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# Global Capital and Social Difference

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# Contents

<i>List of contributors</i>	vii
<i>Preface</i>	x
<b>Introduction: Global capital and social difference: beyond dialectics and embeddedness</b>	<b>1</b>
V. SUJATHA	
<b>PART 1</b>	
<b>Social change and temporality: interrogating linear time and sequentiality in the social sciences</b>	<b>23</b>
<b>1 Capital, time and difference: modernity and the European episteme</b>	<b>25</b>
ADITYA NIGAM	
<b>2 Capital (in)difference in Africa: the examples of Nigeria and South Africa</b>	<b>45</b>
FAISAL GARBA	
<b>PART 2</b>	
<b>Capital, class and community</b>	<b>65</b>
<b>3 Global capitalism, social classes and sociocultures</b>	<b>67</b>
BOIKE REHBEIN	
<b>4 Capital, as if community matters: silk handloom sari production and the defence of hereditary privilege in South India</b>	<b>83</b>
AARTI KAWLRA	

vi	<i>Contents</i>	
5	<b>Dynamics of capital and local contexts: understanding Patidar resistance in Gujarat</b>	99
	SURAJ BERI	
	<b>PART 3</b>	
	<b>Institutions and movements: the glocal dynamic</b>	117
6	<b>Neo-extractivism, developmental models and capital formation: substitutive natural resource governance in South America</b>	119
	ALEJANDRO PELFINI, GASTON FULQUET, PÍA MARCHEGIANI AND LUCAS G. CHRISTEL	
7	<b>Women's labour, patriarchy, and feminism in twenty-first-century Kerala: reflections on the glocal present</b>	140
	J. DEVIKA	
	<b>PART 4</b>	
	<b>State, citizenship and the global connection</b>	161
8	<b>Unequal and gendered: notes on the coloniality of citizenship</b>	163
	MANUELA BOATCĂ AND JULIA RÖTH	
9	<b>Particular universalities: imagining the nation at its borders</b>	179
	SUDHA VASAN	
	<b>PART 5</b>	
	<b>Media, borders and emergent subjects</b>	197
10	<b>Are we all pirates? film and TV distribution on the Internet</b>	199
	PATRICIA FERRANTE	
11	<b>Listening global: sonic texts, technologies and the new listening subjects</b>	216
	RATHEESH KUMAR	
	<i>Index</i>	233

## 2 Capital (in)difference in Africa

### The examples of Nigeria and South Africa<sup>1</sup>

*Faisal Garba*

Beginning from the late 1950s, independent African states embarked on publicly funded social provisioning in order to mitigate the systematic deprivation that defined colonialism and to meet what Zeleza (2014) called the triple promise of independence – decolonisation, democracy and development. With varying degrees of success, the immediate post-colonial states in Africa provided education, healthcare and public transportation (Ake 1981). Employment was created through the establishment of import substitution industries (ISIs). Many ISIs were established or supported with loans from international financial institutions (IFIs) – the World Bank and the International Monetary Fund (IMF), in particular. A combination of structural inequalities ranging from persistent unequal terms of trade at the international level to local political arrangements and considerations meant that many of the ISIs were in crisis by the middle of the 1970s (Adesina et al. 2006).

The crisis of the ISIs was connected to and affected the capacity of states to continue providing publicly funded social services. Having incurred large amounts of debt (with significant debt servicing costs) to set up the ISIs and meet other developmental initiatives, states across Africa turned to the IFIs for further loans. Some of the preconditions for further loans included reduction of public spending on education and healthcare, privatisation of state-owned enterprises and parastatals and retrenchment of public sector workers. The result of the policy package that came as structural adjustment programmes (SAPs) was the reversal of gains made against preventable diseases like cholera, decrease in literacy rates, mass impoverishment and unemployment. Many of the retrenched workers moved into the informal sector as petty traders and service providers of various kinds (Soludo and Mkandawire 1998). In the midst of declining public provision of services and unemployment, greater numbers of people migrated to neighbouring and distant countries within and outside Africa.

While SAPs are manifestly an economic intervention, their latent impact went beyond the economy; it affected inter-group relations and provided the breeding ground for the politicisation of ethnic identities. British colonialism in Nigeria functioned through indirect rule, as it did in other colonies. The



elevation of chiefs, emirs and native/tribal authorities served what Mamdani (2012) terms 'define and rule'. Ethnic groups were categorised into natives and non-natives to a given place. The designation of nativity was closely tied up with a characterisation of ethnic identities that had been contingent and changing as fixed and natural. The naturalised ethnic identities provided the basis for the creation of administrative and geopolitical units. They also served colonial labour needs and capital accumulation. Due to regional and ethnic discrepancies in access to education and training, certain occupations came to be linked to particular ethnic groups.

Faced with an ethnically ruled but socially heterogeneous population, the nationalist anti-colonial movement, National Congress of Nigeria and Camerouns (NCNC), and its allies promoted the identity of Nigerian as opposed to the naturalised ethnic identities that colonialism had cultivated (Usman 2006). The nationalist anti-colonial movement was rivalled by regional and ethnic-based parties that mobilised on the basis of ethnic identities. While the nationalist movement won power upon independence in an alliance with a regionally based party, the Northern People's Congress (NPC), the struggle between a nationalist outlook that prioritised nation-building and regionally based parties and interest groups was precarious. In their quest to gain advantage over each other, different segments of the elite instrumentalised their ethnicity and often present themselves as ethnic or regional representatives with the implication that what was in their interest was in the interest of their ethnic group or region (Usman 2006).

AuQ2

With the advent of economic crisis, the instrumentalisation of identity for inter-elite economic competition was heightened (Osoba 1978; Usman 1979). Ethnicity was combined with religion as tools for mobilising popular support behind the individual and class interest of businesspersons, some of whom doubled as politicians (Usman 1984). While it can be argued that hostile ethnic and religious outlooks are widespread in society, this chapter will attempt to show that the entrenchment of ethnicity and religion as markers of social difference in Nigeria furthers accumulation by competing elites, most of whom are also active politically.

Similar politicisation of difference aids the generation of a consensus that favours capital accumulation by the elites in South Africa. While, in Nigeria, ethnicity and religion serve as instruments in competition over state contracts, ownership of privatised state-owned enterprises and general accumulation, in South Africa, citizenship has become an important tool for generating a hegemony that serves capital accumulation by the established white capitalists and the newly emerging black economic and political elites. The result is that African migrants who find themselves in South Africa are being blamed for 'stealing' jobs, business, trading opportunities and public services like healthcare.

State functionaries in South Africa frequently blame migrants (mostly working-class and poor migrants) for inadequate housing and for crime. This is happening at a time when inequality in South Africa is the highest

in the world. Since the end of Apartheid, a black elite affiliated to the governing African National Congress has acquired shares in major corporations through a scheme to create a black capitalist class now known as Broad-Based Black Economic Empowerment (BBBEE) (van der Walt 2018), while the majority of the black population remains poor, with many living in corrugated iron sheets. It is estimated that the share of capital owned by this black elite as measured by shares on the Johannesburg Stock Exchange is around 23%. Anecdotally, this inequality can be seen in the cars driven by the black elite and their relocation to the suburbs that used to be exclusively inhabited by the white elite under Apartheid. By successfully generating a climate of hostility towards poor migrants, the new black-led state and its counterparts in business that has benefitted from social stratification have displaced the source of inadequate social services to a marginal social group – African migrants.

The chapter presents a broad and general account of the role of capital in the making of identity and difference in Africa. The thrust of the chapter is to show how capital, in alliance with the state, creates, harnesses or instrumentalises and, at times, shows no regard to social difference. The chapter is situated at the intersection of the movement of global capital and the ordering of society, polity and culture. The experiences of Nigeria and South Africa will be used to illuminate some of the general points of the chapter. This introduction is followed by a general description of society in pre-colonial Africa; the next section is ‘Colonial Accumulation and the Making of Difference’, ‘The Promise of Independence’, ‘The Immediate Post-Colonial Moment’, ‘The Unravelling’, ‘Nigeria: Ethnic and Religious Difference as Mechanisms of Accumulation’, ‘South Africa: Xenophobia as Stratification’ and ‘Conclusion’.

### **Aspects of pre-colonial social formations in Africa**

The structure of African societies prior to European colonialism vary in degree of socioeconomic and political organisation. While many of the societies were acephalous formations with no centralised political authority, like the Tallensi of present-day Ghana (to date), others were highly centralised and differentiated, such as the Luba of Central Africa, the Hausa states of West Africa and the monarchical dynasty of Ethiopia, ruling over vast territories and agglomerations of peoples of diverse linguistic affiliation and religious convictions in East Africa. Some of the centralised states maintained tributary relationships with smaller units, exacting tributes in the form of labour power, items of trade and luxury goods (Niane 1984).

The social groups and the polities in which they were organised were products of social changes arising out of migration and the exchange of ideas and goods within Africa and parts of Asia<sup>2</sup> (Usman 2006). Production relations were important in the formation of identity. Accordingly, one’s occupation and where a person resided were important markers and

determinants of their identity (Usman 2006). Thus, occupational categories such as hunter, healer, trader, warrior and intellectual confer social identity and simultaneously represent competing political interests. For example, hunters as a group was composed of people of diverse ‘ethnic’ origins; however, in the public sphere, they functioned as a corporate group with similar interests, as opposed to, say, farmers (Usman 2006).

### **Colonial accumulation and the making of difference**

The question of what the character, and therefore the legacy, of colonialism in Africa is has been the subject of a longstanding debate. While there are a number of perspectives, I will restrict myself to two perspectives whose competing arguments I find most compelling. From the late 1960s and 1970s, an explanation of colonialism in Africa emerged out of the works of a collection of Marxist-leaning scholars based at the University of Dar Es Salaam in Tanzania<sup>3</sup> (henceforth the Dar School). In the analysis of the Dar School, colonialism was primarily motivated by economic imperatives. Accordingly, economic motivation led to the conception of a colonial mode of production whose objectives and consequences included the maximisation of profit from the colonies, the subordination of the economies of the colonies to serve the needs of the colonial power and the development of underdevelopment (Rodney 1973).

An understanding of colonialism as market domination explains the economic underdevelopment of Africa as both the objective and consequence of colonial domination. Under this framework, the extroverted structure of African economies is a consequence of the historic disarticulation that orients production towards cash crop or natural resource export to Europe and increasingly China, with little local and regional integration of production or distribution. There is still very little trade among African countries. Instead, many African countries compete with each other for market opportunities in the European Union and the United States.

A similar competition was fostered with regard to labour power and livelihood opportunities (Asamoah 2001). Colonialism created labour reserves in certain parts of a colony – often coinciding with ethnic boundaries – for the supply of unskilled labour. This class of workers are recruited from places with little to no access to formal Western education. A layer of semi-skilled workers performing administrative and bureaucratic functions is usually drawn from the parts of a colony where formal education is available to some. The difference between the workers from the labour reserves and the semi-skilled workers is a function of the location of missionary schools and colonial policy that provides limited education in select places. (Asamoah 2001).

Dissatisfied with what some critique as an economistic understanding of colonialism and its legacy, a counterperspective that centralises statecraft was put forward. Mahmood Mamadani, previously a member of the Dar



School, shifted his focus from the economy to statecraft. In his book, *Citizen and Subject, the Legacy of Late Colonialism in Contemporary Africa*, Mamdani argued that colonialism's lasting effect on Africa is identity engineering (Mamdani 1996). Colonialism, according to Mamdani, created the category of the native and divided society into antagonistic groups, each occupying an ancestral home to which one can only claim right of domicile based on ancestry. As part of the colonial nativist project, political power was made the preserve of certain social groups, while other social groups were systematically denied access to power (Mamdani 2012). The case of Rwanda, where the Tutsi elite were privileged by the French while the Hutus were denied access to political power, is a case in point.

Drawing from aspects of the two competing explanations of colonialism in Africa, it is possible to piece together a picture of how colonialism as a system of accumulation propped up social difference in furthering its ends. Colonial anthropology saw African societies as made up of distinct and exclusive tribes. In its classic rendition, a tribe is a social group whose livelihood, culture and political structures all take place in self-contained geographical and social space with little to no contact with the outside world (Mafeje 1972). For colonial anthropology and the colonial officials whose outlook on Africa it shaped, the African 'tribes' they encountered were a continuation of a long unbroken chain of social organisation.<sup>4</sup> Tribe, to them, was the core of African society. The entirety of social organisation in Africa supposedly revolves within the boundaries of a tribe.

Going by the previous, each tribe must have a natural ancestral home, also called a 'tribal homeland' ruled by a 'tribal chief' or 'traditional leader' guided by 'tribal laws' or customs that have been handed down through generations. This colonial theory of the structure of African societies guided colonial policy. In both Nigeria and South Africa, colonialism and Apartheid viewed any deviation from this model as a contamination of the purity of the traditional African society. In northern Nigeria, an ever-changing social structure where social identity shifts as people change residence and occupation was seen as an anomaly in need of correction. A person had to identify as a member of one ethnic group; multiple affiliation, which is the norm given multiple ancestry, pattern of residency and occupation activities, was discouraged. Difference was imposed by fiat (Usman 2006). The success of this model in northern Nigeria encouraged the British colonial authorities to impose chiefs among groups in eastern Nigeria that had historically had no chiefs or centralised political authority (Amadiume 1987). Apartheid South Africa also ruled its subjects through imposed chiefs. Apartheid assigned every black South African to an ancestral homeland ruled by a chief. A person could only leave their homeland if they obtained permission to do so (Mamdani 1996).

The implementation of the colonial theory of the structure of African societies that led to the division of societies into tribal homelands with tribal chiefs facilitated the control and supply of labour to colonial

plantations, farms, mines and infrastructural projects linked to the export of resources that undergirded the colonial economy. Having a critical mass of concentrated populace whose movement was largely delimited within the homelands, it became possible to force them to sell their labour in the emerging cash economy in order to pay taxes or to force them to work for no wages (Asamoah 2001). The profit imperative therefore went hand in hand with colonial statecraft's creation and manipulation of identity: Homelands imposed the consciousness of a tribal identity, and the concentration in the homelands made it possible to galvanise labour. Instead of viewing colonial statecraft as separate from market domination, they have to be viewed as integral components of a colonial project whose imperial impulse was as economic as it was politicocultural. Colonialism indeed defined and ruled. In defining and ruling, it also exploited in order to accumulate.

### **The promise of independence**

The anti-colonial struggle across Africa was waged in order to do away with colonial rule and its socioeconomic impacts. The authoritarian character of colonial institutions denied people basic rights such as the rights to representation, association and human dignity. Decolonisation was conceived to be the opposite of what colonialism and its institutions represented. Decolonisation was supposed to come with the right to self-determination but also the affirmation of the humanity that colonialism denied to the colonised. In northern Nigeria, poll tax, or *Haraji*,<sup>5</sup> was so dehumanising that many people had to run away from their families because they could not afford it. Defaulters were lashed with whips in market squares to inscribe the power of the state on them and others who were present. Given that the African was construed as subhuman and therefore in need of regular tutelage, decolonisation was both a psychological affirmation of the humanity of the dehumanised and a drive to build a different form of social organisation where the humanity of all was a given (Asamoah 2001; Usman 2006).

The end of formal colonialism was supposed to usher in the promises of decolonisation. Within limits, a number of success were recorded by countries across Africa. In the immediate post-colonial period, there came into force a dispensation of respect for the inherent humanity of all and an accompanying obligation to create a condition that negated the legacies of colonialism by meeting the basic human and material needs of the populace. Socioeconomic development was prioritised, and the chosen vehicle in keeping with the global trend of the time was state-led development. Import substituting industries were established across the continent to break the colonial cycle where African countries met the raw material needs of their erstwhile colonisers and served as net importers of their (ex-coloniser's) manufactures. ISIs were established to locally produce goods that were otherwise imported and to generate employment. The ISIs ranged from light

to semiheavy industries manufacturing household wares and farm implements. Others specialised in iron smelting, plastic and tyre manufacturing and textiles. The ISIs generated employment and met local needs for consumer goods (Asamoah 2001).

To grow the ISIs and meet the goals set out in development plans that almost every country on the continent drew up for its social transformation, education was made a priority from basic to tertiary levels. While education had been a privilege reserved for the elite under colonialism, it became a right enshrined in the Directive Principles of State Policy section of national constitutions. Teaching and demonstration facilities were provided by the state in addition to free tuition. Mass access to education institutions improved, culminating in increased literacy rates. Skilled persons, some trained locally, and others sent to other southern countries like India and China, but also to the West, provided the skill requirements of the ISIs and other public institutions (Asamoah 2001).

Healthcare, especially preventive and primary care, were seen as necessary to social transformation. The provision of key social determinants of health like access to clean and potable water and the construction and maintenance of drainage systems were prioritised. Improved access to healthcare facilities at no cost at the point of delivery translated into enhanced maternal health and life expectancy and decreased maternal and infant mortality rates on the continent (Adepoju 1993).

As stated earlier, colonialism created and propped up ethnic identities as an instrument of accumulation and rule. In the British colonies, for example, the International Africa Institute and the colonial anthropologists associated with it regularly updated the list of tribes in order to better understand Africa. The definition, classification and definition of identities created antagonistic sectional outlooks that served the interests of colonialism and its accumulations. Groups that were named and administered in their separate ethnic homelands cultivated competitive and antagonistic outlooks towards others whom they came to see as rivals for resources and power. The allocation of differential rights and entitlements to select elite members of certain groups deepened the antagonism between ethnic groups. Accordingly, the anti-colonial movements that defeated colonialism inherited countries that are deeply divided along regional, ethnic or religious fault lines. The task of moulding the hardened separate identities which had hitherto been flexible and changing was one that the post-colonial state had to confront. Nigeria went through bitter warfare whose roots lay in the British colonial policy of strategically placing elites from the northern parts of the country who were favourably disposed to Britain at the helm of the country after the end of British rule over the country (Usman 2006). In South Africa, the transition from Apartheid in 1994 was nearly aborted by the Zulu nationalist claims of a homeland leadership led by Mangosuthu Buthelezi, who insisted on near autonomy for Zululand on account of the distinctiveness of the 'Zulu nation'.

To create coherent countries out of the disparate colonial entities, post-colonial states had to implement a series of social, educational and legal policies. In Tanzania, Julius Nyerere made Swahili, a widely spoken language in East Africa, the national language. This was an attempt to formalise an organic process of nation building given the centrality of Swahili as a language of trade and communication across East Africa. Nyerere also outlawed chieftaincy, given its legacy as a colonial tool of ascribing tribal identities and therefore denying belonging to those who were deemed outsiders (Mamdani 2012). Nkrumah in Ghana diminished the legal standing of chiefs and withdrew their control over land, an important source of their power. Chiefs' control over land enabled them to decide who belonged and who did not belong to a place. Often, they ascribed belonging based on colonial notions of tribal affiliation (Garba 2015).

In other parts of the continent, education was used for nation building. The allocation of schools to learners from one part of the country in another part of the country was meant to cultivate a sense of belonging and oneness. With variations, the attempts at nation building tried to move away from the view of belonging as an essence that does not change to belonging as a social process where people come to belong to a place over time.

### **The unravelling**

The ISIs were either set up or augmented with loans from international financial institutions. This was indicative of the prevailing political economic doctrine of the time: The state had the responsibility to actively drive development. While production by the ISIs reduced the import of consumer goods by many countries and provided employment, they had a number of weaknesses that led to their eventual collapse. The factors that led to the collapse of the ISIs can be divided into internal and external factors: The internal factors include weak planning in the location of ISIs relative to sources of raw materials, political calculation in the citing of ISIs, appointment of politically connected persons with little competence to strategic roles and corruption. This coupled with external factors, central to which were the unequal economic relations between the developed Western economies and the Third World countries that is at the heart of global capitalism (Amin 1974). In concrete terms, these translated into the inability of the ISIs to compete with Western corporations that enjoyed economies of scale and high cost of capital goods like machineries. The combination of the internal and external factors led to the ISIs either functioning at low capacity or closing down altogether (Soludo and Mkandawire 1998).

This coincided with the African debt crisis that began in the 1970s when African states, having acquired large sums of debt from the IFIs to set up the ISIs and finance social and infrastructural projects, were unable to repay their debts. The high cost of servicing the debts contributed in no

small measure. Unable to service or repay their debt, the indebted countries needed further loans to continue providing essential services like healthcare, education and potable water. The IFIs, as the creditors, imposed an onerous set of conditions to continue providing the credit lines that the countries desperately needed. Structural adjustment programmes were sold by the IFIs to the countries as a solution to their indebtedness and a necessary condition for further loans from the IFIs. SAPs required the indebted countries, among other things, to reduce and, in some instances, halt public spending on healthcare, education and potable water. They were also required to retrench workers from the public sector and to privatise the ISIs that had until then been state owned. They had to liberalise trade, devalue their currencies and do away with the tariffs that were then a universal practice of states to protect their industries and economies from the effects of dumping of cheap goods by foreign firms, especially large Western corporations (Adesina et al. 2006).

The implementation of SAPs had a drastic effect on the African population, especially the poor. Mass impoverishment became the norm. In Ghana, where SAPs were first implemented, the effects of SAPS were exacerbated by a drought that left many people hungry and in need of food aid. The desperation reached such an extent that people had to queue for raw corn dough. Kwashiokor, a condition of protein deficiency, became widespread in children (Adesina et al. 2006).

With few exceptions, the gains against illiteracy were rolled back by the introduction of tuition fees as part of the SAP package. While education was made a right in the immediate post-colonial period, the introduction of tuition fees again made education the privilege it had been under colonialism. Girl child education in particular suffered under the weight of a patriarchal arrangement which saw the education of boys as more important. Where a family could only afford to educate one out of, say, two children, they chose to educate the male child instead of the female. Decreasing state subvention led to the educational systems of many countries collapsing, with teachers and academics going for months without pay. Learners had to learn without desks and chairs (Soludo and Mkandawire 1998).

The healthcare system on the continent experienced strain due to the proliferation of primary diseases and a surge in infant and maternal mortality. The poor could no longer access proper healthcare with the introduction of user fees. Hospital beds were limited, and harrowing experiences of women giving birth on the floor of hospitals due to lack of beds or accident victims dying outside hospitals because they were unable to pay upfront for treatment became commonplace. In the absence of employment, the informal sector experienced an upsurge, with attendant precarity. Medical practitioners left Africa in large numbers to go to Europe and the United States in particular (Adepoju 1993; Chipeta 1993; Mwegu and Kabubo 1993). That Africa is yet to recover from this crisis is evinced by very high doctor-to-patient ratio and a staggering statistic showing that there are more

Malawian doctors practising in the state of New York in the United States than in the whole of Malawi.

SAPs unleashed a generalised crisis of social reproduction on the African continent. A combination of strategies was devised by groups, families and individuals to cope with the crisis. Just like the medical practitioners who left Africa, ordinary people also resorted to migration within and outside of Africa. Africa post-SAPs has become very unequal, with numbers of the rich growing while those of the poor have increased. An important aspect of social and political organisation in Africa after SAPs is the question of belonging and a rising social difference. Capital sharply differentiates people socially and economically and obfuscates stratification by focusing on ethnic difference as the key question in society (Garba 2012).

### **Nigeria: ethnic and religious difference as mechanisms of accumulation**

AuQ3 British colonialism systematically limited the opportunities for the formation of local capital to avoid competition for the colonial economic interest. Economic policy under British colonialism in Nigeria was a typical 'dependent colonial economy where economic opportunities were severely constricted – where capital was scarce, indigenous entrepreneurial experience slight, private enterprise foreign dominated, and poverty pervasive and extreme' (Diamond 1983: 462).

AuQ4 The colonial state maximised capital accumulation through the export of cash crops produced by peasants, taxes imposed on individuals and the profits of marketing boards that paid local producers less than the market price for their produce (Usman 1979). The exclusion of local capital that Diamond refers to previously made it impossible for significant local capital to evolve under colonialism.

The tables subsequently show how much the colonial state generated from peasants and on taxes between the years 1954 and 1961.

*Table 2.1* Colonial accumulation in the form of taxes levied on farmers in Nigeria between 1954 and 1961.

	<i>£ million</i>
Marketing Board Surplus	118.0
Export Duties	110.0
Import Duties	327.2
Income Tax	100.9
Company Tax	34.57
Total	6090.67

Source: Usman 1979.

Table 2.2 Some exported agricultural goods from Nigeria between 1954 and 1961.

<i>Year</i>	<i>Qty. Exported (in tonnes)</i>	<i>Value per tonne in £</i>	<i>Gross earnings in £ m</i>
<b>Cocoa</b>			
1954	98,000	401.00	39.3
1961	184,000	183.00	33.7
<b>Groundnuts</b>			
1954	428,000	70	30.0
1959	497,000	55	27.5
1961	494,000	65	32.2
<b>Cotton</b>			
1954	260,000	283	7.4
1961	46,000	240	11.1

Source: Usman 1979.

With the end of colonialism and the opening up of opportunities for local capital formation, accumulation took a decisive turn, culminating in the crisis years that began in the late 1970s to 1980s. Like other African countries, Nigeria, which has the biggest economy on the African continent, had to embark on SAPs in the 1980s. The country had a protracted debate in the lead-up to its adoption of SAPs. Labour unions, academics' unions, student groups and professional associations were overwhelmingly opposed to SAPs. In spite of the opposition, the state went ahead and implemented SAPS, with the attendant result that civil servants were retrenched, industries closed down and tuition and user fees were introduced to schools and hospitals, respectively. The beneficiaries of SAPS happened to be multinational corporations that benefitted from market liberalisation and their local Nigerian partners, who acquired stakes in privatised formerly state-owned enterprises. The narrowing of employment opportunities and sources of livelihood disproportionately affected the poor, especially the youth. In spite of the size of its economy, the country has gone and continues to go through the collection of crises that accompanied SAPs across Africa: inadequate access to healthcare and increases in preventable disease, collapse of educational facilities and lack of potable drinking water (Usman 2006).

Given that Nigeria has a history of the instrumentalisation of ethnic and religious identities under British colonialism, the legacy of which it continues to reel under, political contestations and mobilisations lend themselves to ethnic and religious interpretations and manipulation. The post-SAPs period gave rise to the intensification of the politicisation of ethnicity and religion by competing political and economic interests casting themselves as defenders of one shared ethnic or religious interest or another. These forms of mobilisation find fertile ground in a setting where the state has proven

incapable of delivering on its ‘promise of independence’ and therefore suffers a crisis of legitimacy. The economic system that the state protects and which is responsible for the social crisis is made opaque by resorting to ethnic and religious ‘others’ as the problem. Timeless histories of ethnic groups that are in reality recent social phenomena are produced just as corporations and their local collaborators who function as merchants of ethnicity secure new state contracts, buy up more state-owned enterprises or rake in oil well profits while the poor of various ethnic and religious affiliations continue to lack access to the basic necessities that they require to live decent lives. This is brought out vividly by Diamond:

state power is the engine of class formation; the competition for it and the manipulation of it represent fundamentally class, not ethnic, action. Hence, the failure of Nigeria’s first attempt at liberal democracy must be understood in light of the distinctive interaction among ethnicity, in an ethnically plural and modernising society; class action, in a dependent and highly underdeveloped economy; and political competition, in a democratic polity in which elite competition required mass mobilisation. To understand the tragedy of Nigeria in the 1960s, we must understand the emergent class forces that expressed ethnicity in political terms and used it for class ends.

(Diamond 1983: 460)

So pervasive is the hold of the ethnic difference hypothesis that state policy mirrors it. Indigeneity becomes formal state policy such that admission to universities follows something called the catchment area principle. Universities give priority to applicants who are indigenes of the federal state<sup>6</sup> in which the university is located. To be indigenous to a state, one has to prove that their ancestors are natives of the state. A person and their parents may both be born in a state, but they can still not be considered natives if they do not belong to ‘tribes’ that were categorised from the colonial era as natives. This definition of belonging is drawn out of the colonial theory of African societies as opposed to the living reality, where every state in Nigeria is made up of people from all across the country who are living there and making livelihoods (Usman 2006).

Though the traditional class structures and the processes of class formation differed sharply between north and south in Nigeria, they shared one feature with diffuse implications for social and political development. In both southern and northern Nigeria, class structure and individual class standing came to be determined essentially by political power (Diamond 1983: 462)

### **South Africa: xenophobia as stratification**

South Africa ranks among the most unequal societies in the world. While there is a great deal of inequality of income between high earners and low earners, wealth inequality in the country is greater than income inequality.



The top 10% of the population owns 71% of household wealth, while the bottom 60% accounts for 7% (World Bank 2018). This 10% now includes a black capitalist class that accounts for 23% of the national stock exchange (Africa Check 2017).

Capital accumulation in South Africa under Apartheid was mediated by race. Race continues to delimit access to resources for the working class and the poor. In addition to race, nationality has become an important determinant of access to resources for the poor and the working class who happen to have no citizenship. If the question under Apartheid was who was an African in order to exploit her, today it still remains relevant in capital labour relations. An additional question has been added: Who is not South African? – in order to discriminate against her and exploit her. Under Apartheid, those designated ‘African’ occupied the lowest rungs of the Apartheid pyramid of Whites, Indians and Coloureds. The end of formal Apartheid did not bring about the creation of difference for the purpose of exploitation. Black South Africans continue to make up the highly exploited working classes and the teeming unemployed (Sitas and Lorgat 2010).

Apartheid spatial segregation, inequality and labour relations are still present in South Africa. Within the context of an increasingly deracialised capitalist class (Seekings and Nattrass 2015), a line of division between citizens and non-citizens has become central in the creation of difference. An anti-foreigner stance, in particular against working-class and poor migrants from other parts of Africa, facilitates capital accumulation by dividing up the working class along national identities. Capital accumulation by the new black capitalist and the established white capitalists is couched as ‘national interest’ that must be protected by all, including the South African working class and the poor, against the migrant working class and the poor.

As the subsequent table shows, in addition to the black (direct and indirect) ownership of shares and the white ownership is a substantial foreign ownership of the economy by European and North American corporations. That ownership is not frowned upon. It is encouraged. The state actively pursues foreign stakes in the economy through initiatives to attract foreign direct investments (FDIs). Capital is not only encouraged to move, it is persuaded to move. Workers and the poor, on the other hand, are differentiated based on nationality, and the non-nationals are othered and discriminated against.

<i>Group</i>	<i>2013</i>
Direct black investment	10%
Indirect black investment	13%
White investment	22%
Foreign investment	39%
Unanalysed portion	16%

Source: Johannesburg Stock Exchange, quoted in *Africa Check*.

Employers actively use nationality and stereotypes about people based on origins to differentiate among workers. Employers who pay non-South African workers below the minimum wage say, ‘foreigners [Africans] are hardworking unlike the lazy ones [Black South Africans] here’. These and similar words are uttered by employers of all races to foreign African workers as a way of winning their loyalty. Some employers acting upon this stereotype make it a point to employ mainly non-South Africans. The result is the generation of another stereotype, this time by local South African workers who feel aggrieved by their exclusion from employment and decry what they see as ‘foreigners taking our jobs’ (Hlatshwayo and Choudry 2015).

The South African state is active in managing xenophobia’s accumulation by making it difficult for working-class Africans to obtain the necessary documents to live and work in the country. The absence of documents renders them vulnerable to super-exploitation by employers. By creating a layer of highly vulnerable workforce, the state exploits a group of workers for capital whose lack of citizenship means they are unable to negotiate better working conditions for their labour power. This was the Apartheid strategy of withdrawing rights in order to guarantee labour supply. By denying economic citizenship to the vast majority of poor working-class Black South Africans and civic citizenship to many working-class migrants from the rest of the African continent, it makes race and nationality instruments of capital accumulation (Garba 2012). The importance of the politicisation of race and nationality by the state lies partly in the fact that for sections of the black elite, the state remains the primary vehicle of accumulation. Akin to Shivji’s study on the role of the bureaucratic bourgeoisie in the economic structure of Tanzania under so-called ‘African Socialism’ – although with local, historical and contemporary specificities – the blacks located in the state bureaucracy or close to it need to constantly legitimise their failings by pointing to the immigrant and other ‘outsiders’ as the source of social ills.

### **Conclusion: the capital’s contradictory generation of difference**

In both Nigeria and South Africa, the poor and the working classes see their living standards drop while their aspirations dwindle in the face of a generalised precarity that accompanied SAPs and neoliberal economic direction, respectively. Workers in South Africa are having to go on strike alongside workers that they would ordinarily discriminate against based on national difference (Garba 2015). When ordinary people in Nigeria lament the insecurity brought about by state corruption and lack of public amenities like water and electricity, they realise that they share similar predicaments with people of a different ethnicity and religion.

It is not uncommon in South Africa for politicians and ordinary people to explain away the lack of adequate housing by pointing to migrants as the culprits who take away houses that should go to them. In their struggle for housing, they do so with foreign workers on their side. Through struggle, they see that it is not the case that foreign workers have all the houses: The reality is that there is inadequate housing in the country. In the process of struggle, barriers tend to be broken (Garba 2015).

Street vendors and traders in Lagos and in Cape Town are made up of people from all ethnicities and nationalities. On many occasions, they compete with each other, and origins could play a role in such competitions. In other instances, they fix prices, sell wares for each other when the other is not around and struggle against law enforcement agents that are trying to get them off the streets (Garba 2015).

Even on the question of xenophobia, South Africans, workers and ordinary people have organised campaigns against xenophobic attacks in urban townships which see the looting of kiosks owned by foreigners and physical attacks on foreigners. In the Township of Langa in Cape Town, many African migrants speak of having been defended in the past by their South African neighbours. So organised have the defences become that there have been no xenophobic attacks in Langa since 2009. There have been a number of such attacks in other parts of Cape Town over the past couple of years. Do these acts of solidarity point to a contradictory effect that capital's division is having on workers' relations with one another based on nationality?

The idea of difference in Africa has been a political project tied to the penetration of capital and its further accumulation. From the colonial moment, difference was utilised by the state-cum-capital nexus. The definition of who was a native and who belonged to a particular segment of the natives and was therefore entitled to live on a given piece of land was shaped by the colonial demand for labour, resources and markets. Colonial statecraft and accumulation invented and managed social difference where necessary. The idea of tribe as the core of African society was deployed to freeze a social reality of fluid identities where patterns of residency and occupation conferred identity and not fixed and unchanging ideas of who belongs and who does not belong.

With varying degrees of success, the post-colonial state in Africa attempted to overcome the legacy of the colonial manipulation of difference through nation building and the creation of a unitary citizenship. With the crisis of the 1970s and given the lurking legacy of the colonial construction of difference, the politicisation and 'capitalisation' of difference have come back centre stage. Nigeria provides an example of the 'capitalisation' of difference, while South Africa points to the 'capitalisation' of nationality on the continent. There are countermovements that challenge these divisions. These happen in the course of working-class and popular struggles where the boundaries that appear tight and firm are

broken down in struggle when people come to see what they have in common as opposed to concentrating on their differences.

## Notes

- 1 The chapter has benefited from a fellowship at the Merian Institute for Advanced Studies (MIASA), University of Ghana, Legon.
- 2 Societies in East Africa and West Africa have a long history of human contacts with parts of South East Asia and the Arab world prior to colonialism. Zanzibar in East Africa is a combination of the Afro-Asiatic world from the make-up of its population, the culinary heritage and sociopolitical organisation.  
The spread of Islam on the African continent is closely linked to the trans-Saharan trade which connected North Africa and sub-Saharan Africa to Asia.  
The presence of groups in India that trace their origins to the African continent is an instance of the Afro-Asiatic connections before colonialism.
- 3 The explanation put forward by the Dar School had variants to it. However, the broad tenor of the argument was in keeping with the then prevailing dependency theory that emerged out of the Latin American experience.
- 4 This view is popularised in more sophisticated versions in accounts of neopatriotism and the politics of the belly. This view believes that acts of corruption and abuse of public resources for private gains constitute a long unbroken chain in African societies. Under this view, the effect and legacy of colonialism on the structure of the state and the relationship between the state and populace are insignificant. See Bayart J.F. 1993. *The State in Africa: The Politics of the Belly*. London and New York: Longman.
- 5 The poll tax was a specified amount that every adult had to pay. In northern Nigeria, it was paid by an adult male.  
*Haraji* is the Hausa word for poll tax.
- 6 Nigeria has a federal system of government with 36 states and the federal capital.

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**Part 2**

# **Capital, class and community**

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