




Money From Nothing, Part 2 of 2

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July, 2015

This post represents the final part of our special review section on [Money From Nothing: Indebtedness and Aspiration in South Africa](#). Check out the first installment [here](#).

The legacy of apartheid weighs heavily on South African society and scholarship, but a new wave of academic assessments is documenting the particularities of more than two decades of the ‘new South Africa’. The best of this scholarship tacks between the particularities of South African history and its contemporary position deeply enmeshed in global flows and processes. Deborah James’s *Money from Nothing* follows in this path, presenting a rich ethnographic account of the variety of understandings and implications of the credit/debt nexus. James concurs with other economic anthropologists who have insisted that the dual nature of credit and debt is a relationship fraught with ambivalence – navigating between the boosterish proponents of credit and the condemnatory critics of debt writ large. 

Post-apartheid South Africa is an illuminating setting for such a study. The end of the previous regime meant not only political liberation, but also the possibility of “wealth, comfort, and well-being” (p. 228); however, economic opportunity has not followed from political liberties as readily as many hoped. Despite the promises of previously denied prosperity, the reality of contemporary South Africa remains, for many millions, a grinding poverty. And it is into this gap between present means and future goals that credit has entered in a big way: indebtedness is deeply tied to the aspirations that South Africans have for a better life.

James is attentive not only to the class dynamics of post-apartheid indebtedness but also to the competitive dynamics of status and distinction.



The ways in which the Marxian and Weberian strands entangle are complicated, and *Money from Nothing* sees no monolithic answer to the complexities of such processes. Meeting one's aspirations requires spending—on schools, homes, healthcare, and retirement. But even just keeping up with the Joneses requires considerable expense. In a deeply commercialised country—where peer-to-peer savings groups even mandate what *brand* of groceries members must contribute—South Africans of every class feel compelled to spend in ways that are deeply social. James details the various ways in which obligations—such as to bridewealth or education fees—push people into debt.



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What makes South Africa particularly important, however, is the proliferation of lenders to meet and—it might be emphasised—encourage such demands for credit. In South Africa, creditors fall into one of three main categories (none of which are reducible to 'informal' versus 'formal' finance). There is a large-scale, corporate finance sector, historically dominated by British capital and consolidated in a few major banks. There are also innumerable neighbourhood lenders, so-called *mashonisas*, who are usually unregistered with the government. And, in one of the great, and painful, ironies of South Africa, there is a largely post-1994 sector of microlenders that are mostly owned by Afrikaans-speaking former civil servants. As James plainly writes of this final sector:

“the public service had been newly restaffed by black Africans, leaving many of its former white Afrikaner employees to seek alternative ways of making a living. Many of them did so by moving into the microfinance industry, and many eventually became registered microlenders. State monies were flowing into the bank accounts of black civil servants, out of which the new entrepreneurs were making efforts to divert them.” (p.68)



Money from Nothing spends less time on the internal practices of the lenders—and future work could fruitfully explore their rationalities, expectations, and politics—but instead turns to issues of consumption, regulation, savings groups, home financing, and religion.

Her methods are varied, relying on ethnography, oral histories, surveys, and assessments of self-help media and call-in radio shows. The resulting book emphasises the complex logics of her informants as they seek to navigate the frustrations of contemporary South Africa.

One great frustration has been the significantly constrained ability for the state to rein in the excesses of the debt economy. If today—in the wake of microfinance crises in India and Bolivia, the global meltdown of 2008, and other debt crises—lending is likely to raise eyebrows, that was not the case in mid-90s South Africa. In a discourse that remains powerful today, the end of political apartheid also meant the end of “credit apartheid”. Consumer rights were taken as seriously as human rights, and even the powerful COSATU labour organisation advocated a “right to borrow”. In contrast to some countries, capital in South Africa proved quite eager to lend to the poor, spurred in part by the availability of information on which to make credit assessments and, crucially, the ability to collect on loans through direct deductions from borrowers’ bank accounts.



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The informational and technological unbalance would, as reformers sought to constrain the practice of “reckless lending”, be complemented by political inequity. Despite the courageous work of organisations like the Black Sash, legal reforms have been limited. The National Credit Regulator “has so far proved relatively ineffectual” since its founding in 2005, lacking “the political or economic clout to do much more than register lenders and produce reports on



debt levels” (p. 30) Instead of limiting lending, South Africa has—with other neoliberal locations—tended toward a discourse of responsabilisation.

Money from Nothing is cautious to avoid polemical blaming; the evidence rightly shows that the reasons for indebtedness are characterised by too much local complexity to be effectively addressed by gestures to an abstract neoliberalism or global capitalism.

But, like the best of ethnographies, this book also opens further questions, and perhaps two are worth mentioning. First, *Money from Nothing* has shown the ways in which aspirations and competitions for status have fuelled the rise of indebtedness. How, though, are these aspirations constructed? Some build upon long legacies—bridewealth is one such example—but these and others are surely articulating with the cultivation of demand through advertisements, media, and other means of influence. Second, the role of the state in South Africa is, it seems, ripe for further investigation. Its inability to enforce responsible regulations stems in part from the fact that ‘the state’ is an internally contradictory and heterogeneous entity. Scholarship on the post-apartheid state, and intersection with private capital and its discourses, will benefit considerably from engagement with James’s ethnography—as will economic anthropologists working in other parts of the world.

James, Deborah. 2014. [*Money From Nothing. Indebtedness and Aspiration in South Africa*](#). Stanford: Stanford University Press. 296 pp. Pb: \$27.95. ISBN: 9780804792677.