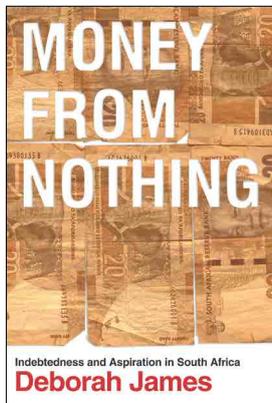


A race to the top and the fear of falling

BOOK TITLE:

Money from nothing:
Indebtedness and aspiration in
South Africa

BOOK COVER:



AUTHOR:

Deborah James

ISBN:

9780804791113 (cloth)
9780804792677 (paperback)
9780804793155 (digital)

PUBLISHER:

Stanford University Press,
Stanford, CA
Rights for southern Africa:
Wits University Press,
Johannesburg, ZAR320

PUBLISHED:

2014

REVIEWER:

Iain Edwards

EMAIL:

edwardsi@gibs.co.za

AFFILIATION:

Gordon Institute of Business
Science, University of Pretoria,
Pretoria, South Africa

POSTAL ADDRESS:

GIBS, PO Box 787602,
Sandton 2146, South Africa

HOW TO CITE:

Edwards I. A race to the top
and the fear of falling. S Afr
J Sci. 2015;111(11/12), Art.
#a0125, 2 pages. [http://dx.doi.
org/10.17159/sajs.2015/a0125](http://dx.doi.org/10.17159/sajs.2015/a0125)

© 2015. The Author(s).
Published under a Creative
Commons Attribution Licence.

The rapid rise of a growing African middle class is one of the most dramatic transformations of the post-1994 period. Its emergence has long been a cornerstone of African National Congress (ANC) policy – the ‘patriotic bourgeoisie’ – with its rise being a central feature of former President Mbeki’s economic policies. This middle class has long been the focus of considerable political, popular and scholarly interest. Much has long been placed on the shoulders of this newly expanding vibrant and powerful class. A class that is viewed as: central to de-racialising the political economy of apartheid; the driving force in economic growth; key to the ANC’s continued power in government (a very senior member of the ANC alliance and government minister presented his PhD on the very question of the patriotic bourgeoisie); the bulwark against revolutionary threats; and more.

Not surprisingly, much vital scholarly research, first led by anthropologists, has focused on this long aspirant class. Leo Kuper’s scholarly and accessible *An African Bourgeoisie*, published in 1967, is rightly a classic. Given the centrality of this long-developing class’s place in post-apartheid South African transformation, the contemporary period is also much studied in various criss-crossing disciplinary approaches ranging from economics and cultural anthropology to politics and sociology. James’ work is an important monograph within this latter scholarly focus. As James, an anthropologist, sees matters, contemporary South African public culture offers three rather differing perspectives on this class. There is the notion of the ‘black diamonds’: ever more successful wannabe plutocrats, with access to hitherto undreamt of state power, political influence and, as a direct consequence, unimagined riches. A comment by Smuts Nkonyama, one of former President Mbeki’s advisors, has entered the political lexicon: ‘I didn’t join the struggle to be poor’ (James does not mention him by name and uses ‘revolution’ not ‘struggle’). Life-like characters from this new class also provide the dynamic drama in South Africa’s television soaps. And, there is another publicly expressed view too: of avarice and brash self-seeking conspicuous celebrity. Yet increasing indebtedness will soon see their lifestyles crashing down in ruins. Despite entitlement and near limitless aspiration, profligacy will quickly result in wealth receding ever further from this self-absorbed parvenu class.

Beyond the plutocratic high end (it exists and shows itself too), soap opera dramas, and *Schadenfreude*, there are other increasingly more topical and pressing public perspectives, which also need important mention. Aimed specifically at this new consumer class, media, advertising and marketing campaigns, and magazines such as the high-end *Destiny*, present heroic, expensively dressed, urbanely chic icons of triumphal progress: here is the aspirational image of life fulfilment – destiny – at the top. Recently, persons from within this new class have provided vivid insights into the economic health and social places and responsibilities of this new class, including what is termed the ‘black tax’. Interlinked to these insights is a further issue. As South Africans look towards local government elections in 2016, many, including respected political analysts, place great store in the black middle class’s shifting political allegiances from the ANC, thereby allowing the increasingly multiracial Democratic Alliance and the newly formed Economic Freedom Fighters to gain increased influence, if not also control, over key urban metropolitan councils, including those in Gauteng – the country’s economic heartland and the home of the densest concentration of this new class.

James’ monograph is based on fieldwork, which included interviews, conducted during a pivotal time: 2008 and 2009, and in three areas. These areas are Langa, one of the first African townships in Cape Town; in the greater Bushbuckridge region in the Limpopo Province, where vibrant new sprawling towns have quickly grown; and in urban areas in Johannesburg and Midrand. Added to this fieldwork is good use of source material from South Africa’s ubiquitous talk radio stations and other material from public media, including newsprint.

The key strength of this book lies in this fieldwork and James’ ability to show and analyse the internal domestic financial, social and cultural dynamics of this class. With the global backdrop being the easy expansion of credit and consumer-led boom periods, here we get insights into South Africa’s newest class, both before and after the 2008 financial crisis. Its roots are professional, nascent middle class, and aspirational plebeian too. But as a class it has risen quickly and established a set of often hugely diverse values. Religious senses range from Methodism to the *Prosperity Bible* – a very wide spectrum. Lifestyles have rapidly extended across the purchase of fixed property, house rentals, new household domestic goods, motor vehicles and other consumer goods, often of conspicuous kinds. But it is more complicated. This class is not based on a nuclear family. Its roots are as much single-parent and inter-generational extended family networks. Core concerns relate to needs and investments, not just wants, and duties and responsibilities. Social dynamics are not simply the pursuit of celebrity bling and brashness. Much stress is placed on the education of children and the social welfare needs of a wider extended family, including unemployed and other dependants. The realms of ‘traditional culture’, for example for bride wealth, weddings or funerals, become idealised and hyper valued into often crippling cash payments. Not surprisingly, considering the apartheid past, credit is vital to this class. And this credit is rotating and revolving, with debtors often continuously seeking new sources of false liquidity in order to pay off often usurious existing credit debts. The democracy dividend is questioned.

And these characteristics reveal the critical roles of the state. The ANC government has ensured the rise of this new class, through black empowerment, tender policies and the direct employment of a new civil service and in related and dependent sectors. Yet, significantly, the state has left the formal banking and retail sectors, and partly regulated private credit market, to provide financing. With deep irony, James notes how the original sources of credit were largely recently retrenched white Afrikaans-speaking civil servants, amassing their retrenchment lump sums to form micro-lending enterprises. Their borrowers were the new civil service. The now well-known latter-day variant of those micro-lenders are the *mashonistas*, whose influence in plebeian debt-ridden credit cycles became tragically evident in the judicial commission of enquiry into the Marikana killings. Despite continual re-regulation,

this private credit market operates in conjunction with the larger formal credit, banking and retail institutions.

James is at her most powerful tracing the human dynamics of this class. Aware of the ever pervasive public examples of material success, there is a dynamic competitive edge to the pursuit of progress. Therein is a complicated mixture of seeking state grant or preferment, black employment equity policies and self-help. Attitudes towards debt span the range from negative to positive views. Throughout the interviews certain keywords are common; under the appearances, and indeed realities, of upwardly mobile success, words such as 'plight', 'problem', 'stress' and 'suffering' are oft used. The cynic would say, 'Welcome to the middle class', but given the historical legacies of this class's long struggles, and inability to secure fixed capital bases (for example, in real estate – even apartheid's 99-year-old leases were intended not to be freehold tenure) – the vicissitudes of aspiration, debt and progress make for precarious life choices.

In dealing with this complex world, James offers humane insights. But the monograph is often repetitive and overwritten. Differences between academic interpretations often appear forced. And the analysis of the new African middle class and the South African suburban housing market is weak, and ignores the greatest change in the South African contemporary real estate market: suburban African middle-class home ownership.

There are wider contexts to these important accounts and analyses, some of which South Africans are becoming all too aware of. Surprisingly so, James hardly touches on these. They include the failure of African Bank; the continual scandals and disasters relating to Ponzi schemes masquerading as stokvels or cooperatives; the *Prosperity Bible* and the popularity of the new evangelical churches; casino companies reporting record profits; increasing indebtedness of South African households; rising levels of labour militancy; how indebtedness is assuming an ever more central place in labour relations; the reluctance, despite militancy, of labour – including the civil service – to embark on legal but unaffordable strike action; and courageous battles to prevent usurious lending and

impoverishment through garnishee orders. Granted, this latter long-fought battle – led by Wendy Appelbaum – one of the country's wealthiest persons, and not the ANC or its communist or trade union federation allies, has just been won. But case study monographs need contextual relevance, and the information is easily accessible.

There also are historical contexts. Stokvels and cooperative societies have long been a central aspect of African rural and plebeian life. They were often linked to the *isolomuzi*, local level community associations with strong affiliation to the ANC, and church communities. Indeed, many of these links were part of the origins of the ANC itself. By the 1940s, as the pace of urbanisation increased so dramatically, such cooperative societies became recognised within African political circles as the sources of credit for ambitious self-help schemes: for artisan training, for the growth of African-owned enterprises and for African factory-owning industrialists. Here was the power of 'New Africa'. As is now recognised in political parties and government, this was precisely the way in which Afrikaner Nationalism acquired its powerful economic and financial meaning and muscle. And key to this acquisition was a bank: Volkskas (Peoples' Bank).

Despite great, often liberal, often patronising, or now presumptuous, political stress and expectations being placed on the growth and importance of the African middle class, this class has, and still struggles, against much adversity to develop. Why, after 20 years of ANC-led government, have more sustainable ways, including ones embedded in plebeian cycles of community aspiration and saving, joined to capital investment markets, and the burgeoning financial services sector, not been developed? How is it that an ethically based, properly financed and focused private sector banking initiative has not developed? Just how appropriate are the public and private sector's developmental and social policies? Can a properly funded and founded people's bank not be a sustainable alternative to social grants? And is the vital African middle class to be cast between the new 'race to the top' and the old *i-kasi* 'fear of falling'? Is this the rightful destiny of this class?

