




# Money from Nothing, Part 1 of 2

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This post marks the first installment of our special review section on [\*Money from Nothing: Indebtedness and Aspiration in South Africa\*](#).

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Deborah James' *Money From Nothing* traces the evolution of credit and debt  in post-apartheid South Africa. The author blends ethnographic narratives, media and government releases, and the data of economists to postulate the redistributive nature of South Africa's twenty-first century capitalism. This redistribution is shown to be akin to a pyramid scheme where money is taken from the masses at the base of the structure and sent flowing along the different levels toward the top. Aspirations of upward mobility propel the flow of wealth following the consumer credit frenzy sponsored by a government intent on creating a middle class sector from the ashes of the apartheid state. James sets out to evidence a society whose economy is not so much neoliberal as meshed in a complex weave of social, political, and kinship threads through which wealth is allocated anew. The author discloses the inner workings of this system and provides clear explanations for seemingly-irrational patterns of consumption—if viewed through a neoliberal lens—with examples from a number of financing mechanisms including home owning, membership in savings clubs, informal entrepreneurship, and bridewealth savings. James warns her readers that this system is by no means the transitional state to capitalism that government officials and non-profit organisations had predicted but an entrenched reality. Indeed, her text strives to evoke “the local specificities that make the South African situation unique on the African continent as well as different from mainstream settings of capitalism” (p. 27).

*The introductory chapter in this text shines as an exemplary apologia of how economics and anthropology can collaborate to provide a nuanced portrayal of*



*a society's financial woes.*

James examines the work of economists and policy makers on over-borrowing and broadens the populations these studies address with her own ethnographic data. In doing so, she highlights the contradictions in class status born of social pressures and deepened by political and corporate interests. She argues that class differences have not only *not* dissolved in South Africa but are the fulcrum from which economic measures of worth and value construct these divisions. James continues this argument in her first chapter where she discusses the intricacies of who belong in the category of middle class in this African nation. Originally the government envisioned a new middle class populated by the black civil servants who replaced the old order and who took to frivolous consumption with a vengeance. Instead, the economic recession of the late 1990s resulted in massive unemployment and an explosion in default rates across the board that required a restructuring of credit system regulations.



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James delves deeper into the disenchantment and fragility of the new middle class with the failing economy and strikes a fine balance in telling the story of how the state set out to provide debt relief for black South Africans. She does this without lapsing into justifications of “cultural determinism” where being black becomes part of the problem based on long-standing racial paradigms (O’Daugherty 2002). Instead the author introduces the reader to the transformations in traditional redistributive practices such as bridewealth. Formerly the glue that held social relations and obligations in a community, capitalism and access to credit have strained this system to the breaking point as a bride’s value is now determined by her education, and the wealth to woo her is evidenced in conspicuous consumption goods. The recession, added to familial obligations such as



bridewealth, and class mobility expectations together multiplied debtors and creditors to the point where they have blurred the boundaries between the two. Indeed, James shows repeatedly, every South African has at one point been one or the other, if not both simultaneously. The elite take loans from the formal banking sector, while microlending is run by former civil servants and caters to every sector of the population, and neighborhood lenders are even more ubiquitous.

Even as capitalism favours the individual and a nuclear family structure makes matters difficult for traditional redistributive practices, extended families and fictive kin and friends continue to adapt to the system through social and familial connections. The remainder of the book traces these financial ties. Chapter 2 discusses loan forgiveness and refinancing programs run by the government and non-profits that together lay bare the extent of the credit network that has completely covered South African society. Chapters 3 and 4 provide the cultural and historical context to better grasp the debt milieu, its dangers and benefits, showcasing traditional financing spaces such as savings clubs. Chapters 5 and Chapter 6 continue with the narrative of everyday life in South Africa's neighbourhoods and detail the travails of home ownership and small entrepreneurship. Lastly, Chapter 7 describes the new subjectivities created by Pentecostal churches and financial self-help organisations.

*The reader, particularly if not familiar with South Africa, will wish for more context and background on the village and homestead kinship structure that James references yet fails to break down.*

There are a number of poignant tales in which we see young men scraping their meagre savings toward a bridewealth price that will enable them to create a home of their own. On the other hand, we hear of the heartbreak and multiplicity of pragmatic financial arrangements resulting from divorced couples and the proliferation of single parent households. As a series of anecdotes unfold telling these compelling stories we are given glimpses of ritual ceremonies and habitual practices from these cases. For instance, James describes a savings clubs where



the all-female club members perform a kneeling dance as they deliver the funerary expenses to a member's family. At another point she tells the stories of women who have returned to their natal family and manage the use of the home for their kinship line. These homes, we find out, are not saleable and have caused a freeze in portions of the real estate market. Both these examples powerfully evidence James' argument of the direct effect of these cultural customs on communal wealth redistribution, yet the ethnographer in me wanted to know more of the particulars of these behaviours and their part in the construction of the current social structure.



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The ethnographic anecdotes paint a picture of a South African identity of consumption and credit claimed and ascribed at the savings clubs and in traditional home owning, and not so much in the churches and financial help organisations that James points to as creating new consumer subjectivities. The former take place in rural and periurban areas while the new Pentecostal churches and debt counselling centres are in the cities.

*The book fulfils its mission to show how the boundaries between classes become blurred under the all-encompassing embrace of indebtedness and financial default, yet the specifics of place are lost and one would wish the author had spent some time in a pithy explanation and description of her multiple field sites.*

On another note, it is important to stress that when James examines Pentecostals and refinancing agencies, she shows them as spaces where religion and finances meet to create discourses of self-worth, discipline, and positive thinking that show a "direct faith," or creation of a spirituality where living a balanced life making the most of opportunities and succeeding financially is compared to religious fulfilment (Cahn 2011). In James' stories we find many instances in which credit,



and the recovery from debt, all have some transcendent spirituality and teach about self-discipline and abnegation. We are shown how South Africa's brand of capitalism works in both the processes that cope with debt that strengthen social kin ties, as well as in the connection between spiritual fulfilment and economic wellbeing.

This book is a welcome addition to a growing body of literature from the human economy perspective (Besteman 2008; Ferguson 2009; Hart 2010). It also contributes to the ethnographic record on post-apartheid South Africa and the country's opening to the free market economy, and will be of interest to undergraduate and graduate seminars in economic anthropology as well as in African studies. As I mentioned earlier, the first chapter is a beautifully written account for why economists and anthropologists need to combine their work in order to better understand the effects of policies that move not only the fate of nations but those at the base of the pyramid in any society. James' book is a powerful voice that contributes to the increasingly voluble conversation on consumption in a world that has moved beyond Marxist tenets of production, to the generation of income from loaning and borrowing cash based on speculation. How these new economies will affect the future of young nations such as South Africa remains to be discovered. Works such as *Money for Nothing* promise to shed light on this journey.

## References

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