

Introduction: ‘Recentring the margins: theorizing African capitalism after 50 years’

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Introduction to *Economy and Society* Vol 50(1) Special Issue on African capitalism.

Abstract: This introduction to our special issue addresses scholars’ failure, in recent times, to consider and analyse the forms of capitalism that have developed on the African continent. To redress the balance, it takes up the study of economic arrangements on the continent—property, infrastructure, debt, financialisation, regulation—as well as exploring the history and politics of the scholarly field of African economics as an intellectual and institutional project. In the process it considers the advantages (and drawbacks) of seeing Africa as part of the ‘global south’. Central to the special issue is the question of how to marry an analysis of intimate and smaller-scale economies centred on household, family and (often informal) labour regimes, on the one hand, with a recognition of large-scale processes such as the central banking systems imposed by states, the increasing prevalence of high-tech finance, the emergence of continent-wide regulation, and the influence of multilateral development agencies and the international publication industry, on the other. How, we ask, can the importance of these institutions, so unlike in size and scale, be reckoned without assuming that the bigger and more powerful ones always prevail?

Keywords: African capitalism, central banks, development, debt, economics, finance, global South, heterodox economics, informalisation, publishing, regulation.

This special issue marks the fiftieth anniversary of *Economy and Society*. It seems fitting that it should address the failure of comparative political economy, in recent times, to include and analyse the forms of capitalism that have developed on the African continent. While one of the journal’s founder members and editors, Harold Wolpe, was influential in its initial attention to this topic—as evident in his compelling analysis ‘Capitalism and cheap labour power in South Africa from segregation to apartheid’ that was published in the journal (1972)—such considerations have subsequently disappeared from its pages. Why have they been excluded from systematic explorations of the global economy?

Our first article, by Breckenridge, attempts an explicit answer to this question. The others explore two interrelated sets of topics. They (1) take up the study of the basic (and swiftly evolving) forms of economics on the continent—property, infrastructure, debt, financialisation, regulation—and (2) explore the history and politics of the comparatively well-developed scholarly field of African economics as an intellectual and institutional project.

The volume overall has taken six years to mature. Its contents—and many related papers not included here—emerged from a series of workshops on the current forms of African capitalism of which the first was held in the middle of 2014. It took place at WISER (Wits University), in Johannesburg (this first meeting also marked the start of what has turned out to be a seven-year collaboration between Wits and the University of Michigan, funded by the AW Mellon Foundation), while the following two, both held at LSE, were funded jointly by AW Mellon Foundation and LSE.

From the outset, the virtues of conceptualising a specifically African form of capitalism were vigorously debated. And they were framed in a productive tension with the benefits (or

drawbacks) of studying capitalism from the Global South. The first conference at WISER in 2014, ‘The South as a Source of Theory’, was mainly organised around the Comaroffs’ *Theory from the South, or, how Euro-America is evolving towards Africa* (2012); the second, in 2015, was titled ‘Money, Livelihood & the Classic Conceptual Repertoire in the 21st Century: a conversation across the disciplines’; while the third, in 2016, narrowed down to focus on ‘Capitalism from the Global South’—but with a primary interest in Africa. Much time was spent considering the usefulness and limits of the idea of the Global South. While countries like South Africa, Brazil, and India do have commonalities—not least the prevalence of fraught politics as the basis of scholarly energy and collaboration (Collyer et al, 2019)—there are also problems in conflating the political economies of these diverse regional settings. It was recognized and acknowledged that, much more than in Latin America or Asia, it is scholarship on (and economy in) Africa that has been disconnected from global debates and institutions. Part of this has to do with contrasting pre-capitalist modalities of economic life. Colonial states also intervened much more systematically in the 1920s on the African continent to limit the development of capitalist relationships—especially private land-holding, common-law contracts and formal credit—that preoccupied Henry Maine in India after the 1860s (Mantena 2010, Mamdani 2012, Mann and Guyer 1999, Dewey 1991). As Bayly has stressed (2011), native capitalism—dominated by successful intergenerational firms—was potent in India before, during and after colonialism, whereas wealth in Africa was measured ‘in people’ rather than being reckoned in landholdings that might be bought and sold, serve as a means for accumulation, or used as collateral for credit (Guyer 1995, Goody 1977). African firms, as a result, are distinctively denied access to conventional forms of capital and credit, a pattern that applies James’ model of racialised *credit apartheid* across the continent (Malikane 2015). These differences, within the broad category of the Global South (and the elaborate forms of economic theorising they have encouraged) moved the group project to focus on African capitalism—and the political economy of the south within the South—a problem that was well matched to the original concerns of this journal.

Jane Guyer was central in driving the intellectual agenda of the workshops (and indeed of questions about African economies more generally). Her book *Marginal Gains* (2004) established the grounds on which we might think through both commonalities and differences between these and other economies. Without minimizing the substantial and mostly destructive outside influences that have made African economic life unstable and caused its currencies to fluctuate, the book sets out an Africa-centric view. It shows how a West African logic of economic activity dovetailed with—while also countermanding—a capitalist one. It speaks of a setting ‘where magical conceptions about money coexist with routine numeration rather than contradicting it’; talks of multiplicity rather than binaries; and shows how the formalisation and financialisation of economic arrangements can be accompanied by their opposite, all held within the same frame but not necessarily—or always—subject to some dominant hegemonic force originating in the capitalist West. What characterises this economy is the existence of different models of hierarchy/inequality; it has ‘multiple scales of value ... composable into a continuous gradient’ which only occasionally and momentarily converge to facilitate a single scale. Money ranks people on a scale corresponding to profiles of achievement and good fortune: a scale on which people move up and down in increments, recognized in small nuances by others. Society, she shows, is like a ladder up which individuals have risen to various levels of success; looking upwards to single-minded ambition and backwards to public-minded responsibility. Her book thus describes a relational political economy of recognition whose implications vary by historical circumstance, although she does point out that the steps upward have become increasingly steep and difficult to scale.

Twinned with a reconsideration of questions largely sidelined from *Economy and Society* in the decades since the 1970s, as Africanists have turned away from comparison and generalisation, the insights of Guyer's *Marginal Gains* reminded those at the workshops of important issues foundational to marxist/feminist theory, concerning the 'articulation' of apparently distinct forms of economic activity (then typified as 'modes of production') and the intersection of reproduction and production (Wolpe 1972, Meillassoux 1972). It is the neglect of these and similar questions that Breckenridge's paper considers. Guyer's book also inspired a key concern of the workshop (and this special issue): how to marry an analysis of intimate and smaller-scale economies centred on household, family and (often informal) labour regimes, on the one hand, with a recognition of large-scale processes such as the central banking systems imposed by states (Hickel), the creeping importance of high-tech finance (James), the emergence of continent-wide regulation (Klaaren) — right through to the influence of multilateral development agencies and universities/the academy (Stein) and of the publication 'industry' (Chelwa), on the other. And we also found ourselves considering how the importance of these institutions, so unlike in size and scale, can be reckoned without assuming that the bigger and more powerful ones always prevail.

Before giving brief summaries of the articles published here, it is important to acknowledge that they represent only a sample of the network of research that informed the general project (some of which was presented in papers at the workshops) and of the new scholarship on the global significance of African political economy. To start with Jane Guyer's own paper: it offered an interpretation of highlights in newly-published generalist books, aimed at a popular audience, of the African economic future, juxtaposed with recent books predicting the future of capitalism itself, exploring the place they depict for Africa in that future. She drew on on-line sources, such as the Emerging Markets Index, with respect to certain new concepts that depict the global economic world in comparative terms. She wanted to look at the place of Africa in the larger vision, the place given to African currencies in the embodiment of wealth, and, most importantly, the role accorded to the African people themselves in these visions—whether as producers, workers, entrepreneurs, consumers, or mere by-standers. Vishnu Padayachee and Robbie van Niekerk presented several versions of their research on the shifts and paradoxes in the development of the economic policy of the African National Congress, a story that has culminated in a book (2019). Jatin Dua's study of the place of protection payments in the intersections between piracy on the Somali coast, maritime logistics and insurance was one of the most well developed at the earliest workshops and it has since been published in shorter article and fully-developed book forms (Dua 2019a, 2019b). Emma Park and Kevin Donovan also presented early versions of what would become substantial dissertation-length projects on East African financialisation, parts of which have since been published (Park 2020, Donovan *et al* 2016, Donovan 2017). Faeza Ballim presented draft chapters of her dissertation work on the use of new management philosophies by South Africa's behemoth state-owned enterprise electricity supplier, Eskom, to manage plant-level desegregation in the last years of apartheid (Ballim 2017). And Mekonnen Ayano presented his ongoing work on the fraught politics of land registration in Ethiopia, a version of which has since been published elsewhere (Ayano 2018). Other authors, likewise, have published their papers in other journals and books: Kate Meagher and Maxim Bolt published their work on formal/informal labour markets (Bolt 2016, Meagher 2016, 2018), while Hazel Gray's book *Turbulence and Order in Economic Development* compares Tanzania with Vietnam, exploring the emergence of informalization within the state itself and the consequences of this for economic transformation (2018). Reflecting the original focus on the Global South, Sohini Kar's paper later formed part of her book *Financializing Poverty: Labor and Risk in*

Indian Microfinance (2018), and Laura Bear's paper on speculation in the same country eventually became part of a special issue of *Economy and Society* itself (2020a, 2020b). One of our objectives in gathering these researchers, and these papers, has been to demonstrate the richness of contemporary work on African/Global South political economy—and the bibliography of the work that has been published by younger scholars during the life of the project makes this point. We were honoured to have senior specialists who work on alternative visions of economics at the workshops: Philip Arestis of Cambridge, John Weeks of SOAS and David Graeber of LSE. (Sadly, the latter two scholars have subsequently died and we would like to honour their memories here).

The articles that did eventually find their way into this special issue attempt to bridge the gap between global comparative political economy and the very specific kinds of politics and institutions on the African continent. The issue has ended up with a strong focus on academic economics and policy (Grieve, Stein, Klaaren, Hickel). The discipline of economics provides a bridge, making for mutual intelligibility between the two, as does the topic of indebtedness (James)—newly formalised and made more hi-tech on the African continent and other countries of the Global South—but very old news in England, especially.

Keith Breckenridge's article asks why evidence from African economics has been absent from the various schools of comparative political economy that *Economy and Society* has published over the last three decades—Callon's Economization, Sorkin and Hall's Varieties of Capitalism (VoC), Boyer and Jessop's Regulationism and Foucault's Governmentality—despite the journal's earlier interest in (and even obsession with) the problem of the comparative theorising of the African economy and its transformation. It reconstructs debates within the journal to try to answer the question of what happened to kill off that comparative focus and that curiosity.

Deborah James uses ethnographic material from South Africa—set in a comparative framework with other countries in the global south where sharp rises in indebtedness have accompanied the financialization of the economy—to explore the importance of debt for relationships and meanings in the life of the family and household. Examining local concepts of householding, obligation and saving, she challenges some accounts of the 'financialization of daily life' which imply a one-way, top-down intrusion by the market—with state backing—into people's intimate relations, commitments and aspirations, and maintains that we need to explore the complicity of participants' engagement with these processes rather than seeing them as imposed on unwilling victims.

Jason Hickel considers the role of central banking during South Africa's political transition. His article shows how control over—and the new-found independence of—the South African Reserve Bank was central to keeping economic policy separate from debates and contestations about the new democracy, all in the name of remaining "apolitical" and building investor trust. It also shows how, since 2009, left-wing movements have contested these claims, exploring the role of African National Congress (ANC) decision-makers in establishing this independence as a key priority, and demonstrating the uneven distributional effects of the Bank's monetary policy. At the same time, it acknowledges the difficulty of bringing into being a more democratic financial system, given that the Bank is beholden to powers that lie beyond the borders of the domestic political economy. Integration into global financial markets, and dependence on foreign investment, has severely curtailed South Africa's economic sovereignty.

Jonathan Klaaren's article concerns the development of regulatory institutions in Africa. His article highlights recent debates about regulatory capitalism—and the accompanying need for functioning regulatory institutions and effective enforcement strategies—that have been influential in discussions of governance but far less so in that of economics. Considering such phenomena as competition regimes, complementary regulatory regimes (especially telecommunications and public procurement), and the rise and significance of African regional economic communities, it explores whether the African continent can be characterized as a regulatory region, and makes a case that the existence of these phenomena does indeed make for a form of capitalism specific to that continent.

Grieve Chelwa examines recent claims that economics 'has an Africa problem': that is, that African-based scholars are underrepresented in economics scholarship on Africa. Seeking evidence to test the claim, he documents patterns of authorship over the period 2005 to 2015 in 'leading' economics journals that publish regularly on Africa, and shows that, on average, only 25 per cent of the journal articles published on Africa had at-least one African-based author over this period. He also demonstrates that, although the journals in question dedicate about 30 per cent of their content to Africa, only 3% of their editorial boards are based on the continent, and argues that these patterns may well account for the fact that the discipline overall displays such a marked ignorance about the political economy of the continent.

Finally, **Howard Stein** explores the demise of a robustly heterodox and 'multi-paradigmatic' tradition of post-war development economics in the face of a concerted onslaught by economic orthodoxy: an attack that was partly facilitated by uneven patterns of development on the continent. The universities faced a crisis in the 1980s that owed itself, in part, to the influence of donors like the World Bank. The result was that economics departments on the African continent were reconstituted and reshaped in image of the monoeconomics of the West: a single theoretical paradigm that aligned with structural adjustment policies. The article illustrates the role played by the African Economic Research Consortium, based in Nairobi and founded in 1988, in transforming the economics profession in Africa.

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Deborah James is Professor of Anthropology at LSE. Her book *Money from nothing: Indebtedness and aspiration in South Africa* (Stanford University Press, 2015) explores the lived experience of debt for those many millions who attempt to improve their positions (or merely sustain existing livelihoods) in emerging economies. She has also done research on advice (especially debt advice) encounters in the context of the UK government's austerity programme.