

Primitive Accumulation, Enclavity, Rural Marginalisation & Articulation

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In March 2006, the University of KwaZulu-Natal's Centre for Civil Society in Durban aimed to reinvigorate a tradition of political economy by considering the legacies of Guy Mhone and José Negrão (who died in 2005) along with two others whose work was based on accounts of 'primitive accumulation': Rosa Luxemburg and South African sociologist Harold Wolpe (who died in 1996). The analytical traditions are diverse but complementary. Together they capture many of the ways that primitive accumulation continues to structure and reproduce systems of inequality.

For example, from Luxemburg comes a sense of primitive accumulation as a permanent mode of imperial 'accumulation by dispossession' (in David Harvey's terms) such that,

Force, fraud, oppression, looting are openly displayed without any attempt at concealment, and it requires an effort to discover within this tangle of political violence and contests of power the stern laws of the economic process. Bourgeois liberal theory takes into account only the former aspect: 'the realm of peaceful competition', the marvels of technology and pure commodity exchange; it separates it strictly from the other aspect: the realm of capital's blustering violence which is regarded as more or less incidental to foreign policy and quite independent of the economic sphere of capital. In reality, political power is nothing but a vehicle for the economic process. The conditions for the reproduction of capital provide the organic link between these two aspects of the accumulation of capital. The historical career of capitalism can only be appreciated by taking them together. 'Sweating blood and filth with every pore from head to toe' characterizes not only the birth of capital but also its progress in the world at every step, and thus capitalism prepares its own downfall under ever more violent contortions and convulsions (1968 [1923]:453).

As an example of the wide-ranging Colloquium deliberations, Gillian Hart's essay in this issue takes concern about articulation of capitalist and non-capitalist spheres of economy and society onto the terrains of politics, race and gender, in a conversation with Wolpe and Stuart Hall and through them with Althusser and Gramsci. Practical implications of the critique of primitive accumulation – of its 'commodification' of social spheres like water and education – are related by Prishani Naidoo and Salim Vally. Other papers from the Colloquium offer a strong sense of revived Southern African and international political-economic reasoning that stretches from economic to social to environmental factors.¹

Consideration of how capitalism's crises of sustainability and volatility drive the system towards super-exploitative relations quickly leads to debates about resistance. Colloquium participants pondered how struggles against exploitation in

production and reproduction, racism, sexism and ecological destruction contest the market itself, under circumstances of permanent primitive accumulation. Southern Africa is a central site for this discussion, since market forces have systematically 'looted' other modes of production, society (especially women's unpaid labour, via racist colonialism) and the natural environment. The South African government has recently taken to explaining that this legacy is based upon a division of 'first and second economies', and Thabo Mbeki claims a 'developmental state' is being built to fix matters. Naturally many of the contributions criticised both the analysis and practice of neoliberal states in the region.

Mhone was a major theorist of the 'enclave economy' in post-colonial Africa. Adebayo Olukoshi's keynote contribution surveyed his work:

First of all, an enclave sector was ... triggered by foreign capital, whether it be merchant, industrial, service or financial. Often it was a conglomerate combining all. ... Secondly, the enclave sector displayed a high level of capital intensity which was ironic in the context of massive labour surplus, and which basically sucked in the most skilled strata of the labour force, whether it was a racialised labour market or not.

Thirdly, the enclave sector was structured to facilitate large-scale production, and key players in the sector also exercised a host of monopolistic or oligopolistic advantages. Guy Mhone's contribution often stressed not just the use of market mechanisms to establish control, but also the use of extra-economic means, including political intervention and coercion, in order to secure advantages in the market to exercise monopoly or to exercise oligopolistic advantages.

Fourthly, as a terrain dominated by foreign capital, the enclave sector was ... the upper arena for an expatriate investing or managerial elite. In the context of Southern Africa, the arena was distinctly racial capitalist. In almost all cases, the role of local entrepreneurs or indigenous economic actors were either absent completely or were subordinate to the foreign investor.

Fifthly, the enclave sector was the central factor in the external orientation of the African economies... And that extroversion ... meant that the enclave played a central role in this vulnerability of African economies in the 1960s and 1970s. One of the most interesting approaches undertaken by Mhone, connect[ed] his 1982 study of the Zambian copper industry to the most recent work he did on Botswana and Namibia as vector economies ... [T]he core developmental project was not driven by an internal logic, but by external logic which meant that attention was not paid to the development of the home market, to create effective demand, but rather to the capture of opportunities in the external markets. These were characterized by ... cyclical crises such as in Zambia during the collapse of the copper economy ... [or which] the apartheid economy experienced on account of the enclave nature of the accumulation process.

The sixth characteristic is that the state itself assumed the key role in the development of the enclave sector. ... The profitability of the enclave sector is assured through security, tax holidays and the government's liberal grants to foreign investors active in the enclave sector through tariff walls erected to give them protection against external competition as import substitution. [T]he policy orientation and incentives created were decisively in favour of the enclave sector, in contradiction to policy in the informal sector and what Mhone was talking about as the 'communal sector', particularly in South Africa.

The seventh characteristic is the strong linkage between the enclave and the international market, through the web of transactions established during the structural period of

imperialism. Transactions between the enclave and the rest of the world were structured as that of the periphery to the centre, with very few backward connections to the rest of the economy. So technological intensity was not refracted, in an organic manner, with what was going on in the informal economy.

In some of my own collegial debates with Mhone, these features invariably generated comparisons of enclavity as an 'outcome' of capital on the African semi-periphery and periphery, with uneven development as a 'process'. As we combined these insights, for example, in a comparative study of Botswana and Zimbabwe (Mhone & Bond, 2002), I came to realise how Mhone's approach forced open the doors to new intellectual problems of a relatively unique sort.

As interpreted by Olukoshi, these problems relate to contradictions during accumulation crises which in turn affected the character of subsequent industrialisation: 'It was difficult to capture the moments when qualitative shifts were possible within the enclave itself', especially under circumstances Mhone regularly pointed out, when 'in South Africa and Zimbabwe and to some extent Namibia and Botswana [there was] disfunctionality within the enclave itself.' This disfunctionality proved an important basis for semi-peripheral industrialisation in other parts of Africa, according to Olukoshi, such as Kenya, Côte d'Ivoire, and to some extent, Nigeria. Yet such truncated accumulation requires far greater attention to 'the economic nationalism associated with the settler population [which] meant the process of accumulation was not easily captured in analysis, in spite of very interesting debates brought to many of us outside of South Africa by the *Review of African Political Economy*.'

It was partly because of a 1970s Poulantzian fascination with, as Olukoshi reminds, 'understanding which fraction of capital had an upper hand at what point in time, without connecting this simultaneously to either the national question or to issues of race', that by the 1990s radical political economy began to lose many of its South African adherents. Likewise, he continues,

Very little attention was paid to the important role of the work of women and the modes in which the relationship between men and women particularly in the labour reserves was central to the sustenance of the enclave economy. It was left to our feminist colleagues, people in gender studies in the 80s and 90s, particularly in the emergence of studies on the economy of care and other aspects of our understanding of livelihoods on the continent, to draw attention to the definite silence in the debates around enclavity on the issue of gender.

Olukoshi also underlined the need to transcend the classic analyses restricted to a defined national territorial boundary and to incorporate agency of both labour and smallholder rural populations who resist enclavity: 'at the intermediate scale, the impact of enclavity in Southern Africa was relatively underdeveloped in the literature, and this is one area in which Guy Mhone's contribution was thought to be quite outstanding.'

Pointing to Mhone's last great work, a soon-to-be published study for Codesria – 'in our quest for an alternative framework for African development beyond structural adjustment', Olukoshi reports that

[Mhone], perhaps more than any other person, contributed substantially to rescue the notion of enclavity from its treatment as simply a geographical matter ... not connected ... to local

social and economic dynamics in ways that would produce what Mhone called a 'virtuous cycle'... The enclave's island character tended to weaken the foundations of accumulation and to exacerbate vulnerability to external shocks.

Formidable policy challenges arise from Olukoshi's reading of Mhone, such as regional labour migration:

In the post-colonial era, enclavity has also played itself out as a result of a lot of anomalies and contradictions in ways that have fueled xenophobia and ethnicity. Consider the post-apartheid immigration policy, which attempts to maintain rigid boundaries in the context that was preceded by the sucking of labour from other parts of Southern Africa without regard to boundary ... This policy flows out of the unemployment-underemployment nexus that characterizes primary discrimination in Mhone's analysis of the centrality of race to enclavity in Southern Africa. [P]rimary discrimination is ... built into the political economy of the enclave in a way that permanently dampens wages for the working class.

For Mhone, the enclave was a rich metaphor that told us a coherent story of the linkages – or lack thereof – between capitalism and non-capitalist terrains of life via distorted labour markets, racial discrimination, and the 'double jeopardy' that – in Olukoshi's words – meant the region's accumulation was shaped first by

being former colonies of Britain or Portugal, and second, by being subordinated to South Africa, to the logic of South African capital within Southern Africa. It was domination at the global level, but also at what one may call the sub-imperial level, which played itself out almost in a zero-sum logic in which the development of accumulation and of infrastructure in South Africa was at the expense of the rest of the countries of Southern Africa.

The policy analysis Mhone has left critics of neoliberalism is exceptionally rich, because structural adjustment 'further re-enforced enclavity', leaving Africa de-industrialised and facing 'the massive expansion of the boundaries of the informal'. Mhone's books included *The Political Economy of a Dual Labour Market in Africa* (1982); *Malawi at the Crossroads* (edited, 1992); *The Case for Sustainable Development in Zimbabwe* (co-authored, 1992); and *The Informal Sector in Southern Africa* (1997). He published dozens of articles and chapters in major journals and academic books, on structural adjustment, labour markets, agriculture, industrialisation, the informal sector, women workers, HIV/AIDS, and other facets of socio-economic policy. He worked in and wrote about every country in the region. Throughout, Mhone's gentle temperament, quiet dignity, extensive experience, courage and powerful intellectual contributions inspired colleagues and students. He explored the limits of neo-classical economics applied to African conditions and, in the process, questioned dogmas associated with labour and capital market theory. Olukoshi's tribute concluded with a call for,

a theoretical dialogue between the cumulative works of Guy Mhone and ... the contributions of people like Samir Amin, the earlier Samir Amin, [addressing] in particular the Africa of labour reserves and small holders, and of the plantation economies.

The great rural analyst José Negrão is equally inspirational in struggles for social justice. As noted below by Sabina Asselle and Joe Hanlon (Briefings, pages 202-203), Negrão was no armchair academic. He was responsible for a unique post-independence *praxis* by facilitating a formidable peasant land rights campaign. In his major study of 'How to induce development in Africa? The case of Mozambique', Negrão was concerned with four major challenges to conventional dualistic wisdom (2001:1-23):

- 1) As rural/urban migratory flows exceeded the supply of jobs the *subsistence economy* became less and less able to perform its social reproduction function, and the demand for modern sector output tended to fall;
- 2) Despite a rising per capita GDP, as wealth was concentrated in an insignificant fringe of society in real terms this meant declining annual per capita income [for the majority];
- 3) The assumption that there was surplus time that could be applied in mechanised farming was erroneous because the agricultural calendar and gender relations within the family production unit meant that periods of so-called free time did not coincide with periods of peak agricultural activity;
- 4) Women were increasingly marginalised and relegated to maintaining the subsistence economy, while men sought employment in the modern sector in towns.

The Mozambican case was tragic. The promise of post-independence rural protectionism, as a response to market failure, was not carried out:

Despite the rhetoric about cooperativism, the government support it received was minimal compared to that given to the state sector. The terms of trade between the urban industrial product and the rural agricultural product were clearly unfavourable to the latter.

This mirrored at the local level some of the problems with import-substitution industrialisation that were evident in North-South relations. According to Negrão:

Contrary to predictions, the gap between the poor and the rich got wider, the middle class was eliminated and there was a flight of capital. The various limitations identified include: import controls tended to inflate costs; protectionism only benefited some and was rarely translated into local investments; protection for industry tended to lower the purchase price of goods produced by rural families; and the prices of the protected agro-industrial products of countries in the South were unable to compete with the subsidised prices of conventional crops controlled by the North.

But Negrão and others in his group, Cruzeiro do Sul, found that trying to cure these diseases, intrinsic to semi-peripheral enclave economies with neoliberal medicine would only kill the patient. With financial liberalisation a major strategy of post-marxist Frelimo, 'the profits from capital flows from the *traditional* to the *modern sector* are channelled to offshore financial markets and ... the tendency for interest rates to rise produces a fall in effective demand and thus in output.' For Negrão, true to economic training, the core strategic problems stemmed from limitations of bourgeois theory:

- Contrary to the theoretical assumption, in the real world markets are imperfect or incipient – in pure form they simply do not exist;
- The 'invisible hand of the market' itself causes externalities, particularly for women (due to the opportunity cost of their work time) and the environment (due to dis-economies of scale);
- There is a tendency for savings to be transformed into market capital and internationalised, rather than go into productive investment within the country; and

- Rural families do not have access to sufficient savings to enable them to choose options based on the economic rationality of market signals.

Negrão sought a way out of the empiricist box, in which neoclassical thinking imposes 'theoretical limitations with regard to strategy', ranging from markets to political governance:

The epistemological rupture in the production of knowledge on development has created a theoretical vacuum that has led international agencies, donors and governments to an excessive empiricism in their activities. The manifestations of this empiricism include: the cost of money in the country is systematically ignored on the unverifiable assumption that the market will take care of it; the role of induction and theory are disregarded and results are measured by output rather than by prevailing dynamics; the insistence that in order to reduce poverty rural units must increase supply because it is assumed that demand is perfectly elastic; instead of being considered flexible mechanisms open to change, institutions are equated with the legal framework approved by national parliament, where a sector approach focusing almost exclusively on ministries demonstrates an ostrich-like naivety; the western model of representative democracy is imposed as being qualitatively superior, without taking into account endogenous practices of participatory democracy that exist to some extent throughout the country.

Drawing from two decades of research, Negrão came to question four common features of orthodox thinking: *the end of the peasantry in Africa* due to urbanisation is unrealistic, given limitations on job creation; the *technical ignorance of rural families* 'does not fit the facts' given 'local experience and understanding that should not only be esteemed but should also be stimulated in order to enrich the individual and social formation of knowledge'; the *lack of endogenous organisational capacity* is false, given 'time-honoured mechanisms and forms of organisation in rural societies that should be put to good use'; as is the assumption about *lack of market information*. As a result, for Negrão, reversing rural marginalisation required a bottom-up challenge to power, but one entailing acute sensitivity to the circumstances of rural producers. He called for two fundamental correctives:

The first is the adoption of a holistic approach where the set of economic (productivity and growth), environmental (eco-systems and bio-diversity) and social (identities, power, access etc.) aspects are more than just the summation of the sectoral components of the national accounts. The second is the need to understand the historical roots of African rurality, where decision-making processes governing the allocation of labour, land and capital involve economic units where production, consumption and distribution are inseparable functions, and thus cannot be contemplated separately for analytical purposes.

To move in this direction would necessarily entail a break from orthodox political practice:

The limitations of representative democracy on the ground are evident – the capital is too far away, power elites reproduce themselves and the rhetoric of party politics frequently becomes a fixture in the futile discourse of local civil servants. Studies have shown that social and political stability requires much more than just delegating power through a vote; it requires effective participation in decision-making processes, from the family up to the national level – it requires the exercise of participatory democracy.

Hence, 'The fewer obstacles to the delegation of power created by public institutions, the faster fundamental rights are materialised and the higher the national savings.'

This was by no means either a conservative libertarian or anarcho-syndicalist position, for, like Mhone, Negrão insisted on a linkage of local and national strategies that also revived sophisticated post-Keynesian insights.

His policy prescriptions would be relatively simple to implement by a genuinely developmentalist state, were such to arise: 'making available cheap money to the national business sector with the aim of increasing demand in the family sector through agro-industry', and in the process linking natural resources of the family sector with the 'technology, management know-how and market access' of capital; ensuring 'basic education, better quality potable water and general sanitation' as central prerequisites to peasant well-being and productive capacity and likewise 'reducing relative distances to services, markets and resources by building infrastructure, providing low-cost transport and gradually replacing wood fuel by electricity'; and by 'rebuilding the institutional fabric based on principles of participation in decision-making processes at all levels, gender balanced relations and the inclusion of endogenous and crosscutting institutions in governance.'

As was evident in the peasant movement that Negrão himself helped to construct, an agenda with these sorts of features will continue to be pursued by progressives in Mozambican civil society, and indeed these are some of the core strategies that are to be found more generally in African economic justice advocacy. Whether they can be generalised will depend upon the success of vehicles like the African Social Forum and the myriad economic justice networks springing up as structural adjustment ideology wanes.

The broader strategy of attacking neoliberal capitalism in Africa will require these kinds of approaches to rural marginalisation simultaneous with concern about macroeconomic enclivity. It is here that we turn, finally, to Wolpe's insights into the 'articulation of modes of production'. His work was based upon demystifying the construction of South Africa's 20th century system of social and economic control ('apartheid' after 1948 but essentially the same migrancy-based approach to 'cheap labour power' beforehand). Although there have been fruitful debates about Wolpe's chronology and methodology, there can be no question that the capitalist mode of production relied upon earlier modes of production for an additional 'super-exploitative' subsidy. This happened via a reduction in the cost of labour power's 'reproduction': for instance, workers came to the labour market very inexpensively because of multiple oppressions across society. Colonial-era arrangements for compulsory work included slavery and other forms of forced labour, taxes and fees, indebtedness, and wholesale expropriation of land. One of the most advanced of these systems was South Africa's apartheid, where super-exploitation was based upon simultaneous class/race/gender/ecological power, and led to an initial labour inflow from Bantustan reserve areas to the cities, mines and plantations where workers earned a pittance – certainly not enough to support the reproduction of an urban family. This was Wolpe's seminal insight from a 1972 *Economy and Society* article:

The supply of African migrant labour-power, at a wage below its cost of reproduction, is a function of the existence of the pre-capitalist mode. The dominant capitalist mode of production tends to dissolve the pre-capitalist mode thus threatening the conditions of reproduction of cheap migrant labour-power and thereby generating intense conflict against the system of Segregation (1972:426).

Luxemburg had much the same in mind, after reading voluminous literature on South African relations of production, in arguing that,

Capital cannot accumulate without the aid of non-capitalist organisations, nor ... can it tolerate their continued existence side by side with itself. Only the continuous and progressive disintegration of non-capitalist organisations makes accumulation of capital possible (1968:452).

Although this understanding of an articulation of capitalism and non-capitalist relations is essential to correcting teleological marxist (especially Warrenite) understandings of Southern African political economy, Ari Sitas placed Wolpe's contribution in context:

We must remember that the dominant idea in South Africa at that historical moment was the liberal idea which argued that the economy was in essence 'colour-blind' and there was, through Apartheid, an imposition on it by forms of racial domination that were irrational. The separation between the forms of domination and the economy allowed for only one conclusion: the economy, left to itself, would set everyone free and more or less equal (2006).

Since formal apartheid has ended, and since socio-economic conditions have deteriorated for the majority in the post-apartheid era, the fallacy of the liberal promise is exposed in reality. While the race of the rulers has changed, the basic structure has continued relatively undisturbed. We thus need to pay the kind of attention to articulation that Wolpe insisted upon, as Sitas notes, especially 'the link between the reserves, the homesteads, their social welfare provided by women working the land in pre-capitalist ways and what was happening in the city through the migrant labour system ... [and] if we stretch[ed] it further, issues of cultural pluralism, of ethnicity and of 'homeland independence' could be read as so many attempts to buttress the sustainable and sustaining exploitation of black people'. This provides the kind of research agenda that Wolpe – who died in 1996 – might well have worked on since, according to Sitas:

First, he would have followed up on his work on the state, a project he did not complete, asking the same question: what is the degree of space within the state for a transformation project? Secondly, he would have been still concerned about the customary areas and how the urban and the rural get articulated in post-apartheid South Africa. Third, he would have had to think about the democratic content of policy in a class society.

Yet, even in his absence, we are goaded to think how the elements of perceived reality interconnect. What steers, who steers and how? The world after all is an unequal, interconnected, patterned and evolving sociality. Do we have anything substantive to say about it or is it enough to enumerate social issues and crises? Wolpe would have thought the former; we have become experts in avoiding [the question].

With strong foundations provided by Luxemburg, Mhone, Negrão and Wolpe covering the global, the regional, the rural and the urban-rural linkages, there is no excuse for neglect of primitive accumulation, enclaves, rural marginalisation and articulation in our ongoing work. As each scholar-activist would have enthusiastically agreed, there is an enormous amount to be understood from *praxis*, from tracking the left project in civil society during this era of state/party drought, a time when neoliberal encroachments in all these areas quicken and deepen, but are also sometimes repelled.

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Endnote

1. Some of the other Colloquium contributions are being published in a Rosa Luxemburg Stiftung/CCS volume, *The Accumulation of Capital in Southern Africa: Rosa Luxemburg's Contemporary Relevance*. We had sponsorship from the Harold Wolpe Memorial Trust, the National Research Foundation of SA and Norwegian Research Council, the Open Society Initiative of Southern Africa, the Rosa Luxemburg Stiftung and the SA-Netherlands Programme for Research Alternatives in Development. Papers are available at <http://www.ukzn.ac.za/ccs/default.asp?5,75>.

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