

## MONEY IN THE GLOBAL SOUTH

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Over the last centuries capitalism has become global.  
Are there any alternatives to this coming from the  
Global South, both within and outside capitalist systems?

<https://www.youtube.com/watch?v=NVbdv7zFY3E&feature=youtu.be>

# CONTRIBUTIONS OF COMMERCIAL SMALL-SCALE FARMING TO FOOD ACCESSIBILITY – EXAMPLES FROM KENYA

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## Introduction

In the context of a globalising world and a globalising economy the problem of the existence of a large number of people still facing hunger and food insecurity has not been solved. Even further, discussions have taken place about whether small-scale farmers in the Global South would be better off not engaging in global capitalism – e.g. through export production – but focusing instead on self-supply strategies in order to produce enough food and not become dependent on volatile markets, high prices, and the vicissitudes of the global food situation. However, such a self-supply strategy might run the risk of earning insufficient money for an adequate and healthy diet. This paper offers evidence that a mixed strategy of self-supply and commercial production can be a practical solution to achieve sufficient food security.

Especially since the 1990s food security has emerged as a frequently discussed topic in research and society. Annually, the *Food and Agriculture Organisation* (FAO) publishes a report about ‘*The State of Food Insecurity in the World*’ (SOFI). These reports show that particularly in Sub-Saharan Africa hunger is still a common problem. Furthermore, even those people who are not affected by hunger often lack a healthy diet. While especially hunger problems were mostly linked to the problem of food availability, more recent studies and applied work further focus on the dimension of food accessibility. In this context the purchasing power of a household is seen as key factor for accessing food. As a result, an often-discussed strategy for farmers is to move from subsistence farming, with the aim of producing their own food directly, to a strategy of producing cash crops, most notably for export, in order to make money to buy food. Following this highly discussed argumentation this article is concerned with the food access of commercial horticultural small-scale farmers in the Mount Kenya region. The central questions include: What is the situation with regard to these farmers’ households’ food access? What does the case of food access of commercial horticultural

small-scale farmers in the Mount Kenya region teach us about issues of food security? What variables influence their households’ food access? To what extent does the households’ involvement in commercial horticulture, and global markets, influence the situation of food access, and therefore food security?

## Food Security and Access to Food

Food security is given when “all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life” (FAO 1996). Following Ingram (2011), guided by the FAO definition, this concept should be seen in the broader context of food systems. Within food systems there are activities – such as the production and processing of food raw materials – and outcomes, such as e.g. food security. Food security incorporates three dimensions:

1. Food availability;
2. Food accessibility;
3. Food utilisation (cf. Fig.1).

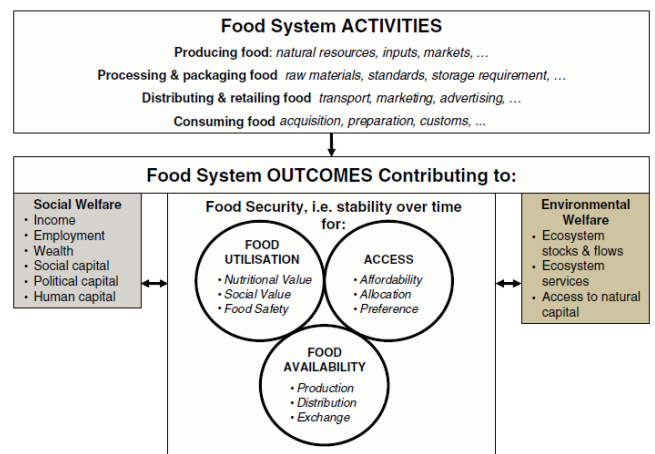


Fig. 1: Food System Activities and Outcomes (Ingram 2011, p.421)

Food availability is marked through the production, distribution, and exchange of food products. The safety, and the nutritional and social value<sup>10</sup> of food are parts of the food utilisation dimension. Food access is influenced by the purchasing power of the household and the relative affordability of food; the allocation of food products; and individuals’ preferences. “Food availability is necessary but not sufficient for access, and access is necessary but not

<sup>10</sup> The social value of food products is determined by social, political, and economic functions generated through the consumption of specific types of food. Ingram, J. (2011) A food systems approach to researching food security and its interactions with global environmental change. *Food Security*, 3, 417-431.

sufficient for utilization” (Webb et al. 2006, p. 1405). This study focuses on food access. “Access has been defined as a household’s ability to acquire enough food of sufficient quality to have all its members meet their nutritional requirements and lead productive lives” (Labadarios et al. 2011, p. 891). While Ingram defines food access as outlined above, this study follows the related definition of the FAO, which is more suitable in an empirical study. According to the FAO (2014), food access could be divided into *economic access*, measured with the domestic food price index, *physical access* as an infrastructural component, and the *prevalence of undernourishment*.

On the household level different access strategies are used to attain food security. One strategy to provide especially economic access in rural areas is cash-crop production in order to buy food. On the other side critics argue, from a perspective of food availability, that it is questionable to use scarce resources (e.g. land, irrigation water) for cash-crop production, instead of using them for household food provision (Brigham 2011, Idalinya 2012). In this context it is also generally discussable as to what extent cash-crop production is a possible strategy for all farmers, or rather only for a capable minority while potential negative effects affect the broader community (e.g. reduction of water availability).

### **Horticultural Farming in Kenya and the Mount Kenya region**

In the rural areas of Kenya, as in nearly every rural region of Sub-Saharan Africa, agriculture is the main contributor to a household’s livelihood, and as a result has a vital impact on the food security of most households. Commercial horticulture in Kenya is seen as a possibility for generating income and reducing poverty of rural households (Muendo and Tschirley 2004). Following this, horticultural production is regarded as a chance to improve the food access of those households involved by raising their incomes (Afari-Sefa 2007). However, keeping in mind possible conflicts between food- and cash-crop production, a deeper understanding of the food security situation and strategies of such farmers is needed.

In the Mount Kenya region cash-crop production is highly concentrated, and the region is known for a rapid growth of the horticultural export sector, mainly to countries in the European Union. Land holdings in the area – typical for Kenya – are generally less than 15 ha and

managed by family ventures. Since the 1990s horticultural export production has become the most important form of income in the region. Export products are, above all, French beans, snow peas, avocados, and mangoes. In 2005, about 4000 horticultural farmers in the area were producing for export (Dannenberg 2011, Dannenberg and Nduru 2013). However, even in Mt. Kenya a lot of farmers do not produce for export and most export-oriented small-scale farmer households in the region follow a mixed strategy in producing cash-crops for the export and domestic market as well as food crops for own consumption (Muendo and Tschirley 2004). To compare these different groups of farmers with different markets, incomes, and strategies and their influences on food accessibility, this study includes farmer households who produce for the horticultural export market and those who sell their produce at the local markets.

### **Data and Methodology**

The presented study is the outcome of a student thesis based on an empirical study of six weeks in February and March 2015. Following our research questions, a mixed methods approach was used, consisting of 88 quantitative questionnaires completed by farmers, and 29 qualitative interviews with farmers, extension officers, and employees at the *Ministry of Agriculture, Livestock and Fisheries (MALF)* and the *Horticultural Crops Directorate (HCD)*<sup>11</sup>.

In this research design, access to food is the dependent variable, and is measured through components of the households’ economic and physical access, as well as the prevalence of undernourishment. The monthly income level of the household was used to operationalize the economic access (Webb et al. 2006). The distance to the nearest food market and the type of transport used were indicators for physical access. Undernourishment was mainly captured by household data about the frequency of consumption of grains, vegetables, fruits, dairy products, meat, and fish, as well as the number of meals consumed. Additionally, the proportion of the households’ total farming production devoted to food-crop production was also a measure for the dimension of prevalence of undernourishment (Masekoameng and Maliwichi 2014). Food security or insecurity was captured

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<sup>11</sup> A detailed description of the data collection process and the qualitative and quantitative analysis can be found in Pargen, L. (2015): Zugang zu Lebensmitteln von Kleinbauern in der Mount Kenya Region. *Bachelor Thesis*. University of Cologne.

through the occurrence of food shortages during a year and the number of months characterized by food shortages (Coates, Swindale and Bilinsky 2007).

The first step of the statistical analysis was to verify a relation between the variables of food security and the variables used to operationalize the different access dimensions. Subsequently, variables which could have an impact on the access dimensions were tested. Data from the qualitative interviews were used to identify influencing factors on the farmers' food security and to interpret the quantitative results.

## Results and Discussion

In total 19 farmers in our sample produced for local markets, 65 farmers produced for export and local markets, and four farmers produced only for export. All surveyed farmers also produced food crops for own consumption. This already suggests that it is important for small-scale farmer households to achieve a certain balance between cash-crop production for income-generating purposes, and food-crop production for household consumption in order to have sufficient access to food.

However, 44% of the 88 interviewed households were still affected by food shortages during the year, and thus were classified as food insecure. Food shortages imply merely a restricted access to higher-valued food products like meat, fruits, and vegetables. Basic food products like maize, rice, and milk are still available. A greater part (49% of 39) of the food-insecure households face food shortages during two months of the year. Strengthening the findings of KFSSG (2011), food insecurity viewed from the food-access angle is not a striking issue. Following this, food insecurity may not be a so much a problem of food accessibility, but rather a question of food utilisation.

Food shortages during a year	Quantity	Valid quantity
yes	39 (44.3%)	45.9 %
no	46 (52.3 %)	54.1 %
	Missing 3 (3.4 %)	Total 100 %

Fig. 1: Food shortages during a year

Contradictory to FAO's assumptions (2014), there was no relevant relationship found between the infrastructural variables of the physi-

cal access and the occurrence of food shortages during a year. Our interviews indicated that this is due to the small nearby shops offering a basic stock of food products. Otherwise, both prevalence of undernourishment and economic access variables have an impact on households' food security, as measured by food shortages during a year.

Furthermore, our results showed no significant differences in food shortages between the export-oriented farmers and the non-export-oriented farmers. However, by taking a closer look at other related factors, significant differences appear.

A relation was revealed between the proportion of farmland used for export cash-crop production and the monthly income. This underlines the high economic value export production can have in relation to domestic market strategies (see also Afari-Sefa 2007, Dannenberg and Nduru 2015).

A further link exists between the economic access, measured by monthly income, and the occurrence of food shortages during a year. A higher monthly income of the household apparently leads to better food access and therefore enables food security. Furthermore, a higher monthly income decreases the duration of food shortages.

The proportion of farmland used for food crop production, a measure for the prevalence of undernourishment, has an influence on food access. Farmer households that allocate more than 10% for own consumption purposes are more likely to access enough food. Nevertheless, it is remarkable that households using more than 30 % of the farming land for food crop production have a tendency to be affected by food shortages, but this group of farmers is too small to exhibit a strong argument. This indicates that at a certain level the ratio of food production to cash-crop production (given the limited available land) becomes too high, and the outputs of cash-crop production become too small. Supporting Masekoameng and Maliwichi (2014) our study underlines that the combination of commercial income and food-crop production can be an important and useful strategy to assure food security.

The results further exhibit a relation between the gender of the farmer in charge and the occurrence of food shortages during a year. As other studies have already stated (Kassie, Ndiritu and Stage 2014, Ivers and Cullen 2011,



Mallick and Rafi 2010), if the farmer in charge or the head of household is male, the household is more likely to access enough food. According to the literature this gender effect can be explained as being due to male-headed households having greater access to resources like land, income, markets etc. However, this could not be verified by our data.

A key factor for food security however is water: In the dry season farmers are in severe competition over water, especially for their irrigation. Confirming earlier studies (Falkenmark 2010, Besada and Werner 2015), 90% of those classified as food-insecure households stated that the dry season and the associated scarcity of water induced food shortages. Investments of the government and non-governmental organizations are already targeting these issues.

As mentioned above, it can be problematic to use scarce resources for cash-crop production instead of food-crop production. Hence, a replacement of traditional food crops through cash crops for income generation could pose a problem for food security in the Mount Kenya region in general. Indeed, our results show that the proportion of land used for export cash-crop production has a negative impact on the proportion used for food-crop production. However, the proportion of land used for export production is negatively influencing the proportion of land used for local cash-crop production to a greater degree. Thus, producing cash crops for the export market is more at the cost of land otherwise used for cash-crop production for the local market than it is at the cost of the proportion of farmland providing crops for own consumption. Hence, farmer households are able to produce both cash crops for the export market and food crops for own consumption purposes. In this way a mixed strategy – which in the literature is discussed as being challenging (e.g. Brigham 2011) – is possible.

From an individual farmer's perspective this means that export-oriented cash-crop production can be a useful strategy to gain income and achieve economic food accessibility without reducing one's own food production and availability. (For broader political development strategies the decision-making process is more complex, as e.g. different capabilities of farmers and related problems of unequal distribution of wealth and potential external negative effects have to be taken into account).

## Conclusion

In sum, food insecurity among horticultural small-scale farmer households in the Mount Kenya region is not severe; at the most it is a temporary issue influenced by water scarcity. However, the food security of the analysed farmers is affected through the economic access dimension. A higher monthly income contributes to a better food access situation in those households. A larger proportion of the farming land being used for food crops increases the households' food access, yet only up to a certain threshold. Households with a male person in charge of the farming business, and sufficient access to water for irrigation, are better off in the dimension of food access and therefore food secure.

Our results underline that a mixed strategy, which includes food and cash crops in this context, can be a reasonable approach to achieve a relatively high level of food security. While generally it can be challenging for farmers to find the right balance between food and cash crops, the strategy of moving from local commercial food production to the high-value export production without eliminating food-crop production has turned out to be practicable so far. For farmers, mixed production of cash crops and food crops can be a possible strategy to ensure economic access and reduce the prevalence of undernourishment to reach food security. This indicates that a balanced integration of small-scale farming households into global markets may offer a good chance for farmers to achieve food security. As a result, such mixed strategies should be considered as options for achieving food security in similar agricultural production systems in Africa and the Global South. Policy-makers should however also keep in mind the specific capabilities of the farmers involved, and consider that often not all farmers are capable of following such strategies.

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## THE POLITICAL ECONOMY OF TERROR IN EUROPE

By Giorgos Poulimenakos and Dimitris Dalakoglou (VU Amsterdam)

Footage that shows the Abdeslam brothers having fun in a nightclub in Brussels, even after their so-called radicalization, came as a bit of a shock to many. In the images, the men now known to be terrorists were smoking, drinking, and dancing; they were using the same body language and slang to the other people in the club. They did not look like were following different than usual norms, but on the contrary they were behaving more or less as one may expect from young males of Northern Europe to behave in such situation.

Generally, sociological and anthropological research often shows that in European countries fewer and fewer second-generation Muslim immigrants pay attention to religion, let alone political Islam. What one sees in daily life amongst second and third generation male migrants in North Europe is self-expressions that prioritize different things than religion. If one was to observe ethnographically some examples, self-expressions through urban pop subcultures, the pursuit of material goals including consumer goods like fast cars etc. seem much more common than religion.

The majority of the analyses that appeared in media and social media discourses after the two recent attacks have not failed to reproduce the motifs that emerged after 9/11. On the one hand, there is the ultra-conservative Islamophobic discourse that argues that there exists an intrinsic, ontological violence inherent in Islamic scripts and values, and therefore that the Muslim population poses a continual historical threat to the Western world.

On the other hand, there is the leftist-oriented interpretation of the phenomenon of Islamic terrorism, which traces the origins of brutality to the consequences of historical Western imperialism in the 'Orient'. Many centuries of Euro-American interventions has often forcibly altered the economic, political, and social realities of peoples all around the world, according to Western geopolitical interests. From the Syces-Picot agreement, to the role played by the USA in the formation and strengthening of militant organizations of political Islam, these approaches expose the dark historical processes that ensured Western

global domination at the cost of the well-being of other populations. Thus, these more leftist opinions call for the blame to be placed on the geopolitics of capitalism, and not on a religion or a specific group of people.

The first argument, the conservative one, remains very popular; nevertheless it has been already criticized heavily, and rightly, and to this we do not have much to add. In this brief text we wish to focus a bit more on the latter argument and to examine some of its own logical discontinuities.

This second, progressive line of thinking explains a source of monstrosity that 'we' (the West) created 'out there', which has now begun to invade 'here' – rather like the ancient Greek myth of Nemesis. But what if our Nemesis appears in a more familiar guise?

One perhaps should start their inquiry by wondering what collective subjectivities are produced amongst European youth when they witness, and are invited to remain indifferent to, the mass deaths of migrants and refugees along the European borders? According to the Greek Minister of Migration, his Belgian colleague Theo Francken told him: 'you must consider letting them drown' as his official position on the refugee crisis. The Belgian government denied the statement; however, it remains a fact that this has been the European governments' collective attitude towards refugees for some time now. Might not the word *nihilism* be an appropriate term to describe such attitude?

Before fear become a norm in the European capitals because of the consecutive attacks, there was another condition producing fear for substantial parts of the European population – that is, for the working poor, those occupied in precarious or undocumented labour, subcontracted labour, and in general those who are victims, or remain continually potential victims, of the flexible labour market. It might not seem a proximate reality (at least until now) for middle-class white college educated Europeans, but this is precisely the reality for many second-generation migrants in countries like the Netherlands, France, Belgium, and the UK. A brief visit to blue-collar workplaces like factories, logistics warehouses etc. – those industries that keep everything moving smoothly in European metropolises – would be enough to make this phenomenon apparent. A British Imam, giving his opinion about what



draws young people to radical Islam for a TV show, stated recently: 'I believe that European societies are not giving ways out to young people anymore. For example, here in order to play tennis you have to pay five pounds. You have to pay to do anything.' Everyone who has lived in the UK has heard the typical joke: 'every breath you take costs you one quid in London'. During the post-1990s era, the hegemonic discourse in Europe was claiming that social class inequality is a myth that does not apply in contemporary World. The mantra of depoliticization of everyday life, and the erasure of visible social contradictions was repeated by intellectuals, journalists, politicians etc. Unlimited growth of an economy where everyone would be benefited via increase of the consumption were promised and there was space supposedly for everyone in that European Dream. However, this did not happen and since there is no political-economic antagonism, it is nobody's fault, this is how it is, some people will be excluded from the party. But maybe if we teach people that there is not such a thing as social class or class antagonism, and that such ideas do not explain social asymmetries in contemporary society, it follows that there is no one to blame for poverty and inequality. However, if there is nobody to blame does not follow that everyone is to blame?

of Western capitalist societies?

This is not to say that the religious factor is of absolutely no importance. However, living between a very politicized European country where axes of reference are political (Greece), and northern Europe ( Netherlands and UK) where politicized explanations of the world are almost invisible among the younger generations, we are examining the possibility that the pain we are facing in northern Europe has little to do with what is happening 'out there'. Perhaps religion is being used as an *a posteriori* explanation of a phenomenon that actually has its roots in modern secular European culture.

At the end of the story might it be that this kind of twisted radicalization is not the product of a failure of integration of migrants into the European setting, but the opposite? Such attitudes might rather be indicative of a deep assimilation to the unethical ethos of the neoliberal Europe of the 1990s-2000s. Is it too extreme to say that the creation of these nihilistic subjectivities that spread terror in Paris and Brussels are compatible with – if not a consequence of – the neoliberal systemic shift

## SURVIVAL IN POST-MINING COMMUNITIES IN SOUTHERN AFRICA: WOMEN AND ENTREPRENEURSHIP IN LESOTHO

By Sean Maliehe (Post-doctoral fellow in the Human Economy Programme, University of Pretoria)

### Background

The world's dominant economic rationality, *homo economicus*, is narrow and individualistic. It has benefited those with money while marginalising those without. It has cultivated staggering inequality, violent oppression of the majority of the people, and the suppression of their human rights, most profoundly in the Global South. The trickle-down benefits have never reached the majority of the people, but the rich have become richer and richer. Emphasis on GDP increase and growth has been nothing but an illusion of hope to legitimise the neglect and marginalisation of the masses. The scientific and computational economic approaches used by experts, particularly economists, have divorced the study of the economy from the rest of the people. It is time to reclaim and release the economy to the people, both theoretically and practically speaking. This involves expanding our knowledge and methods of studying what the people do for themselves.<sup>12</sup> The exercise also involves critically examining the dominant post-WWII economic development model that sought to standardise world societies according to the image of the West. Communities in the Global South were shepherded to fit into a mould created in the West – modernity in its different shades. Those that never fitted were vilified and treated as uncivilised, while the Westernised moulding attempts never stopped.

The Human Economy programme is a research group based at the University of Pretoria, South Africa, which I joined in 2012 as a PhD student. We are an interdisciplinary programme devoted to studying what the people do to help themselves in the economy, and how what they do can be amplified for the rest of the world. We believe that people are not passive in the economy. They are active actors with a certain sense of agency that might not necessarily fit with the economic mainstream.<sup>13</sup> The history of

women in Lesotho's business in the context of the decline of the southern African regional mining complex is pregnant with a myriad lessons. Their entrepreneurial pursuits of credit-rotating schemes (*stokvels*), cooperatives, and associations, and their often-deemed 'unorthodox' informal-to-formal routes make the plurality of economies and economic motives more apparent. Beyond the market economy rationality (*homo economicus*), they demonstrate mutuality, solidarity, trust, loyalty, and other obscured economic motives. These principles can be important for creating more inclusive economic models in the Global South.

The discovery of minerals in South Africa in the nineteenth century changed the history of the African indigenous people, and the region as a whole. By colonial design, southern African indigenous communities emerged as suppliers of labour to South African mines and industries. As a result, since then, almost 75% of rural households depended on remittances in Lesotho. In popular southern African historiography the country is referred to as a 'labour reserve'. However, little is known about economic activities that the Basotho, the people of Lesotho – particularly the indigenous people – engaged in for survival within the country and how they linked this emergent regional economic space with domestic survival activity. Apart from agriculture and informal business, commerce (retailing and wholesaling) was the main economic activity. Even more marginal in the economy were, and still are, the women entrepreneurs. Their activities are significant because when men left to go and work in South Africa, they had to take care of the household. Instead of resisting this, they took advantage of what the domestic economy had to offer. For their part, they emerged as economic frontier explorers of the country, albeit obscured due to patriarchy.

Remittances were never reliably adequate for the survival of the household back home. Worse, there were widespread cases of *makholoa*. These were men who left their families and married new wives in South Africa, or squandered their money in promiscuity abroad. Some came back after years while others never did. Some men supported multiple families. These stories are familiar to us and were commonly heard as we grew up. My own father was a

<sup>12</sup> Keith Hart and John Sharp, *People, Money and Power in the Economic Crisis: Perspectives from the Global South* (Oxford: Berghahn, 2015).

<sup>13</sup> Keith Hart, Jean-Louis Laville and Antonio David Cattani, "Building the Human Economy Together" in

Keith Hart, Jean-Louis Laville and Antonio David Cattani (eds), *The Human Economy: A Citizen's Guide* (Cambridge: Polity Press, 2010).

miner at one point, having taken over his father's position after his death in 1975. Back home, women had to find alternative means of survival. A lot of women found economic refuge in the informal economy, which allowed them easier access. They sold traditionally brewed beer, food, fruits, vegetables, handicrafts and other items. Many women started making significant inroads into the formal business after the 1950s onwards.

Basotho women's entrepreneurial efforts and emergent economic solidarity has become far too important a force to ignore, especially since the 1990s, as the southern African mining economic complex started to show clearer signs of decline. Many indigenous groups were retrenched while employment opportunities closed up for the men. Remittances that supported households dried up immediately. The result was twofold; on the one hand, poverty and inequality increased. On the other, this forced the Basotho to find alternative economic means of survival. Many retrenched miners invested their gratuities in property (locally known as *malaene*), transport businesses, retail business, agro-business, and other enterprises, to support their families. As men came back, the economic dynamics had shifted dramatically, and women were far ahead of the game (and they are getting stronger every day).

This change has also altered the traditional patriarchal nature of gender roles and relations that had previously marginalised and left women with no meaningful economic say or participation. They use money and markets to transform their traditional space of the 'kitchen', which housed groceries, pigs, and chickens. To the rest of the people, their businesses in the form of grocery stores, poultry, restaurants, sheebens, piggery, etc. were immediately identifiable with the space patriarchy accorded them. This became a recipe that silently and non-aggressively changed gender roles and relations. The story of women in Lesotho's economy gives us an opportunity to draw some lessons that may assist economies in the current regional and global economic crisis.

### **Women in Colonial Commerce**

The story of women in local business falls within the history of indigenously-owned business. However, their involvement in local business as enterprise owners dates back to the 1940s and 1950s. Women in colonial commerce were in the periphery of the periphery. Commerce – retailing and wholesaling – was the dominant

form of business. It was monopolised by European traders that mostly arrived in the late nineteenth century after Lesotho became a British Protectorate in 1868. Through the European-only Basutoland Chamber of Commerce, they collaborated with the colonial government to exclude and marginalise Basotho and Indian traders. It was not until 1906 that the first Basotho opened a business. However, Basotho's licences restricted them from operating in the town centres. The colonial government strategically placed them in remote rural and mountainous areas that lacked infrastructure (especially roads and bridges) and adequate customers.

Until the 1920s, there were less than 10 Basotho licence holders; all men. Due to the recession of the 1920s and 1930s, their businesses collapsed. The Basotho pressured the colonial government through their political and business associations. The most prominent were the Basutoland Progressive Association, the League of Commoners, and the Basuto Traders' Associations, which had been formed in 1907, 1919, and 1940 respectively. As a result, a significant increase in the number of Basotho traders occurred after 1951, following the government's announcement of Proclamation No. 72. The Proclamation provided for what was called a Basuto Restricted Traders Licence, which was specifically intended for Basotho. The number of businesses owned by Basotho increased from three in 1935 to about 2,700 in 1958.<sup>14</sup>

It was only after 1951 that a larger number of women were able to open businesses of their own. According to colonial laws, traders' licence applicants had to be taxpayers. Basotho women were not recognised as such by the Native Tax Proclamation No. 3 of 1911, which enforced and regulated the payment of tax.<sup>15</sup> The new law exempted them from the tax prerequisite, on condition that their husbands or fathers were taxpayers. From 1951, a number of Basotho women were issued with trading licences. Even though the colonial laws permitted them to apply for such licences, available information suggests that only very few Basotho women owned and ran such stores prior to independence. Nonetheless, for the largely marginal Basotho women, this was a major breakthrough. Essentially, 1951 was a significant year for Basotho in business, and even more importantly for women.

<sup>14</sup> *Basutoland Colonial Annual Reports, 1958*, p. 45.

<sup>15</sup> *Basutoland Proclamations and Notices, 1911*.

## How they made it

After independence, the number of indigenously-owned businesses increased further, and so did the numbers of women in business. Statistically speaking, they presently constitute almost 80% of Lesotho's local business. Many women started from the informal economy and worked their way into formal businesses. Others used remittances to start their businesses. In some cases, businesses were started by both partners. In this scenario, the husband would be employed in South Africa, or even locally, as a teacher or civil servant. The wife would then manage the business on a daily basis. Though there are some men who started their businesses from the informal economy, this has predominately been a women's route.

Women have acquired various derogatory names, including *bo 'mathoto* and *bo 'm'e baseterateng*, literally, 'luggage women' and 'street women', respectively. Alicia Motšoane is a single mother who owns and manages two medium-sized businesses: a furniture shop (Prestige Furniture, which has branches in three districts of Lesotho), and a funeral parlour (*Setebale* Gap Funeral Services) with two branches in the country, one in Mafeteng and the other in the Berea district. In 1993, she started stocking clothes and blankets from South Africa, where she bought them at cheaper wholesale prices to resell in Lesotho.<sup>16</sup> She started selling her merchandise at the time when she was working as a secretary for a law firm in Maseru. In our interview, she said:

I started my business where every typical Mosotho woman starts. This is where we start off as hawkers. Well, I would go to the Republic of South Africa to get merchandise, which I would later sell to other Basotho . . . on part-time basis because by then I was permanently employed. I used to do my business during lunch break.

Some women moved from the informal sector into the formal sector by entering into various credit arrangements with more European traders who were able to start them off. Of course, this was widespread and not limited only to women. Though such arrangements aided some indigenous entrepreneurs in starting off, such deals also reproduced the monopoly of the Europeans. As a result, some Basotho resorted to the alternative of importing stock from South

Africa. 'Mamatheala Shale was a business woman in her late 60s when I interviewed her. She started her businesses from her tailoring background. Before she passed away in 2013, a month after the interview, she owned and managed a number of businesses, namely a petrol filling station, a business complex which she rented out to other business people, a retail store, and a tailoring company.

Shale got into business in 1973 after she completed a diploma in clothing design in England. However, when she returned to Lesotho, she could not get a job. She started designing and repairing people's clothes informally, working from her home. With her savings, she then rented a business premises and started a retail and restaurant business. She approached Frasers' wholesale branch in Maseru and successfully negotiated with its manager to give her stock on credit to start. However, gradually, she realised that the arrangement hindered her from making significant profits. As a result, she started buying her stock in South Africa. It was after importing stock from outside the country that she was able to realise better returns. Shale recollected that:

When I started, it wasn't easy. [Mampolokeng, a friend] introduced me to Frasers wholesalers whom she was dealing with and I got supplies from Frasers to build my business. The deal I had with Frasers was pulling me back ... I started buying supplies in Bloemfontein from such wholesalers as Metro, Trailer and so on. That helped me a lot.

By far, women in Lesotho have also been known to use collective credit-rotating schemes such as *stokvels* to start and support their businesses. They are locally known as *mekholisano* or *mpate-sheleng* (though the latter is more specific to burial societies). Though some men have increasingly become part of such credit schemes, they have largely been known and referred to as a 'women's thing' – *ntho-eabasali*. 'Mamahlapane Rakuoane, President and founding member of the Women's Federation in Lesotho, testified that:

We made clusters of businesses; meaning some owned pigs, some greenhouses, some fabrics, and so on . . . we started by forming *stokvels* . . . Our *stokvels* work this way; we contribute money and divide ourselves in groups according to our capabilities, and some contribute R1,500 every month, others R15,000 . . . some contribute R200, some R500, R100,

<sup>16</sup> Interview with Alicia Motšoane, Mafeteng, October, 2013.



some even R50. We accommodate everybody. Some cannot even afford R30 monthly but [may have] a site where we can rear chickens. So, we put that site on the plate while others put money. [Then] . . . we give to one person to start or [expand] their business. [And on a monthly basis] we go to [one member's place where] she is supposed to have cooked food [to feed members of the *stokvel* at the day's gathering] and each of us is expected to pay R300 . . . We give her the money.

During my fieldwork in 2013, the Federation appeared to be the most vibrant and popular association with broad membership around the country. Its inclusive approach helped it to draw wider membership. On top of that, its economic strategy, anchored in *stokvels*, has been effective in helping many women to start and expand their businesses. There were also a number of other women-only business associations that had erupted in recent years, such as Women in Small Businesses, the Exporters Association of Lesotho, and others. Members of these associations were conscious of the fact that they constituted a majority in business as well as in other big business associations like the Lesotho Chamber of Commerce and Industry, *Mohloli* Business Chamber and Private Sector Foundation of Lesotho, but the leadership of these continues to be dominated by men – a patriarchal heritage.

### Hopes and Reflections

Economic aspirations are typically pregnant with hopes for better outcomes than current circumstances can offer. The majority of the people in the Global South struggle to realise such a futurist ambition. People on the ground may be aware of their immediate conditions, but not of the economic reality beyond their reach. Neither capitalism nor communism has been able to deliver better outcomes for them. Instead, there has been ever-increasing inequality and poverty. The story of women in Lesotho demonstrates that they did not remain submissive and passive in the economy. They organised themselves through associations, cooperatives, and rotating-credit schemes. This is one of our missions in the Human Economy Programme – to study and make sense of what people do for themselves, with the bigger mission to examine how such approaches can help in the creation of a more inclusive society where the majority of the people have a meaningful say and participation in economic matters that affect their lives. One can tease out more specific and salient lessons that can be drawn from

the economic history of the Basotho women entrepreneurs. For one, they make the reality of economic pluralism apparent. Beyond rational economic motivations, their activities are embedded in solidarity, trust, mutuality, and loyalty. Of course, these are volatile motives that cannot be taken at face value, but they expand our understanding of economic motives. These principles emphasise a far more inclusive economic arrangement and philosophy than neoliberalism currently offers. They also substantiate the fact that there are alternatives to major ideologies of production (capitalism and socialism) that are not resistant to money and markets.



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## COMPREHENDING INDUSTRIALIZATION: FROM ABSTRACT TO HUMAN

*By Mallika Shakya (South Asian University)*

Those who have followed the past several decades of economic discourses around the world, and especially in the Global South, will note that an economy is increasingly expressed in terms of rationality or profit-motive transaction while ignoring other facets having to do with reciprocity and redistribution. Methodologically speaking, information about economies is increasingly considered and communicated in abstract units of numeric values and forms of mathematical equations, while real-life histories and social trajectories are often set aside as “anecdotes”. Abstractism is a double offender: On the one hand, neoliberal experimenters use it to further the ideology of market supremacy while considering that economy stands on the equilibrium between the two anonymous forces of demand and supply. On the other hand, the Marxist discourse fetishizes class by interpreting it strictly in terms of income or occupation for exercises of central economic planning. The casualties here are the humanizing tenets of economic transactions and activities, of understanding how human beings insert themselves into the economies they are situated in.

In conceptualizing what a “human economy” might mean, Keith Hart, Jean-Louis Laville and David Cattani (2010) have argued for the fulfilment of four criteria: (i) it should be made and remade by people and should be of practical use to us all in our daily lives; (ii) it should address a great variety of particular situations in all their institutional complexity; (iii) it must be based on a more holistic conception of everyone’s needs and interests; (iv) it has to address humanity as a whole and the world society we are in. I discuss the unfolding of various economic and political turbulences in Nepal to examine whether and how such concerns are being resonated in this Third-World country situated between the giants of China and India.

Nepal is a country never directly colonized, but sufficiently colonially influenced to make a case for what Michael Herzfeld (2002) called “crypto-colonialism”. Many scholars have argued that feudalism was replaced in Nepal by colonial capitalism when it was conceded one third of its territory to the British empire following a defeat in 1815. Later, when the British rule ended in South Asia, Nepal did oust the dictatorial Rana

regime that came to rule it through implicit British support. The tragedy for Nepal was that its stint with postcolonial democracy lasted less than a decade and it fell into the hands of the mono-ethnic Hindu Shah kings in the 1960s. What this meant for the Nepali economy was that the new Hindu king hijacked the global discourse on economic modernization and democracy to build a state that was mono-ethnic and mono-religious in nature. King Mahendra justified his coup against democracy to launch a regime called Panchayat, which pursued an anonymized idiom of developmental when in reality it worked to build an elite class from a select few caste and ethnic groups under the patronage of a Hindu state (Shakya, 2013a).

The Hindu monarchy was brought to the constitutional limits in Nepal at the end of the cold war – an era Francis Fukuyama (1995) heralded as “the end of history”, which supposedly signified a global triumph of capitalism over its communist rival. For Nepal, the 1990 regime change meant a direct march toward a market-based economy from a state-protected economy through a cascaded trajectory of bureaucratic and industrial reforms. An ethnographic case study of the readymade garment industry in Nepal showed that “democratization”, for the world of businessmen and workers, largely meant deregulation of firms, including removal of entry and exit barriers into the market, and an opening up of business associations for membership of general public (see Shakya, 2004).

Neoliberalism was somewhat reversed in Nepal when the country hit an industrial crisis at the turn of the century, at a time when a civil war being waged by Nepali Maoists in the countryside calling for an end of monarchy began to seep into the cities. Especially in turbulent industries that witnessed large-scale retrenchment of labour and capital, there emerged new social movements that called for a “humanizing” drive, in terms of addressing humanitarian concerns of wealth and poverty as well as in calling for a methodological departure from both neo-classical and neo-Marxist economics, to acknowledge the role of individual actors and social institutions in the charting of the economic trajectories. I will discuss these two aspects of humanizing in the following paragraphs.

With reference to the first, there emerged a re-politicization of labour on and beyond the industrial shop floors, which called on the government to reverse the flexibilization of labour to humanize work to a certain degree (Shakya,

2016). The new union movement that emerged on the turbulent shop floors in Nepal just after 2000 must be differentiated from the union movement of the past on one specific count: the new did not limit itself to concerns over wage and working conditions alone, but worked towards achieving a broader social justice. Class formation did not happen on the isolated shop floors, but it drew on the broader socialization patterns in the world of workers that wove through overlapping structures of caste, ethnicity, regionality, religion, and gender. The class positions of factory workers took on meanings when posited within the broader domains of social and cultural configurations. Class resistance then gained life not from the narrow concerns of class interests but from broader concerns of social justice. This way of linking shop floors with the national ideological ethos is a phenomenon Karl von Holdt (2002) called “social movement unionization”, referring in his case to South Africa, a term that also seems applicable to Nepal as well as several other countries in the Global South.

As for the second aspect of the humanizing drive, we see somewhat greater acknowledgment of the fact that economic transactions were not exclusively rooted in profit-seeking motives, but that they drew on the broader social networks, institutions, and value systems. To take an example of the readymade garment industry connecting Nepal and the United States through a global supply chain, it is clarified that markets are not constructed strictly from the anonymous forces of demand and supply, but through several complex sets of bilateral and multilateral trade agreements (Shakya, 2011a; Shakya, 2013b). As far as the efforts of the Nepali garment manufacturers are concerned, most exporters seemed to compete for their market share on counts of fashion and creativity often interpreted through culturally and locally nuanced guidelines of contemporary and cosmopolitan craft. In this sense, mainstream economics’ claim about price- and quality-based competitiveness is inadequate, and we have to draw on the notions of consumer aesthetics through individualized interpretations of fashion and design (Shakya, 2011b).

Here, by looking at how modern factory workers, craftsmen, and capitalists have inserted themselves into Nepal’s industrial landscape, I have suggested that economic actors’ methods of social organization help them to build new alliances among themselves, but that these then also shed light on how their shop-floor ac-

tivities are situated within the lives and worlds that certainly extend beyond the limits of profit. Considering these questions may help us find a more human idiom through which to make sense of the process by which economies transform, thereby diluting the abstractness of the discourse on transformative trajectories.

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## PHILANTHROPY AS SALVATION: CAN THE RICH SAVE THE WORLD AND SHOULD WE LET THEM TRY?

By Jessica Sklair (PhD Candidate, Anthropology Department, Goldsmiths College, University of London)

The title of this text is adapted – in an act of gentle sabotage – from that of a book by Matthew Bishop and Michael Green (2008). The original is called *Philanthrocapitalism: How the rich can save the world and why we should let them*, and reads as a jubilant ode to contemporary philanthropy among the global economic elite. Today's philanthropists, argue the authors, have mastered the art of applying the best strategies and skills that business has to offer (as well as lots of money), to the world's most pressing social problems, and are perhaps our best hope for social and environmental salvation. Unsurprisingly, this argument and earlier versions of it have met with some criticism. Authors such as Edwards (2010), Roelofs (2003) and Zizek (2006) have noted, with varying levels of outrage, that the philanthropy of the wealthy looks suspiciously like a cover for the perpetuation of global inequalities under business (or capitalism) as usual, and that the logic of the market is not simply transferrable to the third sector, not least because the former depends on structural systems of inequality that the latter traditionally seeks to challenge.

The Bill and Melinda Gates Foundation, undisputed leader in the landscape of contemporary elite philanthropy, has attracted particular scrutiny from commentators. Its staggering financial resources – according to its website, the Foundation's endowment is currently worth over US\$41 billion, and it has already made grants totalling more than US\$34 billion – have enabled the Gates Foundation to devise an impressive programme of global health initiatives. The scale of its resources, however, has seen the Foundation rewrite the international agenda on which issues and regions of the world receive the most funding for health, resulting in a skew towards areas like malaria and HIV/AIDS and away from those such as nutrition, child and maternal health, and chronic diseases, which most affect those living in poverty. Furthermore, the Gates Foundation answers to no-one in its decision-making, and there is little incentive for improvement in its transparency and accountability (Beckett 2010; Lancet 2009; McGoey 2015).

These parallel issues, of elite philanthropy's lack of accountability and the (typical if not exclusive) faith of its proponents in market-based ideology as the panacea for all the world's problems, are the central concerns of those who question philanthropy's potential for driving real social, ecological, and economic change. During my own anthropological research amongst wealthy philanthropists in São Paulo (Brazil's largest urban centre), I had much opportunity to investigate these issues, and to discuss them with philanthropists themselves, the professionals who work with them, and their critics.

In São Paulo, however, I also encountered a small group of young elite philanthropists whose attempt to engage with Brazil's economic and social problems threw up a rather different set of issues. This took the form of a programme designed to create social change by encouraging young wealthy elites to explore the issue of inequality in Brazil, and to better understand their own role and that of their families in its perpetuation. Through a process of awareness-building, the programme aimed to encourage these young elites to adopt attitudes of social responsibility, and to commit time and money to philanthropic and other socially minded activities.

This programme was part of a wider trend in 'donor education' and philanthropy advisory services currently popular among global elites from the USA to the UK, Brazil, and beyond. The focus of this particular programme on the issues of social and economic inequality, however, and the direct objective of challenging young elites to place themselves within a wider picture of the historical and contemporary perpetuation of these inequalities in Brazil, was unusual. It provided an interesting opportunity to enter into one of many elite Brazilian communities and observe close-up the ambiguities and complexities surrounding attempts to change the world via philanthropy. It also presented a conceptual challenge for a researcher politically inclined to agree with the critics of philanthrocapitalism mentioned above, as something more politically nuanced and complex appeared to be going on here than in many of the other philanthropic projects I had encountered.

The creators of this programme were two young women from wealthy São Paulo families. Unlike many of their peers, both had eschewed careers in business, finance, or law in favour of a commitment to working in the third sector in the



pursuit of social change. The programme, designed for members of the Brazilian economic elite (inheritors or self-made) aged between 25 and 40, took place over a series of residential weekend seminars during the course of a year. It focused on the personal development of participants, and on the belief that social transformation begins with changes in individual perception and self-awareness. The programme's coordinators aimed to broaden participants' understanding of the causes of social and economic inequality in Brazil and of the development and current activities of the third sector, and to explore the role of philanthropy, CSR (corporate social responsibility), and other forms of elite social action within this landscape. These themes were explored through meetings with third-sector, philanthropy, and CSR professionals, site visits to third-sector organisations, readings, group discussions, artistic activities, and 'self-awareness exercises'

While the programme encouraged participants to increase their philanthropy and to practice it in different ways, this was only one of a much wider range of possible outcomes that the programme's coordinators imagined for its participants. A significant outcome might be a participant using his or her influence on the board of their family business to introduce fairer or more sustainable business practices to the company, or leaving a job in finance to work in the third sector. But small changes in participants' everyday behaviour, such as the cultivation of more responsible consumption patterns (e.g. deciding against the purchase of a second – or third or fourth – car) or paying domestic workers a higher wage, were considered equally important outcomes of the programme.

During my research, however, I soon discovered that while these dual objectives of the programme – the raising of awareness of participants concerning inequality and their own role in perpetuating it, and behavioural change in accordance with this raised consciousness – were clearly defined in theory, they often appeared to be difficult to achieve in practice. This difficulty was the subject of much discussion and anxiety amongst the programme's coordinators, particularly on the part of Paula (not her real name), a consultant hired to help design and facilitate the programme.

Unlike the founders and other coordinators of the programme, Paula did not come from an elite background. She worked for an NGO that

provided advisory services to a wide range of other third-sector organisations, from grassroots social movements to CSR initiatives, and she brought a highly critical perspective on Brazil's elite philanthropy sector to her role. In an interview with me she outlined this perspective (which she emphasised was her personal view and not necessarily representative of the views of the programme or of the NGO she worked for), telling me she believed most Brazilian elite philanthropy was motivated by a desire to maintain "social and market control". Elite philanthropists were keen to reduce financial inequality, she said, as this was good for business. But they were not interested in tackling "inequality of participation in decision-making. They [the philanthropists] want to continue making the decisions, except that now [the poor] have mobile phones, sound systems and freezers, so they tell them to stop complaining" (interview transcript, in my translation from Portuguese).

Paula was a strong adherent – along with the founders of the programme – of the idea that social change begins with the raising of individual consciousness. She believed, however, that the programme's founders were often too hesitant to challenge the worldview of the programme's participants, and to include content in the programme that would go too far beyond the parameters of their own elite experience. The question of how and to what extent participants should be challenged to think beyond these parameters appeared in decision-making around the programme regarding everything from what kind of hotels should be chosen to accommodate participants during modules, to programmatic content. Paula told me in interview that the programme's founders were nervous of upsetting or shocking the young elite participants of the programme by introducing them too quickly to social and economic realities that were too challenging or too far outside their comfort zone, as this might lead them to disengage from the programme altogether. So while an introduction to the themes of social business and social investment was seen as appropriate content for the programme, for example, a visit to meet members of the MST (*Movimento dos Trabalhadores Rurais Sem Terra* – Brazil's famous Landless Workers' Movement which has campaigned for agricultural reform since the 1980s) was not.

While Paula understood the point of view of the programme's founders, she was frustrated by this hesitancy to challenge their young elite clients to explore deeper and more uncomfortable

truths about their own role in perpetuating inequality; truths such as those that might be revealed during a visit to the MST, concerning the continuing monopolisation of Brazil's agricultural land by a small handful of elite families, and those families' collusion in the historical persecution of the MST by private and state mechanisms for social control. In the absence of such challenges, Paula feared that the impact of the programme could be no more than "*epidérmico*" (skin deep).

Paula did, however, find small ways to challenge participants further during the programme, such as during two group discussions that she related to me in an interview. In one, she had explained to a participant who had pointed to Brazil's drug trade as a source of social problems that this trade was in fact sustained by middle- and upper-class consumption. In the other, she had challenged another participant to explain how profits were achieved within his own private equity firm, drawing attention to the relationship between poverty, unemployment, the redundancy measures central to his firm's activity, and said profits. When I asked how he had responded, she said that he had gone very quiet.

Interventions from Paula such as these were tolerated and even encouraged by the other leaders of the programme. Their resistance to Paula's proposal for a more radical programme of activities seemed to be less a question of differing ideologies than one of concern about how to manage the learning process of their young elite clients. Juliana (not her real name), one of the coordinators of the programme, explained to me in an interview that participants came to the programme at different stages of their development toward becoming 'agents of transformation'. While some were only just beginning to develop an awareness of social issues and the work of the third sector, others were further along in the development of their social consciousness, and needed more content to further their learning. Participants in a third stage of development were ready to transform their learning into concrete action in their own lives, and required specific types of support for this. The leaders of the programme, she told me, had to recognise the developmental stage of each participant and to work with them at that point.

This was a particularly interesting aspect of the programme's work with young elite philanthropists. While I sympathised fully with Paula's

frustration in having to treat these wealthy young Brazilians with kid gloves, my research with the programme and its participants revealed the gravity of the programme's objectives of bringing about ideological and behavioural change in their lives. "One thing I've realised" Juliana told me in interview,

... is that you make a really big change when you start to develop a new perspective on the world. It's not just a change in yourself, you start to relate differently to your friends, to your family, to your employees, to everything around you. You need a network of people to support you in this process. [...] Often this involves a rupture in relation to your family's principles, and in family relationships. Sometimes it means going against your family's story of construction [of wealth] [...] Especially if you're a person from our generation, you will probably encounter resistance from the generation above, from other people and from the wider world, because the whole world values accumulation [of wealth].

(my translation from Portuguese)

In elite worlds where wealth and its accumulation are highly valued, and where families celebrate historical narratives of the toil and dedication involved in the building of successful family businesses, criticisms of the structural inequalities created and upheld by these processes are deeply personal. During my research in Brazil, I repeatedly witnessed the frustration of young members of the economic elite participating in the programme discussed above, who found themselves unable to bring about change within the board of their family's business or philanthropic foundation, who were fearful of challenging the views of other family members or of going against the grain in financial or lifestyle decisions dictated by family or friends. These barriers to change among young members of Brazil's economic elite fed into the frustration of Paula (and the other coordinators of the programme) at the slow nature of the "transformation" of many participants, or at the apparent failure of some participants to transform at all.

So how should this programme, designed to encourage philanthropy and social responsibility among young Brazilian elites, be understood? Can this be seen as a real attempt to investigate alternatives to global capitalism and the inequalities it perpetuates? And if so, does it represent hope for the future? The possibility of serious contemplation among the rich and powerful of their contribution to the world's ills and

of their own potential role in the creation of alternative social and economic systems is certainly cause for hope. In addition, the recasting of philanthropy as a form of ethical salvation of the rich themselves is an interesting take on this practice, and possibly a more palatable one for philanthropy's critics, even if such valiant attempts are an exception to the rule within the broader landscape of contemporary elite philanthropy.

The donor education programme explored above also shows, however, that efforts on the part of wealthy elites to devise alternatives to the current global economic system are complicated by a range of factors that might not be so relevant to other socio-economic groups. Central to these is the question of ideology, relating to different ideas about the roots of global poverty and inequality, what social and economic change might actually look like, and how it can best be brought about. The acceptance of culpability among wealthy and powerful elites for the perpetuation of global inequalities is a major milestone in itself, but even if this acceptance can be reached, it does not translate automatically into transformative action. In the face of resistance from family members and wider elite communities, attempts to galvanise individuals into action (such as that discussed above) can all too easily morph into soothing forms of self-help for guilt-ridden consciences, and ideological converts may just return home to carry on their lives as usual.

If anything, the programme discussed above shows us that the personal, the political, and the ideological are closely bound together in elite engagement with questions of social and economic inequality. Attempts to create change in collaboration with those who retain power and wealth need to take this interconnectedness into consideration. Efforts to build alternatives to the current economic system from the top down should not be dismissed out of hand, not least because their potential for impact is huge. But such efforts are often riddled with complications that are not obvious to those standing outside elite worlds.

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# REFLECTIONS ON THE ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENT OF NORWAY AND SCOTLAND SINCE 1800<sup>17</sup> DRAFT

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Between 2012 and 2014, together with colleagues from Scotland, Norway, Finland, and England, I undertook a collaborative and interdisciplinary<sup>18</sup> study of Norway and Scotland, two neighbouring, geographically similar, and historically closely linked countries, both with a population of around five million people. The question addressed was: why have Norway and Scotland developed in such different directions, and with such different impacts, since the 18<sup>th</sup> century?<sup>19</sup> Two key general lessons emerge from this study. The first is that economic, social, and political development are both long-term and conditioned by context, institutions, and power relations. We are trapped for long periods by path dependencies created by usually long-forgotten historical events and processes. Key junctures appear – albeit rather infrequently – in the histories of all countries and regions that create opportunities to change the rules, and break path dependencies, providing opportunities for significant structural changes that can lead to new contextual conditions<sup>20</sup>. The second general lesson concerns the dangers of essentialist analysis of development and change. There are no singular, universal causes of the events we observe in particular countries and regions, because people and their institutions have agency, and this agency creates locally adapted structures. Essentialist theories cannot explain structural diversity, human agency, and adaptation.

At least five key structural and institutional issues emerge as crucial for the analysis of dif-

ferences between Scotland and Norway. They concern: land and property ownership and the treatment of the peasantry; political power and its distribution among people and across territory; energy sources and the location of industry; class alliances and the emergence of social democracy; and approaches to the ownership and control of energy and minerals. These differences turn out to be very interconnected, and immediately draw our attention to the fact that they transcend the disciplinary boxes within which most of us grow up and work.

Table 1: Some facts on Norway and Scotland today

	Norway	Scotland	Notes
Population	4,920,305	5,295,403	Total, de facto, 2011 official data
Fertility rate	1.88	1.73	2011 official data
Average age	39.4	38.0	Average, c2011
Density of Population	16.5	65.0	Persons per sq. km
Labour force participation rate	78.4	72.8 (UK 77.10)	OECD data for Norway and UK. Scottish Government data for Scotland.
Males	80.7	80.5 (UK 83.2)	
Females	75.9	71.9 (UK 71.0)	
Unemployment Rate	3.34%	7.13%	Average, 2009-11
Life Expectancy, males	79.4	76.9	Official Statistics
Life Expectancy, females	83.4	80.9	Official Statistics
Suicides per year	515	527	Intentional Suicide
GDP per capita, \$US, 2011	99,143	38,806	World Bank data for Norway.
Disposable income per head, NOK (average)	228,317	140,637	Gross Disposable Household Income per head, 2011
Oil & Gas Production	1.9m (2013-14)	1.35m (90% of UK North Sea production of 1.5m in 2011)	Barrels of oil and oil equivalent (gas and condensate) per day
Renewables in Electricity Production	99%	4.3%	Gross renewable electricity Production as a % of total electricity production.
GINI coefficient for income distribution (a higher number indicates greater inequality)	23.9 (2012)	32 (2011-12)	SSB for Norway, Statistics Scotland for Scotland.
Voter turnout – national elections	78.2% (2013)	50% (2011)	Scottish Parliament
Voter turnout – local elections	64.5% (2011)	63.8% (2010)	UK Elections
		39.8% (2012)	Local Government Elections

Source: Table 1.1 in Bryden et al, 2015.

A key message of the analysis is how important it was that Norway did *not* go through the wholesale clearance of people from the land in the 18<sup>th</sup> and 19<sup>th</sup> centuries, which resulted in the creation of a landless (and property-less and dependent) class in Scotland, England, Ireland and many other countries. These clearances were indeed a main feature of Scottish (as well as English and Irish) agrarian change and industrialization in that period, and they were only possible because of the political, social, and economic power of the few, but large-scale, feudal landowners. Unlike Scotland, the Norwegian aristocracy and associated large-scale land holdings had been destroyed by the black death and the Kalmar Union in 1397<sup>21</sup>, a situation that was compounded by the much more even distribution of church lands after the Reformation than was the case in Scotland.

<sup>17</sup> Based on the study of Norway and Scotland since 1800, see Bryden et al (2015)

<sup>18</sup> The team included economists, historians, political scientists, anthropologists, sociologists, and geographers.

<sup>19</sup> Some of the differences between the two countries today are summarized in Table 1.

<sup>20</sup> For a nice comparative analysis of the Central American countries using path dependency and key junctures, see James Mahoney (2001). I am indebted to Bruno Losch for this link.

<sup>21</sup> Signed in Kalmar, Sweden, effectively joining Norway, Sweden, and Denmark under the Danish crown.



Interestingly, Julio Berdegué and colleagues (2014:130) also came to similar conclusions for Latin America: “A history of highly unequal land distribution appears in many of the case studies as an explanatory factor for contemporary territorial dynamics that tend to be exclusionary and sometimes polarizing”.

Norway’s much more even land distribution was in turn the foundation of their relatively liberal Constitution prepared after independence from Denmark in 1814<sup>22</sup>, and the relatively large and well-distributed Norwegian electorate thereafter when 40% of males of voting age were able to vote. This was roughly four times as many as in Scotland after the “great” reform bill of 1834, and it laid the foundation for Norway’s later social democracy. In addition, the (mainly small farmers) who wrote the Constitution wanted decentralized government to avoid control by a ‘Danophile elite’ in Oslo, and thereby set the framework for much more local, and powerful, local governments than in Scotland. Later on, these same founding conditions, combined with the nature of industrialization, helped to create the rural-urban alliances that dominated modern social democratic politics.

A further important and formative difference was that while Scotland’s industrialization was peopled by landless rural migrants from Scotland and Ireland, and fuelled by centralized coal deposits owned by the landed aristocracy as the energy resource, in Norway it was fuelled by decentralized hydro-electric power and peopled largely by farm-based “pluriactive” labour that remained in the rural areas. This allowed the small farmers and their families in many areas to improve their cash incomes while staying on the farm. In Norway the rural population remained in the majority until after World War II, over 100 years later than the rural population in Scotland lost their majority. The Concession Acts of the early 1900s then assured that the revenues from hydro-electric power would eventually accrue to the municipalities, which were thus made even more powerful and effective.

The small farms, and the engagement of peasants and their families in small local govern-

ments as well as local industries, helped to foster the alliances between industrial workers and farmers in the 20<sup>th</sup> Century that were the foundation of Norway’s strong social democracy and, in turn, the development of its universal and generous welfare state.

These different characteristics and processes, and the values and politics that were associated with them, ultimately led to a very different post-War pattern, especially during and after Mrs Thatcher’s Conservative government from 1979, and in particular the very different impacts of North Sea Oil. The volume produced by Scotland was roughly 60% of that produced by Norway from the North Sea, but its impacts were described as a “lost opportunity” and “fool’s gold” by two authors on the topic. At my last count in May 2015, Norway had accumulated just under US \$1 trillion in its national Oil Fund (“pension fund”), whereas Scotland had nothing at all other than the small funds from landing fees accumulated by the wise Shetland Islands and Orkney Islands (ironically, still technically the property of Norway) which account for about one-thousandth part of the Norwegian oil fund today.

The comparison confirms that economic, social, and political development is both long-term, and conditioned by context, institutions, and the nature and locus of economic and political power. We are trapped for long periods by path dependencies created by usually long-forgotten historical events and processes. Moments – Brandel & Bratberg (2015) call them “key junctures” – appear in the histories of all countries and regions that create opportunities to change the rules, and break path dependencies, providing opportunities for significant structural changes that can lead to new contextual conditions.<sup>23</sup> But such moments are generally quite rare, at least on the scale of human lifetimes. In the case of Scotland, the Act of Union of 1707 stands out in sharp contrast to Norway’s independence from Denmark in 1814. Both are critical junctures, but with very different impacts. The wholesale clearance of people from the land, and their engagement as landless labour in industrialization based on coal in Scotland during the 18<sup>th</sup> and early 19<sup>th</sup> centuries, was also a key juncture, standing in stark contrast to

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<sup>22</sup> Norway achieved independence from Denmark in 1814 as a result of the Napoleonic Wars. After a few months, Norway was placed under the Monarchical rule of Sweden, but by this time it had gathered people from all over Norway to write a Constitution, and thereby gained its own parliament as well as control over domestic policies and its own currency.

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<sup>23</sup> For a good comparative analysis of the Central American countries using path dependency and key junctures, see James Mahoney (2001). I am indebted to Bruno Losch for this link.

the empowerment and growth of the peasantry in Norway and its symbiotic engagement with a decentralized form of industrial development based on hydro-power in the 19<sup>th</sup> and early 20<sup>th</sup> centuries. A further important key juncture in Scotland was marked by the rise of the Liberal hegemony in the UK, with strong support in Scotland between 1880 and 1920; this was a period when mainland Britain's only land reform before the 2000's took place (in the form of the Crofting Acts), which was almost adopted for the whole NE of Scotland as well as the Highlands and Islands, and a Home Rule movement emerged, as well as the institution of a Scottish Secretary in the Westminster (UK) government. It was a moment that was, in the event, missed, but it might have helped to make Scotland more like Norway, had it been grasped. Instead Scotland became subject to a long period of what Brandal and Bratberg term "top-down containment". In Norway during this period, independence from the residual Swedish monarchy was achieved and proportional representation introduced.

The period between the two world wars brought a further key juncture to Norway in the form of the emerging social pacts, a consequence of proportional representation and resulting cross-party coalitions, and rural-urban alliances. This was the foundation for the strong, universal, and generous social democratic welfare state in Norway after World War II. In Scotland meanwhile, little progress of this kind was possible because of the centralization of government in London, although small steps were taken when administrative devolution took place in the form of the moving of Scottish Office civil servants to Scotland in 1937.

In my view the present moment is also a critical juncture in Scotland, with the consequences of devolution in 1999 and the creation of an elected Scottish parliament, which ultimately led to a Scottish Nationalist government in Scotland, the Independence Referendum of 2014, and Scottish nationalist domination of Westminster seats in Scotland in the 2015 election. Indeed, the economic crisis, itself the result of the neoliberal hegemony since the 1970s, together with the "southern" shift in economic power and the related awakening of the southern giants, might just provide another key juncture for the world as a whole. One could equally argue that the success of the right-wing parties in forming the ruling coalition in Norway represents a kind of critical juncture there.

My point, however, has been to highlight the rather few critical junctures in both countries since the early 18<sup>th</sup> century, even though it cannot of course be said that economic, social and political developments did not occur in between (Streeck and Thelen, 2005).

The contrast between Norway and Scotland also warns us against essentialist analysis of development and change. There are no singular, universal causes of the events we observe in particular countries and regions, because people and their institutions have agency, and this agency creates locally adapted structures. As McLaughlin (2012) argues, essentialism's "fatal flaw is the inability of essentialist theories to explain structural diversity, environmental adaptation and human agency".

There are of course many other consequences and interactions in the play of history in the two countries, but these few observations surely support the need for more comparative analyses of economic, social, and political developments in similar countries. In the case of Norway and Scotland, the work in penetrating the past surely informs present day political concerns – in Scotland around the independence and devolution debates that have transformed UK politics, and in Norway about the – for some alarming – future impacts of the Thatcherite policies of the present right-wing Populist-Conservative government.

The study of Norway and Scotland also reminds us that we always face political choices in a democratic society: to centralize or decentralize, to privatize public services or not, to reduce support for local governments or increase it, to regulate or not, and so on. These and other choices have large impacts at local levels that can and often do dwarf the impacts of specific territorial policies, including rural development policies, and indeed often counter any positive economic and social impacts that these specific policies may have. I recently returned to examine this question in greater detail in the contemporary European context, but lack the space to cover the issue here<sup>24</sup>.

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<sup>24</sup> In my paper for the RIMISP Mexico Conference on *Territorial Inequalities*, January 2015. I say "returned" because it leans on – and partly updates – the work of the DORA project on the dynamics of rural areas in Europe (See Bryden & Hart eds. 2004).

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