

Capitalism from the Global South a 2-day workshop at LSE

Dates: Wed 27th - Thurs 28th April, 2016

Times: 10am to 5pm

Venues: Wed 27th April PAR.LG.03 (Parish Hall, Sheffield St); Thurs 28th April OLD 4.10 (Old Building, Houghton St), London WC2A 2AE

Tel 020 7955 7215 or 7202



The workshop, building on the 2015 LSE conference on “Money, Livelihood & the Classic Conceptual Repertoire in the 21st Century; a conversation across the disciplines”, and taking further a growing collaboration (partly Mellon-funded) between LSE, Wits and Michigan, will analyze capitalism from the global south, from multiple disciplines and perspectives, and take further a developing set of debates between anthropology and (development) economics. It will look more broadly at the global south but with a focus on Africa south of the Sahara. At the core is the formulation of methodologies and constructs that allow us to interrogate the processes of extraction, accumulation and livelihood generations that define capitalism in the global south in the twenty-first century. The effort involves theoretical tension. Hegemonic disciplines and constructs, often developed in the north and formulated by academics situated in the north or south, have used universalizing concepts and theories to analyze the global south; this in turn has affected the theorizing that underlies policy generation and influenced the trajectory of capitalist development in the south. The workshop will critically assess these efforts while generating new and innovative insights through interdisciplinary conversations.

Speakers

Maxim Bolt, University of Birmingham – Between places of production and circuits of distribution in South African export agriculture
Keith Breckenridge, Wits – Biometric Capitalism: Infrastructures of Identification and Credit Risk on the African continent in the 21st Century
Jatin Dua, University of Michigan, Ann Arbor – Piracy and Accumulation in the Western Indian Ocean
Hazel Gray, University of Edinburgh - Consumption and the Home Market in African Industrialization
Jason Hickel, LSE- The (Anti)-Politics of Central Banking in South Africa
Jane Guyer, Johns Hopkins – Visions and Logics towards an African Future within Capitalism: Extractive industries? Industrial development? Which industries?
Deborah James, LSE – Household debt, consumption and the middle class in the global south
Jonathan Klaaren, Wits – The Regulatory as a Variety of Capitalism in Contemporary Africa
Vishnu Padayachee, Wits – Shadows of Liberation: the evolution of ANC economic and social policy from African Claims to GEAR, 1943-1999.
Nicolas Pons-Vignon, Wits - A tale of two capitalisms – Limited access orders as capitalism in the South?
Kate Meagher, LSE - The Dark Side of Inclusion: Contemporary Capitalism, Informal Economies and African Workers
Howard Stein, University of Michigan - Economic Theory and Capitalist Development in the Global South: Capacity Building' and the Instrumental Promotion of Shared Ideologies, Theories and Concepts
John Weeks SOAS - Capitalism from the Global South: Authoritarian Capitalism in Industrializing Countries

PROGRAMME

Each session lasts 1 hour 45 mins. Paper presentations are 15 minutes. Discussants will have 10 minutes, leaving approximately 1 hour for discussion.

WED 27TH APRIL LIVELIHOOD: THE TEMPORALITIES OF LIFE AND MONEY IN THE 21ST CENTURY GLOBAL SOUTH

9:00 – 10:45 Panel 1 -- Genealogies of Economic Theory

Jason Hickel *The (Anti) Politics of Central Banking in South Africa*

Vishnu Padayachee *Shadows of Liberation: the evolution of ANC economic and social policy from African Claims to GEAR, 1943-1999*

Discussant: Howard Stein

10:45 – 11:00 COFFEE

11:00 – 12:45 Panel 2 -- Circuits of distribution and accumulation

Maxim Bolt *Between places of production and circuits of distribution in South African export agriculture*

Jatin Dua *Piracy and Accumulation in the Western Indian Ocean*

Discussant: Jane Guyer

12:45 – 14:00 LUNCH

14:00 – 15:45 Panel 3 -- Institutionalism and African Economics

Jonathan Klaaren *The Regulatory as a Variety of Capitalism in Contemporary Africa*

Howard Stein *Economic Theory and Capitalist Development in the Global South: Capacity Building' and the Instrumental Promotion of Shared Ideologies, Theories and Concepts*

Discussant: Keith Breckenridge

19:00 DINNER

THURS 28TH APRIL MONEY, CAPITAL, ACCUMULATION, DEBT AND SPECULATION: WHAT "SYSTEM" IN THE GLOBAL SOUTH?

9:00 – 10:45 Panel 4 -- Economic Policies and their effects

Hazel Gray *Consumption and the Home Market in African Industrialization*

Nicolas Pons-Vignon *A tale of two capitalisms – Limited access orders as capitalism in the South?*

Discussants: Jostein Hauge and Teddy Brett

10:45 – 11:00 COFFEE

11:00 – 12:45 Panel 5 -- Consumption and inclusion

Deborah James *Household debt, consumption and the middle class in the global south*

Kate Meagher *The Dark Side of Inclusion: Contemporary Capitalism, Informal Economies and African Workers*

Discussant: Jonathan Klaaren

12:45 – 14:00 LUNCH

14:00 – 15:45 Panel 6 -- Capitalist Futures

Keith Breckenridge *Biometric Capitalism: Infrastructures of Identification and Credit Risk on the African continent in the 21st Century*

Jane Guyer *Visions and Logics towards an African Future within Capitalism: Extractive industries? Industrial development? Which industries?*

Discussant: John Weeks

15:45 – 16:00 COFFEE

16:00 – 16:30 Final session:

John Weeks *Capitalism from the Global South: Authoritarian Capitalism in Industrializing Countries*

General discussion

17:00 DRINKS at the White Horse

Abstracts

Maxim Bolt - Between places of production and circuits of distribution in South African export agriculture

This paper examines the distributive circuits that underpin agricultural production in South Africa. James Ferguson has provocatively suggested that production-centred analysis is misplaced in the region, where most people piece together livelihoods outside formal employment, and that we should instead focus on distribution. Yet labour-intensive centres of capitalist production continue to organise the worlds around them, far beyond the workplace or the workforce. This is certainly the case in South Africa's border agricultural zones, such as the national boundary with Zimbabwe, where large export estates shape the movement of people, money, and a range of resources in a transient setting. The task, therefore, is to understand how capitalist production and myriad forms of distribution intersect. The paper does this by asking not only how forms of distribution are enabled by places of labour, but also how production for export is itself enabled by intricate dependencies and distributive networks that operate at different scales.

Keith Breckenridge - Biometric Capitalism: Infrastructures of Identification and Credit Risk on the African continent in the 21st Century.

Following Hall and Soskice (2001) and Sklar (1988) this paper argues that a new and distinctive variety of capitalism is currently taking form on the African continent. States are being remade under the pressures of rapid demographic growth, persistent conflicts over boundaries, domestic and international national security demands, and the offerings of multi-lateral donors and international data-processing corporations. Much of this turn to enhanced forms of state surveillance is common to societies across the globe, but the economic and institutional forms on the African continent are unusual. The British, French and Portuguese colonial states bequeathed unusually lethargic and constrained registration systems to their post-colonial successors, administrative systems that did little to record births, deaths, marriages or property. This administrative condition has changed little, or deteriorated, over the last half-century. Automated biometric identification systems, aimed chiefly at adults, present these states with apparently simple and cost-effective alternatives to the difficult and expensive projects of civil registration. This is especially the case because in many African countries – the paper discusses Ghana, Kenya and Nigeria – commercial banks are offering to bear the costs of building centralised biometric population registers. In doing so they have explicitly in mind the development of an unusual of a centralised national identification database and commercial credit risk scoring apparatus, a combination that aims to transform all citizens into appropriate subjects of for automated debt appraisal. This is remarkable in comparison with the earlier histories of identification and registration, and with the legal and administrative arrangements for physical and virtual forms of property that exist on the continent.

Jatin Dua - Piracy and Accumulation in the Western Indian Ocean

From 2008-2012, a dramatic upsurge in incidents of maritime piracy in the Western Indian Ocean, off the coast of Somalia, captivated global attention. Over 300 merchant vessels and some 3,000 seafarers were held captive with ransom amounts ranging from \$200,000 and \$10 million being paid to release these ships. Maritime piracy transformed this sea-space, bringing together a disparate yet interconnected range of actors from coastal fishermen to insurance adjusters, from livestock to naval sea vessels united by having a role to play in the problem of piracy and the protection of global shipping. Unlike maritime predation in the Straits of Malacca or the Gulf of Guinea, Somali piracy operated exclusively on a kidnap and ransom model with crew, cargo, and ship held hostage until a ransom was secured—a process that extended from as little as a few weeks to as long as 3 years. Focusing on the ransom economy that developed off the coast of Somalia, this paper locates piracy within a long history of protection and extraction in the Western Indian Ocean. From pre-modern trading networks to the contemporary global economy of shipping, the question of protection has been key to establishing political authority and extracting rents over practices of mobility. This paper argues that key to apprehending global capitalism is an attention to practices of circulation and ways that pirates and other itinerant sojourners seek to insert themselves within worlds of mooring and moving.

Hazel Gray - Consumption and the Home Market in African Industrialization

This paper evaluates the new consensus around industrialization in Africa arguing for greater attention to the role of the home market and heavy industry in explaining current and emerging patterns of capitalism on the continent. After a thirty year hiatus, industrialization has returned to the forefront of the development agenda for African countries. A new consensus has crystallised around the old idea that industrial development and, in particular, the expansion of manufacturing, is critical for poverty reduction in Africa (Economic Commission for Africa 2011). Economic theory suggests the growth of manufacturing activities drives up productivity and technical change across the economy, creating opportunities for mass employment and provide a source of demand for the output of other sectors (Kaldor 1967). The return of industrial policy to Africa has been the result of a number of economic and geo-political factors as well as changes within mainstream theoretical approaches to

development. Many of these new research agendas have sought to integrate heterodox understanding of technologies and rents with neo-classical theories of markets and efficiency. At the forefront of this attempt to bring back early development economics is the work of Justin Lin, the ex-Chief Economist of the World Bank, on New Structural Economics that reformulates early development economics within a neoclassical framework. This has opened the sphere of debate on industrial policy but it is also limiting to the extent that it gives affirmation to the primacy of globalized export markets over other forms of economic organization, markets and localized patterns of consumption and human needs. The main policy recommendation for African countries based on his framework is to focus on labour intensive manufactured commodities for export production. The current consensus amongst the development community on industrialization in the global south therefore misses vital processes of industrialization that are actually unfolding across the continent that are responding to the specific nature of capitalist transformation and emerging patterns of demand and consumption within the home market.

Jane Guyer - Visions and Logics towards an African Future within Capitalism: Extractive industries? Industrial development? Which industries?

My paper will offer a skeletal interpretation of highlights in newly-published general views of the African economic future. It draws on several recent academic, but mainly popular books, for example, “Africa’s New Oil” (Hicks), “The Next Africa. An Emerging Continent Becomes a Global Powerhouse” (Bright and Hrubry), “China’s Second Continent” (French), and an academic continent-wide study “Will Africa Feed China?” (Brautigam). I juxtapose these to recent books predicting the future of capitalism itself (Amin, Harvey, Amato and Fantacci, and others), and the place that they depict for Africa in that future. My ultimate focus is a) the place given to African currencies in the embodiment of wealth, and, most importantly, b) the role accorded to the African people themselves in these visions: producers? workers? entrepreneurs? consumers? by-standers? not clearly imagined at all?

Deborah James - Household debt, consumption and the middle class in the global south

This paper explores how, in countries in the global south where sharp rises in indebtedness have accompanied the financialization of the economy, debt factors into other relationships and meanings in the life of the family and household. Using ethnographic material from South Africa, it explores local concepts of householding, obligation and saving, asking whether relations of commodified debt nullify those of longstanding social commitment, investigates how people convert between cash-based or short term imperatives and moral or longer-term ones, and shows how barriers are sometimes erected between these separate spheres thus making them incommensurable. The paper challenges some accounts of the ‘financialisation 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 - The (Anti)-Politics of Central Banking in South Africa

During the transition to democracy in the 1990s, the departing apartheid regime agreed to grant political power to the black majority but negotiated to keep the main levers of economic policy insulated from the politics of revolution. Control over the South Africa Reserve Bank (SARB) was central to this strategy. The SARB was made private and independent, its mandate limited to maintaining “price stability” instead of targeting employment or growth, and the financial sector was liberalized. At the time, this was regarded as international best practice; central banks are supposed to be apolitical institutions. But since 2009, South Africa’s left-wing unions have sought to repoliticize finance and monetary policy, demanding the renationalization of the SARB, the abandonment of inflation targeting, and the reintroduction of exchange controls. The SARB has responded by pointing out that if these policies are ever implemented, foreign capital flows will run dry and the South African economy will collapse. They are probably correct. This paper explores the political battle over South Africa’s central bank, the double bind it has exposed, and the questions it poses for the possibility of democracy and national sovereignty.

Jonathan Klaaren - The Regulatory as a Variety of Capitalism in Contemporary Africa

John Braithwaite has sketched out a vision of regulatory capitalism that has much traction in the now-emerged field of governance but less in that of economics. That vision depends upon functioning regulatory institutions and effective enforcement strategies. Recently, some evidence which could be read as supportive of Braithwaite’s vision has been offered for the effectiveness of regulation in addressing some of the exploitative practices evident in African economies, such as a reduction in the costs imposed by global cartels. This paper explores how such a vision as applied to Africa and this evidence fit within the varieties of capitalism (VoC) literature in economics, understanding Africa both as a region with a history of indirect rule and as an emerging economy. The step between a national and a regional regulatory/economic frame is recognized as problematic. Dubash and Morgan’s recent argument regarding the regulatory state in a South – one without a preponderance of independent regulatory institutions – probably fits better than Braithwaite’s with the VoC literature and this recent evidence.

Kate Meagher- The Dark Side of Inclusion: Contemporary Capitalism, Informal Economies and African Workers

This paper will examine how an understanding of African informal economies can shed light on the changing incorporation of African workers in the global capitalist system. It will focus on two core questions: Has African labour become structurally irrelevant to the contemporary capitalist system? How do new mechanisms of economic inclusion reshape livelihood opportunities and notions of decent work in contemporary development thinking? The paper will begin with an examination of debates about African informal economies as a mechanism of exploitation or a sign of structural irrelevance, drawing on the work of Ferguson, Li, Brass, and Barrientos et al. It will then focus on contemporary mechanisms of economic inclusion through global value chains, inclusive business and social policy, reflecting on the emerging structures of labour incorporation in contemporary Africa. The paper will go on to consider the tensions emerging within these structures of incorporation, which depend on the cultivation of middle class consumer identities in a context of vulnerable employment opportunities and selective dynamics of inclusion. Finally, there will be a brief reflection on the emerging politics of economic inclusion in which new social pacts based on informalized employment and basic social protection confront a more unruly politics of disaffection and alternative narratives of social advancement.

Vishnu Padayachee - Shadows of Liberation: the evolution of ANC economic and social policy from African Claims to GEAR, 1943-1999.

Existing interpretations of the ANC's economic policy choices during negotiations and later in government reduce economic and social policy making in this period to a kind of tabula rasa and fail to connect it with previous historical attempts at inclusive policy-making, or to draw comparisons with these previous attempts. The paper will argue that in order to understand the political (ideological) underpinnings of ANC economic and social policies, which we maintain were essentially "social democratic," one needs to locate them within a historical continuum and see them as part of a series of attempts at developing social democratic oriented economic and social policies under conditions of political liberalism, which can be traced back to the 'war years' of the 1940s. The possibility of an inclusive economic and social policy development re-emerged (but was soon dashed) when political negotiations for a new democratic order began after the unbanning of the ANC and other liberation movement organisations and the releasing of Nelson Mandela in February 1990.

A review of the secondary literature on the 1990s and the more limited literature on the 1940s suggests that policies and debates in both periods raised significant questions related to social and economic reforms of a social democratic character. The policy evidence in the period of the 'war years', where the social upheavals in the political realm lead to a complete displacement of old orthodoxies and ideas on the role of the state and its relationship to society, shows that the ANC advocated for a state that would intervene to secure and protect the social rights of citizens to comprehensive and universally provided health, education and welfare. Its social policy proposals aimed at a clearly identifiable social democratic trajectory and at constitutionally guaranteed social citizenship. But most, if not all, of these richer traditions, ideas and policies were marginalised, ridiculed and abandoned (by the ANC leadership itself) in the heady years of the negotiations and early democratic governance. The paper tries to explain this, rejecting single factor explanations of (1) a sell out or betrayal by the ANC leadership of the 1990s, (2) claims that ANC policy in the 1990s was simply an extension of its African petty bourgeoisie nationalist roots, or (3) claims that the ANC had little choice given prevailing balances in power relations domestically and internationally. While each of these sets of factors may have some limited value, the first two interpretations especially fail to back their claims with strong evidence and fail also to come to grips with the complexity of the history and politics of a longer period in ANC thinking going back over 60 years.

Nicolas Pons-Vignon, Wits - A tale of two capitalisms – Limited access orders as capitalism in the South?

Like most mainstream economic approaches, the access order (AO) paradigm developed by North, Wallis & Weingast [NWW] (2009) entails a careful avoidance of any explicit reference to capitalism. Yet, as Gray (2015) has noted in her critical discussion, there are more than one way in which (intriguing) echoes of a Marxist analysis of historical change are present in this framework. This paper focuses on the way in which the AO framework represents an indirect (or implicit) attempt at conceptualizing the specific form of capitalism in contemporary developing countries. This aspiration can be read off from the broad historical categorization of the evolution of access orders; the key insight (originating from North's work) being that in limited access orders (LAO), interpersonal elite arrangements and related rent-distribution networks are used to limit the use of violence by rival groups. In Open Access Order societies (reflecting mature capitalist societies), impersonal rules and institutions take precedence and ensure sustained growth and inclusiveness. In order to find out whether this level of generalization offers a convincing way of accounting for the forms taken by capitalism in the South, the paper will focus on the role of conflict; the links between elites and productive sectors; while touching on the question of capitalism in the North.

Howard Stein - Economic Theory and Capitalist Development in the Global South: Capacity Building' and the Instrumental Promotion of Shared Ideologies, Theories and Concepts

Economic development theory has been historically inspired by theorizing from the global south. In Africa, early conceptualizing of development and related policies arose from authors like Walter Rodney, W. Arthur Lewis, Ann Seidman, Justinian Rweyemamu, Gunnar Myrdal, Clive Thomas, Albert Hirschman, Karl Polanyi, Samir Amin, and so many others who carefully studied the dynamics of development in the south and formulated strategies for economic and social transformation. Today, sadly few economists in Africa under the age of 50 know these works or these authors. The paper proposes to trace how theorizing from the south has been replaced by what Albert Hirschman called mono-economics and how this has directly influenced the conceptualization and formulation of policy with implications to the trajectory of capitalist development in the south over the past few decades. The paper will map out the institutional dynamics underlying the capacity building efforts in constructing economic departments and consultancies with African countries to buttress the neoliberal project.

John Weeks - Authoritarian Capitalism in Industrializing Countries

The term “global south” is the 21st century variation on a long line of euphemisms – backward countries, underdeveloped countries, developing countries, poor countries, emerging countries and newly industrializing countries. Each carries its specific ideological perspective, the most common being that the world is bipolar and should be analyzed in terms of the relationship among countries, not classes. “Global south” obscures the common interest of capitalist elites that transcends countries, while at the same time it is a conflict-laden common interest that contains competition by the elites for global economic power. While democratic institutions degenerate in the advanced capitalist countries, a complementary surge of authoritarianism sweeps through the new arrivals into international capitalist rivalry. China provides the most extreme version of authoritarian rule among the larger emerging capitalist countries. Of the other so-called BRICS, in none do democratic institutions thrive: 1) the brief moment of popular participation in Brazil has come to an abrupt end with the right-wing attempt to impeach the president; 2) post-soviet Russia is an undisguised dictatorship; and 3) South Africa has descended into corruption and misrule. The failure of democracy in the countries of the fancifully named global south has a common cause, the authoritarianism inherent in 21st century capitalism.