In fact they become an adjunct of modern capitalist relations of production and exist as the petty commodity sector.

I, therefore, define small scale industry as that part of modern industry that initially does not transcend handicraft techniques of productions but is later on subsumed and made a necessary adjunct of the large scale factory. It is therefore given a new character by modern industry and loses its character as an incomplete transition.

This definition means that whenever we talk about small scale industry it can never be outside the context of large scale industry. At the same time it pre-supposes a discussion of pre-capitalist modes of production (which I don't delve into here).

In a Marxist discourse on small scale industry is an underlying assumption about 'transition' from simple commodity production i.e. based on personal labour and private ownership of the means of production, to capitalist

commodity production based on a separation of direct producers from the means of production and the commodization of labour power. It is in the arena of this transition that is to be found the reproduction and survival of domestic industry, artisan production, simple cooperation and manufactory (a point I have already made) now no longer pre-capitalist forms as such but part of the fabrique of reproduction of capitalist relations of production. Marx says of this relationship:

"Besides the factory operations, the manufacturing workmen and the handicraftmen, whom it concentrates in large masses at one spot, and directly commands, capital also sets in motion, by means of invisible threads, another army; that of the workers in the domestic industries, who dwell in the large towns and are also scattered over the face of the country.

The exploitation of cheap and immature labour-power is carried out in a more shameless manner in modern Manufacture than in the factory proper". [Capital Vol. I]

The chief characteristic of this sector therefore is absolute exploitation. Generally, this is the fabrique of its existence.

These points should be borne in mind when discussing the concept of small scale industries i.e. a distinction between the various forms of production that lie between simple and capitalist commodity production, in order to be able to understand their relationships and modes of reproduction.

The question therefore is: under conditions of monopoly capital domination can artisan production based on handicraft technique complete the transition to large scale industry independently of the latter? The process seems to work in the opposite direction i.e. that the latter extends into the former by (a) ruining it in terms of markets or (b) as a condition of its own general reproduction.

For instance, the possibilities of resuscitating pre-colonial i.e. pre-capitalist foundry work for making agricultural implements on any meaningful scale are almost non-existent in Zimbabwe because large scale capitalist industry has found a market in this field i.e. peasant agriculture.*

Ndlela makes this observations:

"The present position of the production of simple hand tools and artisans' tools dates back to the 1950s when many such tools began to appear from the local firms. The majority of the agricultural hand tools are now produced locally while the country is also self-sufficient in a wide range of basic artisans' tools".³¹ Two companies dominate this field i.e. Bulawayo Steel Products and Zimplot.

b) Macro and Micro Theoretical Problems

There is a suggestion in the literature that³²

- (1) the extent of the market, i.e. the volume of demand (and of resources) and the rapid changes in requirements and possibilities, secure in some cases an advantage to the small-scale plants which are more flexible and hence better suited to meet limited and changing needs.
- (2) due to technological progress, requirements and possibilities are rapidly changing. In small plants, however, it is less risky to start the production of new articles or to introduce new processes and further develop them in the case of success. Small scale plants can also cooperate to meet such needs of several bigger plants for which the latter would not care to make arrangements for themselves.
- (3) decentralisation of industry or, rather, industrialization of backward areas, will be easier to carry out by setting up small plants since this requires lower initial investment.

On the first point, to the extent that it is possible to quantitatively establish the 'criteria of minimum efficiency' not just in terms of one firm but in terms of the economy in the long run, where such criteria indicates the setting up of a small plant then this suggestion can hold.

* Note the absence of Zimbabwe from this type of SADCC project.

On the second point, this suggestion can only hold where there is a national integrated economy. Under conditions of INC dominance the introduction of new techniques and new lines of production is determined by global corporate strategy in terms of calculations based on the mass and the rate of profit.

On the third point, it is essential that the state be in control of the geographical flow of investment. While the proposition of setting up plant and hence industrialization in several places at the same time holds good, it never quite operates like this under conditions of capitalist relations of production. Where private capital has marketing outlets in the hinterland then this will naturally destroy the small plant. A case in point here is a newspaper report - 'Hardware enterprise to cut travelling costs for rural folk'.³³ The hardware shop in question is at Juru Growth Point and it will 'furnish local farmers and residents with motor and tractor spares, hardware, building as well as farming materials". We can imagine what would happen to efforts to set up a small scale plant to manufacture these items here. And yet this is part of the strategy of taking industry to the growth points.

c) Possibilities and Limitations

From the last three points made above in response to the arguments normally put forward for small scale industry development, it is clear that there are certain pre-conditions for their meaningful role

- (1) Planned investment on what industries are going to be set up and their size. This necessarily involves a control of the accumulation process.
- (2) A control of the strategic sectors of the economy and deliberate effort to create internal inter-industry commerce. The development of a capital goods sector and therefore the internalization of the technological development process.

- (3) Centralized vertical and horizontal planning to enable the development of backward regions and thus check counter-vailing processes.
- (4) Finally and most importantly, the corresponding political mobilization of the social forces that can make such a development possible i.e. workers and peasants and all the social strata oppressed by foreign capital.

Such is the experience of the Soviet Union under the New Economic Policy after 1917 which makes limited concessions to capitalism but is able to check its growth through the control and ownership of strategic sectors of the economy and the necessary political mobilization.

In terms of the actual sectors of involvement there is a suggestion in the literature that machine tool and machine building sectors are not as capital intensive as the nature of the activity would suggest - mainly the initial costs of setting up plant. Furthermore the sector is said to be fairly labour intensive although it draws on highly skilled labour.

Thus Pratten says that "it is not a capital intensive industry" and the scale of production is quite small with "the annual output of machine tools (being) measured in terms of tens, hundreds and occasionally thousands". In his study Pratten observes that the industry operates on a made-to-order basis. This therefore introduces the ability to produce to specification.³⁴

d) Current Practice

Looking at the chief state institution for the promotion of small scale industries, among others, it is quite clear that the bulk of loan applications and disbursements are going to commerce. Here is a breakdown for the year ended June 1985:

of Loan Applications by Sector - 1533

Commerce	1228
Industrial (13,3%)	204
Service (5,6%)	87
Construction (1%)	14

The total loan Demand was \$37,5 million:

Commerce (74,6%)	\$28 million
Industrial (14,6%)	\$5,5 million
Service (8,1%)	\$ 3 million
Construction (2,7%)	\$1 million

# of Approved applications by Sector	148
Commerce (62,2%)	92
Industrial (27%)	40
Service (9,4%)	14
Construction (1,4%)	2

LOan Amount Approved by Sector \$2,7 million

Commerce	54,1%
Industrial	25,9%
Service	18,5%
Construction	1,5%

We have seen earlier on how commerce in this sense puts a brake on the development of small scale industry. It acts as an outlet for the products of large scale monopoly industry and thus undercuts the small producer. Therefore the lending practice itself tends to be self-defeating. But the lending practice follows the pattern of loan demand meaning that the black petty bourgeois emergent businessman, who mainly patronises SEDCO, is still predominantly in commerce. This means, therefore, that the chances of breaking into manufacturing are still limited for him.

The loan disbursements that have been classed as industry have gone mainly into 'grain mills, tailoring, dressmaking, leather making. No break has been made yet into the 'mainstream of manufacturing'.³⁶

e) Implications of Small Scale Industry Issue for Transformation

- 1) I have suggested earlier on the specific conditions under which

support for small scale industry can be made.

- 2) I have also shown the extent of the foreign monopoly domination of the economy which negates the conditions I allude to above (in 1).
- 3) In (d) above I have shown the failure of the black emergent businessmen to break wholesale into manufacturing with the support of the chief institution for this purpose.

It is my suggestion, therefore, that the concept of small industry can only be meaningful for policy makers if it is never separated from the issue of large-scale monopoly-dominated industry.

Alongside state support for small industry, what interests do the World Bank and the American Chambers Centre for International Private Enterprise have in the promotion of small enterprises in general?

Dhar, P.N. and Lydall F.H., writing on India in 1961, provided the answers to this question. A. Sen cites them thus:

"The 'political arguments' seem to be more cogent and express the real reason why the government is more favourably disposed towards small-scale industry. The argument is: the existence of a large number of small-scale industries 'is a guarantee of the maintenance of democratic institutions, an obstacle to the domination of trade unions, and a barrier to communism.'³⁷

This, I suggest as one of the reasons for this interest.

The second reason which we have seen is the subordinate nature of small industry to large (foreign) industry and that the former offers no competition at all to the latter. The Indian scenario which is often held out as the success story of small-scale manufacturing, emerges as having very clear ideological orientations rather than economic ones. Thus the Karve Committee (1955) appointed to recommend schemes for the development of village and small-scale industries and to suggest means for the best utilization of resources to be allotted in the plans for this purpose, on the question of modern big industry quite clearly opposes it because:

"... the process of adoption of modern techniques involves changing the structure of economic society,"³⁸ and this means the development of an industrial working class.*

* Own emphasis added

CONCLUSION

The aim of the focus on small scale industry as a concept in development under conditions of monopoly capital domination has not been to exclude from discussion other channels for accumulation and 'breaking' into manufacturing by the emergent petty bourgeoisie. But this has been to put it into context to the extent that it is subjectively held as a component of the 'development strategy' (as the NDP demonstrates) and also to the extent that foreign capital promotes the concept.

I have also tried to show that there is no economic policy, no matter how peripheral in appearance, that is not of major consequence and does not reflect specific class and ideological predilections.

It is also clear that the policy of supporting small industry can only be meaningful within an anti-imperialist context if it is a complementary one to that of controlling the major means of production i.e. large scale industry. Outside this context it fosters illusions of emerging to the size of foreign owned large scale firms, which illusion is a necessary condition for the continued existence of foreign capital.

I take the position that the state ought to increasingly intervene in production coupled with the grooming of a progressive cadreship in these industries [The reports on parastatals to date demonstrate the validity of this position]. Such a development, I contend, will give a deeper meaning to our anti-imperialist position i.e. the transformation of capitalist relations of production to socialist ones. But such a development is not just an economic issue but has a bearing on the political process in Zimbabwe. It has a bearing on the class

configuration and class hegemony and the character of the political party or alliance of political parties that is an expression of such a political process. It finally has a bearing on the nature of the state.

The question becomes, therefore, what has been the nature of 'state intervention' to date?

Within the context of the Zimbabwean post independence scenario there has been a degree of 'conservatism'³⁹ towards foreign capital. The new regulations on remittability of disinvestors' equity reflect this, i.e. we have waited for capital to rationalise its production and marketing strategies first and then seized the opportunity to intervene.

This 'conservatism', either for tactical purposes or as an objective expression of dominant class views both at the level of the state and the party, has a bearing on the content of our anti-imperialism. Anti-imperialism does not mean just stopping the outflow of surplus from the nation to imperialist centres but a restructuring of the base and superstructure that makes this possible. The former anti-imperialism is highly 'economistic' and therefore reformist while the latter is part of the general democratic struggle in society and hence progressive.

'Conservatism' as a tactical position under conditions of heavy domination by foreign capital presents the problem that this has its own social class and political relationships. Therefore 'conservatism' is not a position that can be held for too long lest 'the momentum' for socio-economic restructuring is lost and hampered by the ensuing class configuration

i.e. 'economism' begins to pervade the arena of state intervention.

The task for all patriots in the region is to campaign and work for an acceleration of 'the momentum' for socio-economic restructuring. As part of this effort, it is necessary to

- (a) show the possibilities and limitations of certain development strategies (no matter how well meaning) e.g. small scale industry under conditions of domination by foreign capital.
- (b) show the imperialist interest in certain development strategies, no matter how homegrown they might look
- (c) show the political implications of any development strategy in terms of its anti-imperialist content.
- (d) unite the broadest possible front against imperialism i.e. scholarship alone is not enough, it must be combined with activism.

Such has been my task in my critical approach to small scale industry i.e. that we should never lose sight of the real determinate relations in our society (in this case Zimbabwe), and the transformation of the latter as a pre-condition for the meaningful role of the former. I believe that the observation made by the Prime Minister of Zimbabwe on the extent of our foreign domination throws the challenge to all scholars and activists in this country!

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