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**Article (Published version)
(Refereed)**

Original citation:

James, Deborah (2017) *Deductions and counter-deductions in South Africa*. [HAU: Journal of Ethnographic Theory](#), 7 (3). pp. 281-304. ISSN 2049-1115
DOI: [10.14318/hau7.3.016](#)

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SPECIAL SECTION

Deductions and counter-deductions in South Africa

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The *real economy* as a concept has taken root not only in highly developed economies but also in those characterized by “the rapid growth of aspiration accompanied by massive incorporation of people into the current market economy, through the expansion of indebtedness and financial devices . . . [and] the impossibility to pay,” where plural and shifting scales coexist (Neiburg and Guyer, this volume), and where there “is interplay between different units of measure and scales” (Neiburg 2016: 82). This plurality, in the South African case, means official figures fail to capture the true extent of borrowing and lending and the way state salaries and grants serve as collateral for apparently informal loans. Attempts to regulate or improve the situation, aimed at controlling “reckless lending,” have problematized the debtor as unaccustomed to the idea of repayment. Rather than being excluded from the mainstream economy, however, debtors are in danger of being wholly incorporated into it—but with the disadvantage of having their finances under “external judicial control,” which enables creditors to exact repayment by making deductions directly from salaries. This essay explores the prevalence of these deductions, which have rendered the recent explosion of so-called “unsecured lending” profitable for South Africa’s big retailers and new microlenders alike. Nonetheless, debtors, and the legal and human rights practitioners who act on their behalf, do not unquestioningly accept such predations: this essay examines the various counter-deductions they have put in place.

Keywords: South Africa, economic plurality, indebtedness, financialization, payments, deductions, counter-deductions

In 2015 and 2016, reports in the South African press gave the newest episodes in a long-running saga. There was the story of a washing machine sold to a gardener on installment plan (known locally as “hire purchase”) that cost three times the normal price; the company in question was accused of “reckless lending” by the gardener’s employer; the company threatened, in turn, to seek legal advice to protect its reputation from that employer’s “defamatory allegations.” There was a report



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ISSN 2049-1115 (Online). DOI: <http://dx.doi.org/10.14318/hau7.3.016>

on a groundbreaking decision by the High Court, which placed restrictions on the way in which creditors (including the sellers of overpriced washing machines, various microlenders, and second-tier collectors who had bought debt from other creditors) would in future be able to recoup the unpaid installments owed to them. There was an account of debt collectors who were taken to court by a corporate employer to prevent their making deductions from mine workers' salaries to repay outstanding debts for appliances, motor vehicles, and other goods. And there were stories anticipating legal action against a moneylending and insurance company that had been deducting repayments from social grants before they were given to recipients.

The *real economy* as a concept has taken root not only in stable or highly developed economies (or both) but also in those characterized by “the rapid growth of aspiration accompanied by massive incorporation of people into the current market economy, through the expansion of indebtedness and financial devices . . . [and] the impossibility to pay” (Neiburg and Guyer, this volume). As the editors of this special section note, the real is a “shifting and pluri-scalar concept, which involves multiples agencies, agents . . . engagements and enactments, claims of true and claims of justice, collective and personal lives, emergent and submergent personhoods, experiences and feelings.” Here, as in other similar settings, one finds “a progressive fractioning of products; multiplication of mediations; the amplified reproduction of small gains; and interplay between different units of measure and scales” (to use a description coined by Federico Neiburg [2016: 82] about economic life in Haiti). This plurality, in the South African case, exists in a setting in which forces of state, market, and reciprocity intertwine: where “neoliberal means interweave with and facilitate redistributive ends” (Hull and James 2012: 16).

In South Africa, debates about the real economy have been muddled, in particular, by the imperfect data on indebtedness. The stories outlined above tell us about an economic system in which debt, repayment (or nonrepayment), and deduction (and counter-deduction) have come to play a major role, yet are not always fully acknowledged. They point to a new context in which financial markets and services have overtaken labor-intensive industrial growth, making for a growth that has been termed “jobless” (Hull and James 2012; Marais 2011: 130–32).¹ By drawing attention to the phenomenon of payments (Maurer 2012), here in the form of deductions directly from employees' or grant-recipients' bank accounts, the stories also seem to indicate a highly routinized set of arrangements in an economic system that is predominantly formal. The extent of that formality has been said to leave less space for the emergence of what scholars dub a “second” or “informal” economy than in southern—and African—contexts beyond South Africa itself (Cichello, Fields, Leibbrandt 2005; Neves and du Toit 2012). Yet tactics and techniques used by these debt collectors, companies, and microlenders often turn out, when challenged, to be illegal—or at least to contravene the spirit of the constitution. They also, in many cases, belong within the zone of transactions that are “unrecorded” (MacGaffey 1991) and are hence unavailable to statisticians. Nevertheless, the

1. The process, echoing global trends, is marked by an increasing dominance of financial markets and services as a proportion of national economies, and a corresponding decline in labor-intensive industrial growth (Hull and James 2012).

prominence of court judgments and legal action in the stories above speaks of a world in which formal regulations and legality *do* prevail. They also indicate the importance placed, in South African life, on establishing the rights of those once disenfranchised by using the law (Chanock 2001). Fierce battles are fought out in the courts to rule in favor of—or against—practices that seem intrinsic to the country's economy, despite existing in an ambiguous space on the boundaries of the law. Do uncollected debts, debts collected through deductions, and debts whose collection is actively resisted or countered (often with the help of legal actors), form an intrinsic part of a “real” economy conceptualized as seamlessly integrated?

The challenges posed by the editors of this special section invite us to unsettle the sets of binaries often used to analyze the basis of communities' and nations' livelihoods. They also call for some comparisons: how is indebtedness calibrated elsewhere in relation to aspiration, precarity in economic life, and the role of the state? Both points are attended to in the work of economic anthropologists. Keith Hart coined the term “informal sector” (1973) at the moment when “the post-war era of developmental states was drawing to a close” (2015). After the enthusiastic adoption of this term by development professionals, Hart pointed out that he had always intended to show the inseparability of the formal and the informal, conceptually and empirically (2015). The work of Jane Guyer bears this out, with her now well-accepted insights into the way that the formalization and financialization of economic arrangements are often accompanied by their opposite, all held within the same frame but not necessarily subject to some dominant hegemonic force originating in the capitalist West. She speaks of the need to think in multiplicities rather than binaries and shows how a West African logic of economic activity dovetailed with—while also countermanding—a capitalist one (2004: 11–12). Showing similar plurality and likewise repudiating polarities is the work of Parker Shipton. He maintains that the Luo of Kenya “are at times profit-seeking marketeers and at times reciprocators and redistributors” (2007: 28). Janet MacGaffey's book *The real economy of Zaire* [now the Democratic Republic of Congo] (1991) is an earlier account that shows how these varied aspects must not be separated along binary lines but must all be reckoned as belonging within the entirety of economic activity. To understand the “real economy,” she insists, we need to recognize the “second economy,” which does not appear in official reports and statistics or in “national accounts of the official economy.” That arena of activity must be acknowledged, and not simply because of its size. It is also, she claims, intrinsically intertwined with the state-linked economy (rather than being distinct from it). In intervening decades, state power everywhere has both weakened and simultaneously intensified to favor the interests of market players, giving new valence to informal economic activity. Hart claims that “the informal economy seems to have taken over the world, while cloaking itself in the rhetoric of free markets. . . . Money and markets have escaped from public control and cannot be put back in that straitjacket” (2015).

These debates take on a particular character if we look at South Africa. The country industrialized far earlier and to a much greater extent than its African counterparts and levels of wage labor were far higher (Cooper 2002: 194), although these were combined with a continued dependence on cultivation and herding, which has inspired Marxist-inspired theorists to debate whether and how to conceptualize diverse aspects of production, profit, and subsidy in one single frame

(Wolpe 1972).² Later, as unemployment soared following the peak years of growth in the 1960s and 1970s, and even more so after the country's democratic transition in 1994, scholars explored the interrelation of what looked like diverse sectors of the economy. Economists and policy-makers, adopting Hart's concept, were puzzled about the failure of the "informal sector" to expand and to make up for the dwindling of its formal counterpart. Given the strength of the state and the capitalist sector in what was otherwise a developing country, informal economic activity, some thought, had been crowded out (Lund and Skinner 2003). Others, however, showed that the two were entwined. According to David Neves and Andries Du Toit (2012: 143), although informal economic activity seemed to present only few economic opportunities, the "varied, variegated and non-linear . . . trajectories of economic development" it afforded seemed to go against the assumption "that the economy becomes progressively disconnected from society as it becomes more formal." Its practitioners were able to negotiate "practices of economic governance—both formal (state-led) and informal—which provide the conditions of possibility for economic activities." Such practitioners positioned themselves "to harness the benefits of formalization, while evading its considerable constraints" (Neves and du Toit 2012: 143). Such insights into the intertwining of state-regulated and off-the-record activities parallel the points made by Hart, MacGaffey, and Guyer. MacGaffey's claims about the complex and often contradictory role of the state are particularly relevant to the present study, especially the part played by state employment. In South Africa, civil service salaries—and in this case, welfare payments—are not (as in MacGaffey's discussion of Congo) just a point of access to opportunities. They are also a reliable source of steady income that acts, in effect, as collateral for debt—and thus as a source for deductions.

In some respects, the economic activities of those formerly seen as excluded from the single economy are indeed governed—if not wholly subsumed—by the banks, furniture companies, clothing stores, and "micro-lenders" to whom they are in hock. Financial formality, in other words, *is* more prevalent here than in many other African settings and other parts of the Global South. It is also the case, however, that multiple registers coexist, enabling formalizations and informalizations to interpenetrate (Guyer 2004). Alongside the spread of sophisticated financial technologies, and partly interwoven with these, the dynamics of a second economy of lending and repayment *are* in evidence: to argue that these interconnected sectors have come entirely under the sway of one single financialized arena would be to underestimate the plurality and multiplicity of arrangements.

While "credit apartheid" had previously restricted black people from borrowing in a single market (DTI 2002; 2004), loans of all kinds, in the 1990s, became readily available. It seemed as though the part played by those (primarily black) people,

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2. The "cheap labor thesis" (Wolpe 1972) held that capitalist growth was premised upon, articulated with, and only profitable because of, household labor performed in rural settings, which thus subsidized the capitalist sector. Challenging this account, economic historian Charles Feinstein showed that apartheid's work force, largely unskilled and migratory, cost too much in relation to its productivity, rather than too little, achieving less for higher wages than their equivalents in other countries (2005: 245–51; see also Beinart 2012: 13).

who for years had been partially excluded—if not from the wage economy then certainly from the formal financial sector—had been inverted. Instead of laboring for capitalist corporations while securing part of their sustenance from rural cultivation or informal economic activities, their chief contribution, and a new site of exploitation, was now that of making repayments on consumer credit agreements via highly routinized and technologized means: deductions. Many social actors, however, are intent on evading these technologies through various means. Activists and human rights lawyers make efforts to shore up consumer rights. They devise systems of registration or regulation, or try to render illegal the proliferating technologies of debt collection by seeking redress and appeal through the courts. In a kind of arms race, lenders then invent new systems of payment or repurpose old ones. The struggle between those activating deductions and those striving to enable counter-deductions is ongoing.

As economic life in this newly liberalized, newly democratized country turns toward financialization (Neves forthcoming), new questions must then be asked about its *real economy*. This financialization is taking shape in a space where borders of legality/illegality and ethical/unethical practices overlap, which allows for contests about and shifts of the limits or reach of the state. It is not only the case that we need to note the unrecorded alongside the recorded—and nonmonetized alongside monetized—aspects of the economy, as MacGaffey suggests (1991). We also need to pay attention to how the state both facilitates the intensification of the repayment regime through providing civil service salaries and grants and—by outsourcing grant payments to private companies—enables the emergence of a kind of parallel state, with its own database and payment system. At the same time, the financially incorporated have agency themselves, and are not reduced to mere conduits for flows of money.

Deducing indebtedness

The extent of indebtedness—or over-indebtedness—has been difficult to ascertain. Although much of the money owed was being taken off—often through practices of borderline legality—in automated repayments or deductions, these do not necessarily show up in the official census or in reports by the newly established National Credit Register, surveys conducted by commercial companies keen to estimate their likely market share, or reports by agencies such as the Bureau of Market Research, which sell their results to such companies.³ The figures offered by such sources reflecting the extraordinary growth in “unsecured” indicated debts that remained unpaid, rather than those that were being collected. By 2014, the World Bank reported that 80 percent of the South African population was borrowing money (against a global average of 40 percent).⁴ Leading up to this high

3. This Bureau is attached to a university, UNISA, but its results are available only to those who pay for them.

4. Tanya Farber and Bobby Jordan, “Maxed out: SA’s debt headache,” *Times Live*, January 3, 2016.

figure, sources showed that the sharpest rise had been in the early 1990s (Ardington et al. 2004). By 2008, nearly half the credit market's 17.56 million consumers had "impaired records."⁵ By 2011, household debt as a percentage of disposable income was at 76 percent, ratcheting up from 50 percent in 2002; consumer debt stood at R1.2 trillion, up from R300 billion in 2002. By 2013, around half of consumers were at least three months behind on debt payments.⁶

Central to policy debates over this epidemic of borrowing (and nonrepayment) were disagreements over whether it resulted from consumers' over- or underexposure to financial formality, and over the socioeconomic profile of these consumers. During the 1990s, one study argued, it had been among the urban black working class that the growth rate in credit consumption had exceeded the growth in incomes. They were taking out unsecured loans from small lenders and retailers rather than the big banks, and more from informal lenders or *mashonisas*—estimated at about 30,000 in number at the end of the twentieth century—than from formal institutions, and many were borrowing at high interest rates to repay their other debts. People from this sector were getting into debt to buy consumables at high interest rates rather than solid assets at affordable ones, so borrowing increased their vulnerability. The authors of this study, writing in a high modernist paradigm, claimed that the answer was to enable greater financial "deepening" and thus to facilitate more borrowing from banks. This would help such people move away from their reliance on less formal and more exploitative loans and toward cheaper ones from financial institutions (Ardington et al. 2004: 607, 619). Other analyses—reflecting similar patterns elsewhere (see Anders 2009 for Malawi; Parry 2012 for India)—emphasized that those with greatest levels of debt after 1994 were not those at the bottom of the pile but regular earners in the middle of the scale who were well placed to take advantage of the banking and retail sectors. Since their salaries served as collateral (Roth 2004: 78), they qualified for credit, but their "social obligations"—in other words, their embeddedness in networks of reciprocal exchange and care—placed "pressure on them to borrow" at "unsustainable" levels (Daniels 2004: 842).⁷

While these debates evinced great concern over the prevalence of unregistered lenders offering unsecured loans and plying their trade in the borderlands of financial formality, the deduction stories with which this article is concerned tell of practices more central to that realm. These are practices that use devices within the terrain of legality, which benefit from the sheltering embrace of the law, and which have only recently begun to be challenged in the courts. These legal/illegal, formal/

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5. Noted in the National Credit Regulator's maiden report; Sikonathi Mantshantsha, "7.3m in SA behind on bills," *Fin24.com*, May 24, 2009.
 6. Patrick McGroarty, "In South Africa, a consumer debt bubble forms," *Wall Street Journal*, 26 December 26, 2012.
 7. But being in debt, for such people, was not necessarily seen as all bad. One report claimed that whereas buying consumables at high interest rates was ultimately detrimental, buying solid assets at affordable ones constituted the basis of a solid middle-class lifestyle. Kevin Davie, "Drowning in debt or rolling in riches," *Mail and Guardian*, July 22, 2011.

informal zones have interpenetrated: they have resulted from, generated, and also sought to control, the exploitative processes of “credit apartheid” over more than a century. To understand this, we need to look in more detail at two distinct historical moments. The first, dating back to the end of the nineteenth century, involved an uneven combination of unbridled market freedom and paternalistic state control. The second, at the end of the twentieth century, again saw market forces given free rein and again saw the authorities attempting to curb these excesses.

Between state and market

Although the rises of financialization, indebtedness, and “debtfare” have been documented worldwide (Anders 2009; Han 2012; Guerin 2014; Kear 2013; Martin 2002; Soederberg 2015; Wilkis 2015), the South African debt story has some noteworthy particularities. The historical underpinnings of credit apartheid lie in the colonial roots of South African capitalism. In the later years of the nineteenth century, mercantile capital was pervasive. While antiapartheid campaigners have complained about white ownership of the land, at that time it was large companies that appropriated vast swathes of the countryside, and the role of big finance houses was crucial: an “oligopoly” of British-owned banks rooted in the English-speaking capitalist sector established, from early on, a fully-fledged system of property, mortgages, and frequent repossessions (Trapido 1978; Verhoef 2009: 157, 181). The scene was set for a swift and uncompromising form of capitalist penetration. This was linked to the country’s thoroughgoing proletarianization, and in turn to the phenomenon of indebtedness. Whereas, in most of Africa, “wage-labor capitalism . . . takes place on islands in a sea of other sorts of socio-economic relations; in South Africa, wage-labor capitalism pervades the economy,” noted Fred Cooper (2002: 194).⁸ The means through which that labor force was recruited was intrinsically tied to the extension of credit. And accumulation continues to operate, even after the heyday of capitalist growth had passed and despite high levels of unemployment, which stood at 43 percent in 2012, through new incarnations of the creditor/debtor relationship.

Provided that cultivators could be persuaded to become wagedworkers, the regular payment of wages was what opened up a stream of income for small-scale traders, imbued with a pioneering spirit of enterprise in the late nineteenth/early twentieth century. These traders doubled up as labor recruiters who sold to locals on credit and later obliged them to “work it off.” Rural cultivators in the Eastern Cape, for example, were induced into work contracts, or tempted to leave employment in one sector in favor of another, by traders who gave “cattle advances” against these migrants’ future earnings (Beinart 1979). The relationship between wage advances and labor procurement was even more direct in Bechuanaland (now Botswana), a British protectorate at the time. Agents recruiting for the South African mines “induced” locals to enter into contracts by paying them wages in advance, thus

8. The (former) ubiquity of, and reliance on, paid work, has left in place an assumption that the main route to both a livelihood and citizenship is through a paid job (Barchiesi 2011).

automatically indebteding them (Schapera 1947: 108). These arrangements were open to abuse by those on both sides, with agents often extending such large advances that the borrower “remained in debt even after having worked for several months,” but with borrowers often accepting advances from several agents at the same time, with no intention of honoring their debts to any of them (Schapera 1947: 109; Beinart 1979: 209). These cowboy-capitalist excesses were later regulated by the colonial authorities, who saw them as exploitative and unsustainable. Such regulatory measures did not, however, result in migrants’ getting free access to their earnings. Instead, fearing that cash received immediately would be too readily spent or diverted from “legitimate” uses (primarily the payment of various colonial government taxes and levies), or might encourage migrants to neglect or desert their families, the authorities devised a system of deferring part or all of miners’ pay rather than giving it to them at the work site (Schapera 1947: 106–7; First 1983). The reliance on such measures, in which earnings were subject to various forms of external or social control rather than being individually “owned” by workers themselves, proved to be long-lived.

Overall, a combination of freewheeling enterprise on the one hand, and its regulation by paternalistic authorities on the other, laid the basis for a mixed system. On the one hand, “external judicial control” (Haupt et al. 2008: 51) has meant that workers’ finances and salaries/wages, and even—eventually—the bank accounts used to transfer these, have tended to be viewed, unquestioningly, as controlled or regulated (or both) from the outside. On the other hand, earners have become accustomed to dodging, negotiating, and evading the forms of entrapment represented by such systems of finance and loan/advance. In their most recent form, these evasions—including confrontations in the courts—have become the counter-deductions of this essay’s title.

We skip forward—over a century during much of which a particularly stringent form of “national capitalism” was in operation (Hart 2009, 2015)—to examine the moment of democratic transition in 1994. In a muffled echo of earlier arrangements, the economy began to liberalize. It also became extensively financialized. The move away from—and the concerted attempt to abolish—credit apartheid, combined with a rise in expectations for personal material wealth, laid the grounds for a huge demand. This was met by a burgeoning supply, as short-term loans became available at high rates of interest. These were provided both by a rapid growth in informal lending—including the loan sharks or *mashonisas*—about whose proliferation economists and policy-makers had despaired (Ardington et al. 2004) (see fig. 1, sector 3)—and through an expanded willingness by the formal (formerly white-dominated) retail and banking sector (see fig. 1, sector 1) to open its doors to black people. Alongside this, a new microlending sector was emerging: it was initially borderline illegal but it gradually became formalized and regulated.

The resulting credit landscape, perhaps unsurprisingly, mapped itself along racial lines. Sector 2 (see fig. 1) largely comprised white, Afrikaans-speaking civil servants. Fearing an abrupt end to state patronage, they had taken redundancy packages with the onset of the new democracy. Seeking a place in which to invest their payouts, and emboldened by the repeal of legislation that for many decades had capped the interest rate but had now been abolished in the interests of extending credit to all, many of these ousted civil servants established microlending

Sector	Lender	Type of loan
1	Mainstream/formal financial sector (mainly English-speaking capitalists)	Loans from the “big four” banks, recently joined by African Bank and Capitec; housing loans; vehicle finance; store cards for clothing and food; furniture and appliances on installments.
2	New microlending sector (mainly Afrikaans-speaking former civil servants)	Smaller/short-term/unsecured loans
3	Informal microlending sector (neighborhood moneylenders— <i>mashonisas</i> in black townships and villages)	Smaller/short-term/unsecured loans

Figure 1: Credit supply

businesses to lend money to black people at high interest rates. In this setting of newly ballooning aspiration, the new (black) civil servants and grant recipients in turn, despite receiving regular payments, needed more than what those could buy, so they turned to borrowing. Replacing the fixed assets that lenders traditionally require by way of security (Roth 2004: 62), salaries and grants from the state came to serve as collateral: the term *unsecured* for such loans is thus misleading. Lenders, having direct access to the bank accounts into which the salaries of this new swath of civil servants (or the grants of welfare recipients) were paid, were easily able to recoup their debts. Whereas the informal neighborhood lenders or *mashonisas* in sector 3 used the system—only outlawed at the end of the 1990s—of confiscating a debtor’s ATM card and identity document in order to ensure repayment (for a similar practice in India, see Parry 2012), many lenders in sector 2 used garnishee or emoluments attachment orders (EAOs) to get installments deducted directly from debtors’ bank accounts. Such an order is issued by a magistrate’s court against the salary of a debtor, provided that the application for it is willingly signed by that debtor. If a creditor is owed money and then presents an employer with the order, the latter must allow the former automatically to deduct a portion of the debtor/employee’s monthly pay before the employee receives it, with the creditor bearing a 5 percent charge (James and Rajak 2014: 455–56; James 2015: 61–64, 74). Retailers in the mainstream (sector 1), continuing but intensifying a long-standing practice, were similarly dependent on the use of EAOs, as seen in the deduction stories with which this article began. Some lenders originating in sectors 2 and 3 have formalized and effectively entered sector 1; these include African Bank and Capitec, both of which explicitly aim to cater to the low-income earning population.⁹

9. The “unsustainable” business model of African Bank, which offered loans but took few deposits, were exposed when, in 2014, it sought reprieve and the Reserve Bank forced the “big four” mainstream banks to bail it out. Moody’s then downgraded the credit ratings of all these banks. For details on this process, see Tim Cohen, “Editor’s note: Un-Abil to unwind,” *Financial Mail*, August 14, 2014; Agency Staff, “Moody’s downgrades Standard Bank, Absa, FNB and Nedbank,” *Business Day*, August 19, 2014. *Times Live*, August 17, 2014.

What is crucial to note in this picture of credit supply and demand is the role of state salaries and grants. The situation in South Africa, with its developed capitalist sector and high levels of economic formality, both converges with and differs from that of the countries where informal/underground or “second” economies (MacGaffey 1991) are prevalent. State employment in the Congo, as in Ghana and Uganda, was important mainly for the fact that jobs brought “access to the profitable opportunities of a parallel commercial system developing in the heart of the state” (MacGaffey 1991: 15) rather than for actual salaries, which often remained unpaid. In South Africa’s post-transitional civil service, by contrast, salaries *are* regularly paid. In this newly financialized setting, they not only fund recipients’ livelihoods, they also underpin an informal or second economy of credit: through their use either as a kind of “start-up capital” in an informal *mashonisa* business or, conversely, as a means of repaying one of these (alongside other creditors). Dependence on moneylenders in the less-developed African countries of MacGaffey’s book is often unavoidable, given the absence of alternatives “to those exploitative relations and the crude ‘social security’ provided by patron-client relations” (Beckman 1988 cited in MacGaffey 1991: 32). In South Africa, in contrast, alternatives *do* exist. These are used *alongside* illegal/informal moneylending by those newly liberated from the restrictive (or nonexistent) credit offerings of apartheid. MacGaffey claims that civil service employment provides “access to resources” and “opportunities to . . . extort from those lower down the social scale” (1991: 36). In South Africa, salaries can function equally as means to repay the extorters. In the case of the *mashonisas* (illegal moneylenders or loan sharks), this is achieved by the use of the confiscated ATM card; in that of buying a washing-machine on instalments or borrowing from a registered microlender, deductions are made—with endorsement by the clerk of a magistrate’s court—directly from the salary or grant. (Those without such incomes often find it difficult if not impossible to get a loan.) The interpenetrating first and second economies of MacGaffey’s book (1991: 154) are thus equally present, but with a different modality, in South Africa.

Deductions and counter-deductions

I have a problem. People are debiting the money from my account. That is why I am not getting that much money. I have been working in security. And I have to pay some of the accounts, like Jet, and those accounts that I have to pay by hand.¹⁰

This statement by a low-wage, hourly-paid worker, who I met when he was attending debt counseling, conveys something of what it feels like to be caught in the web of automatic repayments, whose origins have been sketched above. Besides those he was compelled to pay “by hand,” his monthly repayments included those for store cards to the clothing retailer, Jet, alongside numerous others that were deducted. His statement represents, in microcosm, what a judge later described as the

10. Richard Madihlaba, Pretoria University Law Clinic, September 3, 2008.

iniquity of a system in which “millions of people across the country” were having their wages docked to an unsustainable degree.¹¹



Figure 2: Jet store branch with advertisement for store card (Photo by Deborah James)

We turn, then, to the stories of deductions and counter-deductions with which this article began. The first, about the overpriced washing machine, is not atypical but it attracted unusual levels of public attention because it was disseminated through social media. In early 2016, an employer in the Western Cape town of George posted on Facebook an account of his gardener’s battle with furniture retail giant Lewis, which included a photograph of a contract that the gardener had signed (fig. 3).¹² What ensued was a kind of moral panic. Commentators were shocked that a low-wage employee could end up paying R18,000 for a washing machine that retailed for R6,000. The markup did not consist of interest alone. The appliance store, said a newspaper report, had “managed to convince [the] 60-plus gardener” to sign a contract for

11. [http://www.sun.ac.za/english/Downloadable%20Documents/News%20Attachments/Judgment%20Universityof%20Stellenbosch%20Law%20Clinic%20080715%20\(2\).pdf](http://www.sun.ac.za/english/Downloadable%20Documents/News%20Attachments/Judgment%20Universityof%20Stellenbosch%20Law%20Clinic%20080715%20(2).pdf).

12. The story was reported in the local newspaper, the *George Herald*: <https://www.georgeherald.com/News/Article/General/r18-000-for-r5-999-washing-machine-20170711>. It was later reported online at Fin24.com and the *Daily Maverick*: http://www.dailymaverick.co.za/opinionista/2016-01-25-the-exploitation-of-poor-debtors-is-routine/#.V7L_J_krLIU.

a 14kg twin tub that, apart from the R5999 price tag, included: a R975 contract fee, R750 for delivery, a R1311 maintenance agreement, interest at 23% per annum, customer protection insurance of R2052 and, again, protection insurance for clients of R3785. The total is R17955 and [the] employee asked him to have a look at the contract as Lewis Stores only asked him for R600 deposit and the gardener did not understand what the extra costs were for.

Lewis agreed to cancel the contract, but a bitter fight nonetheless ensued. The furniture retailer threatened legal action for defamation¹³ and the gardener's employer unapologetically reaffirmed that its "lending practices are not fair to the poor and amount to exploitation." He also maintained that while a court would have to rule whether this was reckless lending or not, and he could not speculate about that, the gardener's "lack of ability to afford such a contract and lack of understanding of the full costs involved" made it quite likely that Lewis would "be found guilty of reckless lending."¹⁴

The term *reckless lending* was particularly emotive. In a manner somewhat reminiscent of the paternalism of the colonial authorities a century earlier, a regulatory framework had already been put in place—the National Credit Act—precisely in order to stop retailers and lenders from making offers to those manifestly unable to afford them. Its passing, informed by the kinds of scenarios that transpired between Lewis and the gardener, had been designed by the Department of Trade and Industry to counteract the egregious forms of "credit apartheid" that had earlier prevailed (DTI 2002), as well as tackling the effects of the new credit bonanza. But its umbrella organization, the National Credit Register, little more than a "consumer advocate that is charged with registering lenders,"¹⁵ was seemingly ineffectual.

Buying household goods in installments by those who cannot afford them outright is not in itself a uniquely South African phenomenon: in the United Kingdom, for example, a much-reviled company called Brighthouse has specialized in selling white goods in the same way.¹⁶ What did mark off the South African case, and what led to the social media furor, was a set of associated practices (Schreiner et al. 1997). Retailers levied excessively high interest rates (despite having been able to ascertain—as with the washing machine purchase in George—that the purchaser has a secure line of income and hence did not pose a "risk"). They also charged for life insurance to cover the term of the loan, and added a fee for delivery. Retailers rationalize this as part of their "risk assessment" since it enables them to ascertain where—in a township, shanty town, or squatter camp—the customer lives and thus

13. <http://www.fin24.com/Companies/Retail/lewis-hits-back-in-r18k-washing-machine-row-20160122>.

14. Shortly before this, Lewis's practices had been exposed—using "mystery shoppers"—by a consumer watchdog and self-styled auditor of the credit industry, Summit Financial Partners: <http://www.summitfin.co.za/>; <https://www.youtube.com/watch?v=uZN2lw-LMYQ&feature=youtu.be>.

15. Patrick McGroarty, "In South Africa, a consumer debt bubble forms," *Wall Street Journal*, December 26, 2012.

16. <http://www.brighthouse.co.uk/>.

makes repossession easier should it come to that.¹⁷ What outstripped all of these in notoriety, however, was the way such retailers—and others—were able to make “deductions” if payments were not kept up. It had become habituated practice for retailers and microlenders alike to do this by using emoluments attachment or garnishee orders (EAOs). Law Clinic attorney Stephan van der Merwe aptly summarized the situation: “The rules . . . fail to cater for those matters where the judgment . . . [is] being abused to squeeze every last drop of blood from debtors” (2007).

OPSOMMING			
Waarde van goedere wat op krediet verskaf is	R 5,999.99	Rente (23.00% p.a.)	3,680.31
Aanvangsgelde, wat vooraf gedebiteer word	R 975.94	Maandelikse betaling vir klantebeskermingsversekering	R 57.00 R 2,052.00
Bykomende koste, sien 4 hieronder	R 2,061.00	Beskermingsversekering vir kliente, maandeliks betaalbaar	R 105.16 R 3,785.76
Hoofskuld	R 9,036.93	Totale kredietkoste	R 17,955.00
Deposito, vir betaling en aftrekking	R 600.00	Geraamde totale bedrag van alle paaiemente insluitend rente, gelde en klantebeskermingsversekering.	
Inruiling, vir aftrekking	R 0.00	Kredietkosteveelvoud	R 1.99
BTW, ingesluit in die bogenoemde	R 1,109.80		
Skuld na deposito	R 8,436.93		

I. BYKOMENDE KOSTES PER AFD. 102 (b)-(f)	
Totaal van bykomende koste wat by die rekening gevoeg sal word en is reeds in die berekening van die paaiement ingesluit	R 2,061.00
Afleveringskoste	750.00
Onderhoudsooreenkoms	1,311.00
TV-lisensiegelde	0.00

5. Metode van betaling – kontant/tjek/elektroniese oorplasing	
Eerste paaiement betaalbaar op:	01-03-2016
Laaste paaiement betaalbaar op:	01-02-2019

Aantal paaiemente:	36
Paaiemente betaalbaar:	36
Maandelikse paaiement, insluitende rente, gelde en beskermingsversekering vir kliente	R 498.75

6. BEPALINGS EN VOORWAARDES

1. Die bepalinge en voorwaardes wat van toepassing is op die Koper indien daar 'n kredietoreenkoms aangegaan word, is vervat in die kontrakbinde wat die volgende dokumente insluit: die bepalinge en voorwaardes vir die kleinkredietoreenkoms; die klantebeskermingsversekeringsterme (waar Monarch-polis gekies word); die versekeringsertifikaat (waar Monarch-polis gekies word); die openbaarmakingskenningsgewing aan korttermynpolisshouers (waar Monarch-polis gekies word), en die instandhoudingsoreenkoms (indien gekies).

6.2 U word aanbeveel om hierdie bepalinge en voorwaardes weereens te lees voor ondertekening. Indien iets onduidelik is, kan u ons oproepentrum by (021) 460 4692 of 0800 228 444 skakel. Sodra u teken, het ons die reg daarop om te aanvaar dat u hierdie dokument gelees het en dit verstaan.

6.3 U het die reg om die ondertekening van hierdie ooreenkoms vir vyf werksdae te vertraag ten einde die voorgestelde ooreenkoms te oorweeg. Indien u kies om die ooreenkoms met die Verkoper binne die genoemde vyf werksdae aan te gaan, sal die ooreenkoms gefinaliseer word teen of aan te sien, maar nie te laat.

Figure 3: The gardener’s contract posted on Facebook. (Photo by Onne Vegter, used with permission)

This brings us to the second story. As in the washing machine case, things were once again instigated by a white employer from the left-liberal establishment: and this time court action was initiated not by a creditor hitting back at accusations, but by an employer. What the cases had in common was the presence of one kind of (paternalistic) external control as a means to combat another (exploitative) variety, and the importance of the formal, legal domain as terrain on which these battles would be fought.

In the absence of meaningful action taken against reckless lenders by the government (which is what the drafters of the National Credit Act had intended), businesswoman and wine farm owner Wendy Appelbaum approached the Legal Aid Clinic at Stellenbosch University, which in turn instructed the pro bono practice of law firm Webber Wentzel. Several of the workers on Appelbaum’s wine farm, De Morgenzon, she complained, were having “large portions” of their monthly

17. Interview with Marlene Heymans, Pretoria, April 15, 2009.

pay deducted by the use of such orders.¹⁸ In the judgment of the Western Cape High Court that heard the case, it was not this practice itself that was condemned. (It noted with concern, however, the epidemic levels at which such orders were being granted: in the case of one of the applicants the clerk of the court had “issued three EAOs on the same day attaching almost her entire salary.”) Rather, it singled out the “predatory lending practices” and “large scale abuse” including “fraud” in the process of issuing such orders.¹⁹ The fraud—eventually ruled against by the court—included debt collectors’ use of counterfeit signatures. It also included the issuing of orders by incompetent or corrupt clerks rather than by magistrates themselves, and the practice of “forum shopping,” in which retailers and lenders sought to have orders enacted in areas of jurisdiction, far from the debtor’s place of residence, where clerks were known to be compliant. Those who had been readily using these fraudulent procedures, and were listed as respondents in the case, were not only the thirteen “credit providers” but also a firm of attorneys that specialized in debt collection on their behalf, and which had on its books debt to the “total value . . . of R1,597,585,832.00 (that is, over one and a half billion rands).”²⁰ With a rich income source thus threatened, the association representing the debt-collecting law firm—despite the judgment’s being widely hailed as a “great victory for the poor”—lodged an appeal. Even before the appeal was heard, however, there were signs that the numbers of “fraudulently” enacted EAOs had fallen. The Constitutional Court eventually ruled in September 2016 that no such order may be issued without authorization by the court “after satisfying itself that it is just and equitable and that the amount is appropriate.”²¹ The efforts made to bring the case to court, unusually, involved not just pro bono lawyers and legal practitioners with an interest in human rights. They also involved “those with resources and influence,” such as the farm owner mentioned earlier, as well as a business in the private sector, Summit Financial Services, which had charged itself with auditing the unethical practices of creditors.²² Effectively, the Court was here intervening at the highest level in a realm previously thought of as everyday, even banal. The collection of debts, once made through routine administrative measures, had been ruled as involving abusive practices, and as having negative implications for the rights and freedoms of South Africa’s lowliest citizens.

In the third deduction story, reported in 2015, it was—as in the previous case—an employer who was made aware of the effect of the whittling away of salaries

18. Emoluments ruling “a great victory for poor in general.” Desmond Thompson, *Sunday Times*, July 15, 2015. For more information on how the system operates, see van der Merwe (2007).

19. These and the following citations are from the judgment: [http://www.sun.ac.za/english/Downloadable%20Documents/News%20Attachments/Judgment%20Universityof%20Stellenbosch%20Law%20Clinic%20080715%20\(2\).pdf](http://www.sun.ac.za/english/Downloadable%20Documents/News%20Attachments/Judgment%20Universityof%20Stellenbosch%20Law%20Clinic%20080715%20(2).pdf). For the later judgment by the Constitutional Court, see <http://www.saflii.org/za/cases/ZACC/2016/32.html>.

20. At the time, this equated to 77,930,236 GBP.

21. <http://www.moneyweb.co.za/news/south-africa/ombuds-complaints-salary-attachment-orders-fall/>; <http://www.saflii.org/za/cases/ZACC/2016/32.html>.

22. <http://blog.6cents.co.za/garnishee-laws-updated-by-the-constitutional-court/>.

on employee morale that initiated proceedings to curb this practice. The huge multinational mining company Amplats “launched a legal battle” against salary deductions for outstanding debts.²³ The company was opposed, in particular, to the “12.5% fee charged by administrators, stipulated in the Magistrate’s Court Act,” and to the practice whereby attorneys undertaking debt administration were charging “what they wish” or were circumventing “the 12.5% cap by subcontracting their duties and adding that cost to the debt.” The CEO’s argument “that this could turn some heavily indebted people into ‘indentured labour, working to pay off administrators as well as creditors—often for indefinite periods’” contained eerie echoes of the practices of nineteenth-century trader/labor recruitment agents enticing workers into the labor force by indebting them. In this type of deduction, practiced through “debt administration,” rewards were again arising from inadequate policing of the Magistrates’ Court Act of 1944 that governed such matters. Debt administrators, appointed to officiate over the accounts of debtors who were in default, received funds through the execution—yet again—of a deduction order from those debtors’ accounts. Their official role was to divert these funds into a trust account in order to distribute them to the unpaid creditors. But they were often unqualified and unregistered, overcharged their clients, or failed to pay creditors as they had undertaken to do, with outstanding interest from the unpaid debts then accumulating to the detriment of the debtor. In one case, administrators extended a loan to one of their clients, added themselves as a creditor, and “distributed the better part of the client’s installment to themselves and the remainder to the client’s other creditors.” In other cases, “administrators were attorneys who were struck off the roll or were themselves under administration” (Smit 2008: 14).²⁴ The blurred boundaries between debtor and creditor are here evident.

The final story in my quartet tells of similar deductions, likewise made with impunity until a challenge was launched—in this case, by public interest law NGO the Legal Resources Centre. In this case, however, the automatic deductions were being made from state welfare payments rather than from state pay packets, or salaries or wages paid in the private sector. What also made this case stand out was the way it combined the outsourcing of the state’s redistributive function with sophisticated new technologies of registration that were bringing potential (poor) borrowers more easily within the ambit of businesses aiming to profit from them (see Breckenridge 2005, 2014; Vally 2016). “Pensioners,” said the report “are signing over their social grants to a private lender in order to get loans.” The report went on to document how Easypay, a service “launched by Net1/Cash Paymaster Services,” had access to “the details of 21 million grant beneficiaries.” It was using these to allow microlenders and funeral insurance salesmen—many of them subsidiaries of the grant-paying company—to target those beneficiaries by offering them loans and selling them products, then deducting payments from their grants

23. <http://www.bdlive.co.za/business/mining/2015/01/09/amplats-takes-debt-collectors-to-court>.

24. “Struck off” means removed from the register and prohibited from practicing as a lawyer.

on payday.²⁵ Ethnographer Natasha Vally, who documented these processes in the rural setting of Bushbuckridge over two years, noted that officials spent more time involved in the business of these subsidiary loan and insurance arrangements than in the work of actually paying grants.

Ultimately, Net1 had acquired the machinery and other hardware, the knowledge of how to put them into practice in South Africa, the employ of people with the required skills and local knowledge to implement their infrastructure, and the information and databases that it needed in order to maintain a thriving business without direct connections to the state. (Vally 2016: 982)

The legal NGO involved in the case achieved some success: by the time of publication, an out-of-court settlement had been reached, allowing the agency to stop funeral policy deductions from specific grants until the passing of new regulations within the Social Assistance Act. “It is a shameful travesty of justice,” said a spokesperson for the opposition Democratic Alliance, that such deductions had “been allowed to take place at all, from grants which are already way too small to survive on.”²⁶ Nevertheless, disputes over whether the agency contracted by the government to pay these grants had the right to use recipients’ data in order to offer them loans were ongoing at the time of publication. The story demonstrates, overall, how “the expansion of indebtedness and financial devices . . . [and] the impossibility to pay” feature prominently in accounts of settings where there is a “massive incorporation of people into the current market economy” (Neiburg and Guyer, this volume).

More counter-deductions

The burgeoning supply of and demand for credit, the indeterminacy about the exact figures involved, and the socioeconomic segments most affected, have been outlined above. So have the belated attempts to regulate and curb the practice of ensuring repayment through deductions. It remains to be asked whether any means have been found to counter that practice, apart from expensive legal action undertaken by wealthy and paternalistic employers.

One answer suggests a protectionist, and perhaps equally paternalistic, remedy. Drawing attention to the risky and unsustainable character of the unsecured credit market, those espousing this approach offer advice to unwary consumers. Then Finance Minister Pravin Gordhan warned in 2012 against using unsecured lending to feed consumption rather than for investment purposes: “Take it easy on the consumption side. Lower your levels of indebtedness. Distinguish between what you want and what you need” (cited in Schraten 2012). As the situation seemingly worsened and as it became clearer that waged employees were among the worst hit, financial corporations like Alexander Forbes, concerned with employee well-being,

25. <https://www.pressreader.com/south-africa/sunday-times/20160221/282196535019414>.

26. <https://www.africanewshub.com/news/5072284-funeral-policy-deductions-settlement-a-step-towards-protecting-societys-most-vulnerable>.

presented a series of talks to audiences comprising the trustees of pension funds (among others) that were aimed at raising awareness of the need for worker education and protection.²⁷ These analyses, again reflecting a high modernist stance, stemmed from the idea that a population unused to—because previously excluded from—the possibilities of formal borrowing, was not attuned to the conventional wisdom that “all loans and repayments should cancel each other out” (Shipton 2011: 217; see also Graeber 2011: 3–4). Far from overtly challenging or questioning that premise, consumers had been duped into borrowing beyond their means and would require “financial education” to stop them doing so in future. They should also be introduced to the benefits of “being banked,” which would lessen their reliance on higher-priced loans from informal moneylenders (Ardington et al. 2004).

A second line of argument—one I have pursued in earlier publications—was that consumers knew more than they were credited with, and that neither education nor banking could remedy a deep-seated bias in favor of lenders. Those in need of financial services have long made use of them (James 2015: 107), and *have* been accustomed to make regular repayments. They have used their obligations to honor installment plan repayments as a savings mechanism or a way of selectively avoiding relatives’ requests for money (or both). As elsewhere, they have been able to “negotiate and challenge” such demands by choosing to repay some debts rather than others or by juggling various creditors’ claims against each other (see Guerin 2014). But these strategies cannot mitigate the fact that the cards are stacked in favor of lender/creditors. The ability of the latter to make automatic deductions from pay packets means they have little need of collateral, since wages serve as a collateral substitute in such cases (Roth 2004: 78), and their techniques for making deductions have, until recently, gone unchallenged. Borrowers therefore have little muscle. Unsecured lending enhances the principle of “advantage to creditors” that underpins existing insolvency law and that remains intact despite inconclusive attempts to provide debtor relief (Boraine and Roestoff 2002: 4; Schraten 2014). What marked the break with earlier arrangements, according to this line of argument, was post-1990s financialization, plus the extensive use of bank accounts by the populace at large. It was this that definitively enhanced creditors’ advantage by facilitating the unimpeded flow of money, from salary or social grant, into the bank account at month’s end and out of it again (James 2015: 110).

There is truth in both sets of claims, however. Some creditors do indeed exploit lenders with impunity, and have been able to shape-shift in parallel with changing legislation, avoiding all attempts to regulate their behavior. But many informal moneylenders (*mashonisas*), initially spotting the opportunities offered by lending money at high rates of interest but later prohibited from securing or otherwise unable to secure repayment through the financialized “deduction” system, have reverted (as an alternative, usually unsuccessfully) to the “formal” means of seeking repayment at the small claims courts.²⁸ For other *mashonisas*, the extent of their lending, the interest they can charge, and their ability to call in loans, is limited

27. The 2015 issue of their *Benefits Barometer*, to which I contributed, can be found here: <https://issuu.com/alexanderforbescomms/docs/benefitsbarometer2015>.

28. Nickle Felgate and Pippa Reyburn, pers. comm., April 2015.

by community norms about moral and appropriate behavior (Krige 2011: 154–58; for Argentina see Wilkis 2015). *Spaza* (informal) shops are likewise often able to stay in business only by selling on credit and often have difficulties in recouping moneys owed to them.²⁹ As this suggests, creditors—including illegal ones—are not all-powerful, since borrowers (albeit not always distinguishable from lenders) have some means—and not only illegal ones—of protection against them.

Equally, borrowers have devised schemes to protect themselves from lenders. Many are ambivalent about using banks, feeling on the one hand that they seem trustworthy (Hull 2012), but on the other hand that they are being exploited or discriminated against on racial grounds by these institutions (Kibuuka 2006). Some resolve to steer clear of them. Even middle- to high-income earners have decoupled themselves from the world of financial formality. Some are keen to escape from the clutches of stores that sell furniture on installment plan. “I wanted to prevent members from buying goods on credit,” said the founder of one savings club who had suffered the iniquities of “deductions” from his salary. “At the end of the year, you can buy what you want with cash” (James 2015: 144). Others explicitly state their preference for clubs over banks because of the higher interest rates they offer on savings and the lower rate charged for taking out loans. Showing particular astuteness, they prefer to transact savings and loans through clubs in order to avoid South Africa’s notorious bank charges, the highest in the world (Kibuuka 2006: 51). Those of more modest means, having tried the simple option of fleeing from one bank account to the next as creditors pursue them, have subsequently requested that employers pay their wages directly in cash or by using prepaid money cards delinked from bank accounts.³⁰ Formal and informal borrowing arrangements are judiciously combined, but people are sometimes forced by circumstances to convert from one to the other, and back again—or to combine all simultaneously.

Claims that excessive borrowing owes itself to a lack of education, then, are as well-rehearsed in South Africa as they are in many other settings where financialization is far advanced (see Lazarus, this volume). The examples given here, however, paint a more complex picture of people’s navigation through the financial landscape, suggesting that their decisions are founded less on ignorance than on a shrewd ability to evade obligations that are unduly onerous.

Conclusion

How, then, can we make sense of South Africa’s post-1994 economy, in which repayment, deduction, and counter-deduction have played such a large role? Given the fierce battles fought out in the courts to rule against practices that often exist beyond the law, are tricky debt collection practices to be reckoned as entirely distinct from formal legal processes, perhaps in a new version of the formal/informal binary? Or do they form an intrinsic part of the totality of the country’s (now financialized) version of capitalism? Do the high interest rates, paid by those formerly

29. Interview with Marlene Heymans, Pretoria, April 15, 2009; see also Hart (1973).

30. Tony Beamish, pers. comm., April 16, 2015.



excluded, serve as a new version of the subsidy to capitalist production—a role formerly attributed by Marxist theorists to householders’ rural cultivation (Wolpe 1972)? Or does refusal to repay amount to a repudiation of financial inclusion?

The boom in both micro- and not-so-micro- lending of the post-1994 period intensified the existing systems of extraction facilitated by technologies of deduction. These certainly fueled accumulation; new financial players like African Bank were founded on the back of that boom. When African Bank required a bail out, this revealed the unsustainability of a scenario in which lenders had clambered over each other in their determination to offer loans to all and sundry, without reckoning borrowers’ ability to repay. On the one hand, borrowers’ efforts to counter deductions, through evasive action and court hearings alike, seem to suggest that borrowers were getting the upper hand. It might also be claimed, however, that the state was ultimately the loser in this system, with its salaries and grants being made the basis of illicit moneylending and the collection of high rates of interest. A regime that has been called *distributional* on account of its continued state spending (Seekings and Nattrass 2005: 314), and a setting where “neoliberal means interweave with and facilitate redistributive ends” (Hull and James 2012: 16) is what makes this possible. In the end, it is unclear who is exploiting, or subsidizing, whom.

As in the case of the Congo, it is true that “vested interests stand in the way of any reform” of the informal, illegal, second economy, and that the state and its agents are similarly reluctant to “clamp down” on it (MacGaffey 1991). But in South Africa, it is not only the “wealthy and powerful” that “consolidate their own position” through participation in these activities (MacGaffey 1991). Rather, a multitude of small, informal lenders exist alongside the larger loan sharks and the rapacious retailers whose activities have been outlined above. Profits—and losses—have been difficult to trace, making it tricky to add the debts deemed “uncollected” to any statistical reckoning of the size or shape of South Africa’s economy seen as an integrated whole, or to identify a specific set of wealth flows or accumulations that it involves. An account of the *real economy* in MacGaffey’s sense—one that includes both recorded and unrecorded economic activities, both deductions and counter-deductions—might become easier to track as ethnographic researchers continue to explore and monitor these multiple activities.

Ultimately, this economy is one in which high finance and the state’s resources are inextricably entangled with the wages earned, consumption undertaken within, and debts paid (and unpaid) by householders. To typecast it as yet another case of neoliberalism, with the state enabling extraction to privilege big business /capitalism, would be to tell too simple a story. Neither does this case square up entirely with MacGaffey’s analysis of the Congo. Where she wrote of jobs bringing access to profitable opportunities of a “parallel commercial system developing in the heart of the state” (1991: 16), that “system” in South Africa has taken on an unusual and unexpected form. Somewhere between the two characterizations, we may be witnessing a new formation of the state, with private sector actors like Easypay and Net1 taking over, duplicating, or hijacking its functions. Yet we also need to recognize the less readily acknowledged aspects of the economy, whether these be tacitly sanctioned illegalities or informal economic practices. This article has shown how other factors, too, need to be stirred into the analytical mix. The varying modes of

control range from the paternalism of white employers and the state, which echoes that of the colonial authorities that clamped down on nineteenth-century “advances,” to more direct forms of exploitation. The constitutionalism of the courts is also important: one presaged by the human rights focus of certain key lawyers, even when the depredations of apartheid were at their worst. Finally, we must acknowledge the redistributive tendencies of a newly installed democratic dispensation, such that elite profits and state resources are channeled and find their way into the pockets of the rank and file.

Acknowledgments

Some of the material for this article was collected under a grant from the Economic and Social Research Council of the United Kingdom (award RES-062-23-1290), which I gratefully acknowledge. Opinions expressed are my own. Thanks to research participants (some names have been changed to protect identities), to Keith Hart, Agustín Diz, and Jonah Lipton for reading the paper, to the editors of this special section and to the anonymous readers of an earlier draft for their valuable suggestions.

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Prélèvements et contre-prélèvements en Afrique du Sud

Le concept d'économie réelle est né dans des économies qui sont non seulement très développées, mais qui se caractérisent de plus par “la croissance rapide des aspirations accompagnée de l'incorporation en masse des individus dans l'économie de marché actuelle, à travers l'extension du crédit et des outils financiers... [et] de l'impossibilité de payer,” et où des échelles plurielles et changeantes coexistent (Neiburg et Guyer, 2016: 82). Ce pluralisme, dans le contexte sud-africain, se traduit par l'impossibilité de capturer par des chiffres officiels l'étendue réelle des transactions d'emprunts et de prêts, et la façon dont les salaires et les prêts distribués par l'état servent de garantie dans des prêts informels. Les tentatives de régulation et d'amélioration de cette situation, qui avait pour visée de contrôler les activités de “prêts irresponsables” (“reckless lending”) ont construit une figure du débiteur ignorant la nécessité du remboursement. Mais plutôt que d'être en danger d'être exclu de l'économie ordinaire, les endettés sont plutôt en danger d'en faire partie intégrante, avec le désavantage d'avoir leurs affaires financières sous “contrôle judiciaire externe,” un statut qui permet aux créanciers de se rembourser en effectuant des prélèvements directement sur les salaires. Cet essai explore l'importance de ces déductions, qui ont rendu l'explosion des soi-disant “prêts irresponsables” très

lucratifs pour les gros négociants et les micro-créditeurs. Cependant, les débiteurs et les militants pour les droits de l'homme et les droits à la représentation légale qui agissent en leur nom, n'acceptent pas ces modes de prédation sans résistance: cet essai examine les diverses contre-prélèvements qu'ils ont mis en place.

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