



**Indigenisation/Black Economic Empowerment and the Appropriation of  
the Spirit of Capitalism in Post-Colonial Africa: A Critical Study on the  
Emergence of African Business Ethics**

**By**

**Martin Rushwaya**

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College of Humanities  
University of KwaZulu-Natal  
Pietermaritzburg

Supervisor

Professor Munyaradzi Felix Murove  
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## DECLARATION

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## **DEDICATION**

This thesis is dedicated to my caring wife for her enduring love and my family for their steadfast support and for coping with the undue paternal deprivation during the three years of my study. You are all special.

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## ABSTRACT

In this study I have argued that BEE/indigenization policies in post-colonial Africa have been implemented with the aim that capitalism could be appropriated by indigenous Africans. Since capitalism arrived in Africa through colonialism, the post-colonial socio-economic policy of indigenization was deemed a solution for correcting the economic imbalances that were created by colonialism. Some scholars and politicians argued that the capitalist values that were mediated to Africa were contrary to the Weberian values of the Protestant ethic such as frugality, thrift and hard work which became integral to modern capitalism in the Western world. For this reason, it was argued that colonialism did not facilitate the appropriation of modern capitalism.

African traditional communitarian values were also deemed to be contrary to modern capitalistic values that were mainly based on atomic individualism. Contrary to modern capitalistic values of atomic individualism, African communitarians argued that African traditional society was communitarian, thus refuting the Hobbesian contractarian theory of social existence and atomic individualism. Communalistic ontology of society as espoused in the African kinship system is based on the presumption that persons are persons because of their natural common belongingness with others in society. The African communalistic ontology of society is also espoused in the African ethic of *Ubuntu*. The ethic of *Ubuntu* is found to be incommensurable with individualistic capitalistic practices. However, there are some scholars who have argued implicitly that the ethic of *Ubuntu* should be infused in modern capitalistic practices so that there could be an appropriation of capitalism in post-colonial Africa.

Some post-colonial African scholars have argued that the emphasis that was given to communal wellbeing in African traditional society were rather inhibitive towards the appropriation of modern capitalism. Scholars who argued for the indigenization of capitalism have argued that such a policy had nothing to do with the appropriation of capitalism, but a deliberate

attempt at creating African capitalists who would end up replacing the previous colonial capitalistic class. It was also argued that since capitalism was mediated through colonialism, some African nationalists have argued that African traditional values were commensurate with socialism. Their aim was thus not about the appropriation of capitalism, but rather the appropriation of socialism. The argument of African socialism was contracted by those historians who have argued that the initial appropriation of capitalism in Africa was enabled by Christianity instead of African traditional values.

Finally, it was argued in this study that the indigenization or BEE has been supported by many post-colonial African governments as an ethical imperative aimed at the redressing the economic inequalities of colonialism and apartheid. BEE/indigenization is thus a policy aimed at creating socio-economic policies that would enable black people to participate in their national economies. In this regard, the BEE/indigenization socio-economic policy is aimed at promoting the common good. However, the problem inherent in this socio-economic policy is two pronged. Firstly, the study argued that BEE/indigenization has not led to the economic growth as a sign for the appropriation of modern capitalism in post-colonial Africa. Secondly, BEE/indigenization policy has been marred by corruption and this has led some scholars to question whether it was necessary to create a small class of African capitalists at the expense of the majority of the citizens who suffered under colonialism and apartheid discriminatory rules. It is was argued in this study that the appropriation of capitalism should be done in a way that promotes the common good instead of individual greed.

## **KEY TERMS**

Africa, Appropriation, Black, Capitalism, Colonialism, Corruption, Economics, Empowerment, Entrepreneurship, Ethics, Indigenization, Modern Socialism, Tenders. Individualism, Capitalism,

## ABBREVIATIONS

BEE	Black Economic Empowerment
BBBEE	Broad Based Black Economic Empowerment
PDI	Previously Disadvantaged Individuals

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## CHAPTER ONE: INTRODUCTION

### 1.1 Brief motivation

The implementation of the economic indigenisation policies in postcolonial Africa has been aimed at ensuring the appropriation of capitalism by indigenous Africans. The proponents of economic indigenisation have often maintained that it was imperative that Africans should be given the opportunity to wrest control of the modern capitalistic means of production. In this regard, economic indigenisation which is sometimes articulated by its advocates as Black Economic Empowerment (BEE) is also part and parcel of a political crusade towards the implementation of the post-colonial African political policy of economic nationalism. In the context of post-colonial or post-apartheid South Africa, this economic nationalism is an attempt to domesticate capitalism through a process that entails active participation of indigenous Africans in the mainstream of the economy. However, the problem that has beset indigenisation arises from two fronts.

Firstly, there is no empirical evidence available to support that such an economic policy has ever led to the appropriation of capitalism in post-colonial Africa, rather there is strong empirical evidence that economic indigenisation policies have excluded the majority of the population from a meaningful participation in the economy. Through indigenization/BEE policies, the national economy is in most cases cornered around a few individuals who are usually well connected to those in political power. On the basis of this observation, indigenisation of capitalism undermines the idea of economic nationalism.

Secondly, the other problem arises from African indigenous values which prioritise communal belonging and communal solidarity rather than individual entrepreneurship and the pursuit of profit which is presumed to be indispensable to the working of modern capitalism. In it partly in the light of these succinctly stated two points that this study intends to find out whether economic indigenisation or BEE does really lead to the appropriation

of the spirit of capitalism in post-colonial Africa or could it be that this type of policy is actually hurting the post-colonial African economy?

## **1.2 Review of Literature**

There has been a barrage of arguments that have been put forward by scholars as well as political practitioners in support of indigenisation of the post-colonial African economy as an imperative to the appropriation of modern capitalism in Africa. Some post-colonial African scholars have supported economic indigenisation/BEE on the grounds that the colonial heritage or apartheid political order did not help towards the appropriation of capitalism. Colonialism or apartheid is seen as representative of an epoch in African history that promoted greed and exploitation of the majority of the African indigenous population, thus doing away with values that were associated with Western capitalism such as hard work and frugality. In this regard, Ali Mazrui is more nuanced when he said, "Capitalism arrived in Africa with the imperative of acquisition without the discipline of hard work and frugality. The white man himself in Africa set a dangerous example. He never washed his own clothes, or cooked his own food, or polished his own shoes, or make his own bed. ...This luxurious life...was detrimental to the spirit of capitalism..." (Mazrui 1990: 493).

Observations such as those of Mazrui are usually collaborated with historical evidence where colonial historians wholly believed that indigenous Africans were supposed to be seen as cheap source of labour for the colonialists (Johnson 1913: 151). The colonial economy or apartheid economy thrived through a process of economic exclusion and predatory against the indigenous African populace (Martin and Johnson 1981: 37). The majority of the indigenous population was excluded from a meaningful participation in the economy through a series of legislations which the settler government enacted from time to time. The predatory aspect was facilitated through the creation of Native Reserves and Homelands which resulted in a situation where the settler colonial community hoarded fertile land and the natural resources to itself (Wilson 1923: 86; Murove 1999: 45-46).

The colonial practice of exclusion and predatory was usually based on a peculiar type of economic nationalism that favoured the settler colonial community. One finds that some scholars such as De Klerk arguing that in the case of South African settler economic nationalism in the form of the Broederbond (brotherhood) was based on promoting Afrikaner economic interests in a way that legislatively excluded the majority of the black population from the economy (DeKlerk 1975: 281-285; Lipton 1985: 14-49). In pursuit of Afrikaner economic nationalism against the British economic imperialism, with the assistance of the National Party Afrikaners formed their own companies such as Santam, Sanlam and Avbob (Adam and Giliomee 1983: 146-147). These companies appealed to Afrikaner economic nationalism to the exclusion of the majority of the African population. Consequently, this practice of Afrikaner economic nationalism could be seen as an attempt by Afrikaner people to appropriate capitalism through a process of Afrikaner Economic Empowerment. However, it is also critical to take note of the school of thought which says that this Afrikaner Economic Empowerment was preceded by British economic imperialism whereby companies of British origins pursued their economic interests with the explicit consciousness of promoting British Imperial economic interests (van Onslen 1976: 17-19).

Another form of economic indigenisation in post-colonial Africa was advanced by African politicians who came with the school of thought which says that capitalism could not be appropriated in post-colonial Africa because African communitarian traditional values were more oriented towards socialism than to capitalism. Kwame Nkrumah argued that, "The African social system is communistic" (Nkrumah 1968: 74). The gist of his argument was that African traditional community society which put emphasise on communal values were commensurate with modern socialist economic values. These African communalistic values were not commensurate with individualistic values which are found in modern capitalism as it originated from the West and mediated to Africa through colonialism. In similar vein, Jomo Kenyatta captured the spirit of African

traditional capitalism by coining the kiSwahili term *Harambe* which means “to pull together, or to work together”. In the communal ethos of *Harambe*, Kenyatta argued that “there is no really individual affair, for everything has a moral and social reference” (Kenyatta 1953: 119; cf. Bujo 1997: 164). In other words, under *Harambe*, economic activities were mainly aimed at advancing the wellbeing of the community. The same the same economic ethos of *Harambe* was later on echoed by Julius Nyerere (1968: 2) when he coined a term *Ujamaa*, a term a described as literally meaning “family-hood” or “the idea of mutual involvement in the family” as a way of capturing African socialism which he argued as economic values of traditional African societies. He further on states that, “By the use of the word *ujamaa*, therefore, we state that for us socialism involves building on the foundation of our past, and building also to our own design”. Here it can be deduced that by coining word *Ujamaa* as a word that was equivalent to socialism, Nyerere was aiming at driving home the idea that modern socialism pre-existed in the African past. Later on he went on to emphasise the pre-existence of socialism in the African past as follows, “Traditionally we lived as families, with individuals supporting each other and helping each other on terms of equality” (Nyerere 1968: 258). Here it can be deduced that Nyerere was arguing that modern capitalism was foreign to traditional African economic ethic of collectivism.

Leopold Senghor echoed the same trend of thought when he said “Negro African society is collectivist, or, more exactly, communal because it is rather a communion of souls than an aggregate of individuals, Africa had already realised socialism before the coming of Europeans” (Senghor 1964: 29; cf. Mboya 1963: 6-7; Toure 1979: 108; Gelfand 1981: 15). What is implied in the socialist argument is not about the appropriation of modern capitalism, but the rejection of modern capitalism on the basis that this economic system was contrary to African traditional communitarian values. Valentine Mudimbe observed that socialism was appealed to in the sense that “colonialism incarnated in the name of capital” (Mudimbe 1994: 42; cf. Mazrui 1983: 279-294; Bell 2002: 37). In colonial Africa, capitalism and

socialism were seen as two sides of the same coin in the sense that in most parts of Africa, capitalism was mediated through colonialism. For this reason, the end of colonialism was supposed to be dovetailed by the end of capitalism.

However, the question as to whether traditional African values were commensurate with socialism remains a controversial one. Given the reality of extreme poverty, some scholars such as Ali Mazrui have argued for the appropriation of capitalism on the grounds of maintaining historical continuity rather than trying to socialise the means of economic unproductiveness which have currently characterised the post-colonial African society (Mazrui 1999: 924). The main concern for Mazrui and other scholars who belong to the school of modern economic developmental theory is on how post-colonial Africa should cultivate values that can lead to the appropriation of the Spirit of capitalism (Hunter 1967: 119-122; Kennedy 1988: 140-142).

With the failure of socialism in Eastern Europe and in those parts of post-colonial Africa who had adopted this economic system for economic development, the economic policy, the orientation in post-colonial Africa was put more on implementing economic indigenisation policies as a way of trying to appropriate the spirit of capitalism. No economic policy has been criticised by scholars than economic indigenisation or Black Economic Empowerment. Chinweizu argued that, "Decolonisation was generally seen as no more than Africanisation, in the sense of putting more Africans into the economic structures inherited from colonial times. As for Chinweizu, this Africanisation of the economy impacted negatively on the economy because those who were supposed to spearhead this policy "had enormous appetites for material consumption" (Chinweizu 1999: 777-790; cf. Nkrumah 1970: 100). Other developmental theorists such as Claude Ake argued that Indigenisation policies have maintained solidarity with yester colonial capitalists and international capitalism (Ake 1981: 35-36).

On the other hand, some scholars have maintained that post-colonial Africa can only appropriate the spirit of capitalism by adopting modern capitalistic practices as they are practised all over the world. In this regard, economic indigenisation is seen as failing the appropriation of the spirit of capitalism because of its tendency to promote a “casino mentality” where one can easily become a multimillionaire from a few BEE economic deals (Jeffery 2014: 156; cf Murove 2010: 62-64). This argument implies that beneficiaries of economic indigenisation/BEE are not business persons who earn their fortunes through hard work and frugality. What has been of great ethical concern is that these beneficiaries of Indigenisation/BEE do make their wealth through political connectivity (Jack & Harris 2007: 60). Other scholars such as Anthea Jeffery have advanced the argument that in the context of post-apartheid South Africa, BEE is actually hurting the economy because of its propensity to deliberately transfer wealth to a few politically connected individuals who are not necessarily business persons by profession or calling in the Weberian sense (Jeffery 2014).

### **1.3 Problem and Research Question**

Is there any evidence that the economic policy of indigenization/BEE can lead to the appropriation of the spirit of capitalism in post-colonial Africa?

#### **1.3.1 Questions to be asked**

- (i) What is the rationale behind the post-colonial economic policy of indigenisation/BEE?
- (ii) Can the indigenisation/BEE policy lead to the appropriation of Capitalism in post-colonial Africa?
- (iii) Why is it that indigenisation/BEE has benefited a few in most countries in post-colonial Africa where this policy was implemented?
- (iv) Is it not possible that indigenisation/BEE is the main reason behind the failure for the appropriation of capitalism in post-colonial Africa?
- (v) Is it ethical to implement an economic policy such as indigenisation/BEE that favours a minority to the exclusion of the majority?

## **1.4 Objectives**

The objectives of this study are:

- (i) To investigate the rationale behind the post-colonial African economic policy of indigenisation/BEE.
- (ii) To find out whether indigenisation/BEE policy can lead to the appropriation of modern capitalism in post-colonial Africa.
- (iii) To investigate why economic indigenisation/BEE has benefited a few in most countries in post-colonial Africa.
- (iv) To determine whether it is not possible that economic indigenisation/BEE is the main reason behind the failure for the appropriation of modern capitalism in post-colonial Africa.
- (v) To find out whether it is ethical to implement an economic policy that favours a minority to the exclusion of the majority

## **1.5 Theoretical frameworks upon which the research project will be constructed.**

A theoretical framework that is adopted in this study is three pronged. Firstly, this study applies Marx Weber's sociological theory of the Protestant ethic and the Spirit of Capitalism. Here my intention is to establish whether capitalism came to Africa with the Weberian virtues that were associated with the ascendancy of modern capitalism such as hard work, discipline, thrift and frugality. On the basis of the Weberian sociological theory of the Protestant ethic and the Spirit of Capitalism the study argues that economic policy of indigenisation cannot lead to the appropriation of capitalism in post-colonial Africa.

Secondly, this study applied Thorstein Veblen's theory of the evolution of institutional economics which says that solidarity between the rich (leisure class) and the poor is untenable. Veblen's theory of the leisure class has frequently been echoed by post-colonial developmental economists in a way that suggests that economic indigenisation does not necessarily lead to the appropriation of capitalism, but simply creates solidarity among the rich. Thirdly, the study applied the theory of economic nationalism in its analysis

of indigenisation and the appropriation of the Spirit of capitalism. From an historical perspective it will be demonstrated that economic nationalism has been the stumbling block towards the appropriation of the Spirit of Capitalism in colonial and postcolonial Africa because such an economic approach is beset with ethical problems such an over exaggerated sense of entitlement and acquisitiveness of wealth to the exclusion of the majority of the poor.

## **1.6 Research Methods**

In the light of what I have said thus far, it should be evidently clear that this study is based on an historical analysis of economic indigenisation with specific reference to the quest for the appropriation of the spirit of capitalism in post-colonial Africa. In this regard, focus is given to the voices of those scholars who are critical of the indigenisation of capitalism on the one hand, and those who focused on the idea of seeing indigenisation in terms of the appropriation of the spirit of capitalism. The study is also critical about the idea of equating economic indigenisation with the appropriation of the spirit of modern capitalism.

However, the study presented the arguments of the proponents of economic indigenisation as fairly as possible as well as those who are against indigenisation as an economic policy in a manner that does not prejudice either side of the group. It is on the basis of the persuasiveness of the arguments presented in this debate that a position shall be adopted on the plausibility or implausibility of indigenisation as an economic policy in post-colonial or post-apartheid Africa for the appropriation of capitalism in post-colonial Africa. In this regard, the study carries with it an element of advocacy that will be adopted on the basis of the persuasiveness of the arguments present. The study is also critical in the sense that it will investigate the available literature on economic indigenisation and the appropriation of the spirit of capitalism in post-colonial Africa with a deliberate aim of establishing whether there is empirical evidence that the policy of economic indigenisation has ever produced its intended economic purposes.

The study is multidisciplinary in the sense that many disciplines such as economics, ethics, religion, politics and history are interrogated with the aim of asserting their contributions to economic indigenisation and the appropriation of capitalism in post-colonial Africa debate. The research method that has been adopted in this study is mainly theoretical because the information that is utilised shall be derived from books, journal articles, government gazettes, newspaper articles and the internet. All this implies my research is purely derived from researched written sources.

### **1.7 Limitations of the Study**

Since this study is mainly concerned with economic indigenization in post-colonial Africa and the appropriation of capitalism, the topic is too wide for a thorough treatment for a doctoral study. In this regard I was not in the position to give a comprehensive analysis of all the aspects of economic indigenisation. The study is mainly concerned with ethical issues rather than issues of policy per se. As a study in applied ethics, my approach will be mainly based on whether it is ethical to implement a policy such as economic indigenization/BEE that favours a few to the exclusion of the majority of the population. In this regard, there is some commitment to advocacy instead of being a neutral investigator. In a study area that is imbued with ethical controversies, one will be definitely required to take a biased position. Whilst the topic of the study gives the impression that the study will deal with economic indigenization and the appropriation of capitalism in post-colonial Africa, the study discusses post-apartheid South Africa and Zimbabwe as examples whilst mentioning other post-colonial African states in passing.

### **1.8 Outline of Chapters**

**Chapter 1 -Introduction** - This chapter is an introductory chapter which is mainly concerned with the scope of the study.

**Chapter 2 - A Comparative Study of Modern Capitalist Values and African Traditional Economic Values** - In this chapter I intent to provide a comparative exposition on modern capitalist values in comparison to

traditional values, especially on the understanding of persons and their economic relations. This chapter will thus serve as a foundation to my discussion of indigenization and the appropriation of modern capitalism in post-colonial Africa.

**Chapter 3 - *Unhu/Ubuntu* and the Indigenisation Discourse in Post-Colonial Southern Africa** - In this chapter I intent to argue that the discourse on the imperative of the indigenization is articulated through the African communitarian ontology of society as espoused in the ethic of *Unhu/Ubuntu*. It is also argued that the discourse of indigenization through the ethical concept of *Ubuntu/Unhu* and modern capitalism is related to the quest of the appropriation of modern capitalism in post-colonial Southern Africa.

**Chapter 4 - Economic Policy of Indigenisation and Global Capitalism** - The thrust of this chapter is that the economic policy of indigenization in post-colonial Africa is sometimes presented by its advocates as a reaction to hegemony of global capitalism.

**Chapter 5 - Economic Policy of Indigenisation and its Effects to the African post-Colonial African Economy** - The scope of this chapter is mainly to determine whether the post-colonial African policy of indigenization is beneficial to the economy or not.

**Chapter 6 - An Ethical Critique of Indigenisation** - This chapter will investigate whether the economic policy of indigenization is ethically justifiable.

**Chapter 7 - Conclusion and Recommendations**

## CHAPTER TWO: A COMPARATIVE STUDY OF MODERN CAPITALIST VALUES AND AFRICAN TRADITIONAL ECONOMIC VALUES

### 2.1 Introduction

Since capitalism arrived in Africa through colonialism, the post-colonial economic policy of indigenisation was aimed at correcting the economic imbalances that were put in place by colonialism. It is common knowledge that colonial administrators introduced all sorts of legislations that were aimed at giving economic advantage to white settlers at the systematic deprivation of the African people. Colonising countries were mostly interested in extracting natural resources from Africa for their own countries. African people did not benefit from the type of capitalism that was introduced to Africa through colonialism. The idea that modern capitalism was the handmaid of colonialism became the rationale for the African nationalistic drive for the indigenisation of capitalism. In their support for the economic policy of indigenisation, some post-colonial African scholars have argued that the type of colonialism that was mediated to Africa through colonialism was sharply different from the ideals of modern capitalism that was then prevalent in Europe. For example, it was argued by some African nationalists that capitalism came to Africa without the discipline of hard work and frugality. This argument is an echo of Marx Weber's thesis that the protestant ethic of thrift, hard work and frugality was a causal factor to the rise of modern capitalism in Western societies and North America.

In the context of colonial Africa, it is alleged by some post-colonial African scholars that capitalism was introduced to Africa without those Weberian values as emphasis was put on acquisitiveness without hard work. On the other hand, there are other post-colonial African scholars who maintain that modern capitalistic values that emanated from the Western world through the mediation of colonialism were contrary to African traditional communitarian values, hence economic policies of indigenisation were aimed at promoting the appropriation of capitalism through the inclusion of

African indigenous values in the ways of doing business were imperative towards the appropriation of modern capitalism. This chapter is structured as follows: The first section will investigate the symbiotic relationship between colonialism and the advent of capitalism in Africa. In this section it shall be argued that the post-colonial economic policies were partly aimed at correcting the economic injustices that were entrenched within colonialism. In an effort to do away with capitalism, it is argued that many African politicians maintained that African traditional values were compatible with socialism instead of the values of modern capitalism. In the second section I shall go on to argue that post-colonial African policies of economic indigenisation were also related to the observation that capitalism was mediated to Africa without those values that were considered indispensable to the ascendancy of modern capitalism in Western societies and North America. The third section will investigate the claim that the post-colonial economic policies of indigenisation are related to the observation that the appropriation of capitalism can only be possible through the inclusion of African traditional values. In the light of the discussion offered in the above sections, a conclusion to the chapter shall be provided.

## **2.2 On the Symbiotic Relationship between Colonialism and Capitalism**

It is common knowledge that modern capitalism was mediated to Africa through colonialism. Some African nationalists such as Kwame Nkrumah argued that during colonialism Africans became victims of expropriation. As he puts it,

While missionaries implored the colonial subject to lay his 'treasures' in Heaven, where neither moth nor rust doth corrupt', the traders and administrators acquired his minerals and land. There was no intention of processing locally the discovered raw materials. These were intended to feed the metropolitan mills and plants, to be exported back to the colonies later in the form of finished commodities (Nkrumah 1970: 22).

The implication of the above quotation is that the type of capitalism that was introduced into colonial Africa was based on expropriation of resources from the Africans. Even missionary activities among the Africans were mainly aimed at facilitating the expropriation of resources from the

Africans by traders and colonial administrators. Those resources that were expropriated from the Africans by colonialists were not processed locally for the economic benefit of the Africans, rather they were sent to the colonising country for the benefit of metropolitan industries for processing and manufacturing.

The manufactured products which were previously brought into metropolitan industries as raw materials were later on exported to African colonies as finished products that were later on sold at exorbitant prices in the colonial African markets. Here it can be deduced that Nkrumah's main argument was that the capitalism that was brought to Africa through colonialism was mainly about exploitation and expropriation of resources from the colonised Africans. For Nkrumah colonialism was not about the appropriation of capitalism, rather it was about expropriation of African resources to the benefit of the colonisers and their metropolitans. Nkrumah went on to emphasise the motif of expropriation when he said,

In her African colonies, Britain controlled the export of raw materials by preventing their direct shipment to foreign markets. After satisfying the demands of her home industries, she sold the surplus to other nations and netted the profits herself. The colonial farmer and worker had no share in those profits. Nor was any part of them used in providing public works and social services in the colonies (Nkrumah 1970: 22-23).

In other words under colonialism what Africans only experienced was a systematic expropriation of their resources from their own territories for the colonising metropolitan economic benefit to the exclusion of the colonised countries. All economic policies and activities were always implemented with the aim of benefiting the colonial power. However, some colonial apologists have argued in defence of colonialism mainly on the grounds that the colonialism was an historical epoch that was beneficial to the economic development of Africans. For example, a historian by name of A. J. Hanna defended colonialism as follows,

...[without colonialism] Africans would still be roughly what they were a century ago, had it not been for the introduction of European administration,

European instruction, and contact with the European economy. ...It has often been asserted that investment in Africa involved injustice to the Africans, since it was a device for draining the wealth of their continent into the pockets of investors in Europe. This is an elementary misconception. The mineral and other resources of Africa were useless to the native inhabitants until they were developed, and they could not be developed without transport, machinery and skill. By making these things available the European investor, however self-interested he may have been, was serving Africa...(Hanna 1961: 11-17).

In the light of the above quotation, it is evidently clear that Hanna was an apologetic of colonialism and capitalism par excellence. Without colonialism African resources would not have been put into effective economic use. The colonial historical epoch was providential to the Africans because without the introduction of modern capitalism to Africa through colonialism, Africa would have remain underdeveloped. African resources were not necessarily useful to the Africans because they were not being utilised by Africans before the advent of colonialism. In this type of apologia, there is a strong conviction that we should be thankful towards the continuation of foreign domination of the African economy which was bequeathed upon Africa by colonialism.

However, other African nationalists such as Nyerere have argued that the existence of capitalism in post-colonial Africa implied the continuous existence of an African economy that is foreign dominated. For this reason, Nyerere argued that this foreign domination of the post-colonial African economy can only be overcome by the adoption of socialism as an alternative economic ideology to modern capitalism. In support of socialism, Nyerere argued that traditional African societies were collectivist whereby wealth was owned in common. As he puts it, "Traditionally we lived as families, with individuals supporting each other and helping each other on terms of equality", hence "The purpose of socialism is the service of man, regardless of colour, size, shape, skill, ability, or anything else. ...Without the acceptance of human equality there can be no socialism" (Nyerere 1968: 198-258). Thus for Nyerere socialism was a more humane economic system in comparison to modern capitalism. The socialist tendencies were found in African traditional society whereby Africans were primordially collectivistic

by nature in such a way that a sense concern and care for each other were the main defining features of social existence.

Nyerere went as far as indigenising socialism by coining a kiSwahili word called *Ujamaa* – a word that means collectivism. Nyerere went as far as establishing *Ujamaa* villages in which people worked together in pursuit of the common good. The economic ideals of *Ujamaa* were previously enunciated by Jomo Kenyatta in his socio-economic policy of *Harambe*, a kiSwahili word which means “to pull together” (Bujo 1997: 164). In his intellectual support of *Harambe* Kenyatta went on to say that in traditional African society, “The habit of corporate effort is but the other side of corporate ownership; and corporate responsibility is illustrated in corporate work no less than in corporate sacrifice and prayer” (Kenyatta 1953: 119). Obviously this was another effort that was aimed at making modern capitalism more relevant to the post-colonial African indigenous context. In the same vein, Kwame Nkrumah argued that socialism was commensurate with African communalism. As he put it, “Socialism, therefore, can be and is the defence of the principles of communalism in the modern setting. ...The African social system is communistic. In the African social system the foundation of a pauper class is unknown, nor is there antagonism of class against class” (Nkrumah 1968: 73-74). In other words, socialism was a modern reiteration of African traditional values of communalism and a classless society as it existed in the past. Communalism and a classless society are thus postulated as the basic characteristics that were fundamental to understanding traditional African economic behaviour. Leopold Senghor is more nuanced on the idea that values of African traditional society were commensurable with socialism. He writes, “African society...had already realised socialism before the coming of Europeans...but we must renew it by helping it to regain a spiritual dimension” (Senghor 1964: 29). Put in other words, Senghor is saying that before the advent of colonialism in Africa, traditional African society was socialist, hence the responsibility of the present generation was to revive African socialism

instead of perpetuating modern capitalism which was rather an economic system that had a symbiotic relationship with colonialism.

The issue of the symbiosis between capitalism and colonialism gave rise to a phenomenon of economic domination. In the same vein with Nyerere, Richard Sklar observed that,

In Africa, the poorest continental region of the world, capitalism has been associated with the humbling experience of alien domination. In the European settler states of Eastern, Central, and Southern Africa, black Africans were driven from their lands and compelled by despotic forms of rule to supply cheap labour for a white capitalist master-class (Sklar 1988: 1).

Under colonialism modern capitalism was experienced by the majority of the African people as the most dehumanising economic system. Under colonialism and capitalism the humanity of the indigenous Africans was not taken into consideration. For example, during colonialism fertile land was looted from Africans in a way that left the majority of the Africans landless and sometimes found themselves into places that were called Native Reserves which were previously a habitat of wild animals - thus not conducive for agricultural production and human settlement (Murove 2016). In 1903 the British government set up a South African Native Affairs Commission with the aim of crafting a “Native Policy” suitable for South African territories. The commission recommended that, “white and blacks should be kept separate in politics and in land occupation and ownership basis” and that “political power would remain in white hands. Land should also be demarcated into white and black areas...” (Meredith 2014: 10-511). In the light of the above observation, it is abundantly clear that the recommendations of this colonial commission disenfranchised Africans economically and politically. Sol Plaatje observed that in the aftermath of the Natives Land Act, many native South Africans found themselves without any land to graze their cattle and to farm as if they were refugees running away from a war torn country (Plaatje 1982: 64-85). It is in recalling the stories of colonialism and modern capitalism in colonial Africa that many African politicians found in socialism some symbolic resemblance with the pre-colonial African society. Tom Mboya, the then Kenyan minister of labour

wrote an article titled “African Socialism” in an Eastern African Journal called *Transition* in which he had this to say,

When I think of African Socialism I also have in mind those ideals and attitudes of mind in our tradition which have regulated the conduct of our people with the social weal as the objective. I think it is worth while emphasizing the fact that these ideals and attitudes are indigenous, and that they spring from the basic experience of our people here in Africa... (Mboya 1964: 253).

As for Mboya, the socialist economic ideals were integral to African indigenous ideals. For this reason, socialism was an economic system which African people could culturally identify with instead of the values of modern capitalism. Here it needs to be borne in mind that the discourse of African socialism was partly based on the conviction that socialism was an economic system which could easily be identified within African indigenous traditional values such as those enshrined in communalism and collectivism.

However, some of the critics of the African socialism discourse have argued that the capitalistic economic system which was inherited by post-colonial Africa was modern capitalism and not socialism, hence there was a need to foster some economic continuity after the demise of colonialism. Ali Mazrui (1983: 285-286) argued against this discourse of African socialism as follows,

Many hastily assume that a history of collectivism in a traditional setting is a relevant preparation for organized collective efforts in a modern setting. Unfortunately, much of the evidence points the other way. Collective effort based on custom and tradition and kinship ties leaves Africa unprepared for the kind of organised collectivism that needs to be based on command rather than custom, on efficiency rather than empathy, on rationality rather than ritual (Mazrui 1983: 285).

Another argument that is raised by Mazrui against African socialism is that of “historical continuity” because one finds that most of the “African economies have already been deeply integrated into a world economy dominated by the West”, hence “African countries that turn socialist domestically find that they are still integrated within the world capitalist system. The rules of that system are overwhelmingly derived from principles evolved in the history of capitalism” (Mazrui 1983: 286). In other words,

Mazrui was arguing that the argument for African socialism was irrelevant because it overlooks the reality of historical continuity whereby post-colonial African economies are currently part and parcel of the Western world modern capitalistic economic system. Some scholars have argued that there should be a rational explanation as to why modern capitalism managed to take root in Africa during the times colonialism. As we shall see in the following section, these scholars maintain that African traditional values of communalism and collectivism were incompatible with the values that are enshrined in modern capitalism.

### **2.3 The Incompatibility of African Traditional Values and the values of Modern Capitalism**

As intimated in the previous section, those who argue against African socialism put their focus on the evolution of entrepreneurs in Africa. The thrust of the argument that is proffered by these scholars is that African traditional values were inhibitive to the values enshrined in modern capitalism. For the sake of clarity, we need to investigate the values of modern capitalism that are in most cases presumed by scholars to have led to the ascendancy of modern capitalism in the Western world. One of the prominent scholars who gave a systematic treatise on the values of modern capitalism and the ascendancy of capitalism in the Western world and Northern America is a Germany sociologist by the name of Marx Weber.

#### **2.3.1 Marx Weber's Thesis of the Protestant Ethic and the Values of Modern Capitalism**

Weber's main thesis was that reformed Protestantism in the form of the Puritans became the supporting pillar for the rise of modern capitalism in the West and North America. But what did Weber mean by the phraseology 'the spirit of capitalism'? Weber provides the reader with thorough exegesis from the sermons of the Puritans that show the main elements of the spirit of capitalism. In these sermons the main elements that were identified by Weber as constitutive of the spirit of capitalism were articulated in the sermons of the Puritans as follows:

Remember that *time* is money. ...Remember, that *credit* is money. If a man lets his money lie in my hands after it is due, he gives me the interest, or so much as I can make of it during that time. ...Remember, that money is of the prolific, generating nature. Money can beget money, and its offspring, can beget more, and so on. ...Remember this saying, *The good paymaster is lord of another man's purse*. He that knows to pay punctually and exactly to the time he promises, may at any time, and on any occasion, raise all the money his friends can spare. ...never keep borrowed money an hour beyond the time you promise, lest disappointment shut up your friend's purse for ever. 'The most trifling actions that affect a man's credit are to be regarded. The sound of your harmer at five in the morning, or eight at night, heard by a creditor, makes him easy six months longer; but if he sees you at a billard-table, or hears your voice at a tarven, when you should be at work, he sends for his money the next day...(Weber 1958: 48-49).

The implication of those sermons is that one has to be very strict in lending, borrowing and spending money. According to Weber the teaching of the Puritans put all emphasis on making money and saving it to the extent that all human economic relations and activities had no any other meaning besides making money and saving it, coupled with a sense of personal utmost discipline towards what one does with money. In this life outlook, all human relations were thus reduced to money as the prime determining factor. As he puts it,

In fact, the *summum bonum* of this ethic, the earning of more and more money, combined with the strict avoidance of all spontaneous enjoyment of life, is above all completely devoid of any eudaemonistic, not to say hedonistic, admixture. It is thought of so purely as an end in itself, that from the point of view of the happiness of, or utility to, single individual, it appears entirely transcendental and absolutely irrational. Man is dominated by the making of money, by acquisition as the ultimate purpose of his life. Economic acquisition is no longer subordinated to man as the means for the satisfaction of his material needs (Weber 1958: 53).

In the light of the above quotation, the making of money excluded any form of enjoyment that was to be derived from the money or wealth accumulated. The making of money was thus deemed to be an end in itself and not as a means to something else. The protestant ethic brought about an ecclesiastic economic revolution which did not exist prior to the rise of Protestantism in the history of Western Christianity. Before the rise of Protestantism, the

ecclesiastical economic teaching of medieval Christianity was primarily based on the condemnation of avarice or greed as a sin. The making of interest from a loan given was condemned because it was judged as synonymous with the sin of avarice. A Church historian by the name of Richard Tawney echoed the observation of Weber when he said that, “The Reformation released forces which were to act as a solvent of the traditional attitude of religious thought to social economic issues, it did so without design...” (Tawney 1926: 94). Both Weber and Tawney do agree on the fact that reformed Protestantism or the Puritans taught an economic ethic of individualism that was based on thrift, frugality and hard work as virtues that lead to economic success. This type of ethic encouraged an ethic of individualism whereby the whole issue of salvation was interpreted as to imply that it was individual souls that were saved and that individuals qua individual were accountable for their own actions. The economic historian Robert Heilbroner echoed Weber and Tawney when said that as a result of the economic teachings of the Puritans, “Acquisitiveness became a recognized virtue - not immediately for one’s private enjoyment, but for the greater glory of God” (Heilbroner 1972: 33). In the economic teaching of the Puritans, the accumulation of wealth was not a sin, rather it was a sign of God’s favour or God’s grace to the individual. It was taught by the Puritans that greed of the individuals was part and parcel of a divine mechanism whereby individuals advance the welfare of society without necessarily knowing that they were doing so. For example, a Puritan in the States by the name of Heinrich Gossen preached to his congregation that, “God implanted self-interest in the human breast as the motive force for progress. By following self-interest we follow God’s will” (Cited in Daly and Cobb 1989: 89). In other words, greed or self-interest was a virtue that had some divine origins and hence this passion had to be obeyed as an expression of one’s obedience to God. A Calvinist minister of Boston gave a sermon on economic relations in which he had this to say, “where there is scarcity of the commodity, there men may raise their price; for now it is a hand of God upon the commodity, and not the person” In this regard, capitalistic economic activities were thus understood as a calling from God. As a calling,

business people were thus presumed to be fulfilling a particular divine mandate in their economic activities. Another value of modern capitalism is based on individualism.

### 2.3.2 Modern Capitalism and Individualism

It is commonly agreed among scholars that modern capitalism is based on the values that are enshrined in the doctrine of individualism. Within this doctrine of individualism there are three types of individualism. The first type of individualism is what is called by C. B. Macpherson as possessive individualism which can be traced from Thomas Hobbes to John Locke. The second type of individualism is called the individualism of anti-rationalism which originated from Bernard de Mandeville and Adam Smith, the father and founder of modern liberal capitalism. On the other hand, the third brand of individualism which is commonly known as atomic individualism, is a type of individualism which derives from mechanistic physics whereby the individual is allegorically imagined as an atom that is self-enclosed and cannot be influenced by social relations.

In possessive individualism, Thomas Hobbes advanced a theory that is popularly known as the contractarian theory of morality in which he said that human existence was governed by three principles: “competition, difference and glory” and these three principles were the reason for conflict and strife in human society before humans decided to live under a sovereign or a ruler. In his book *Leviathan*, Hobbes came up with a theory that in their state of origins or state of nature before the advent of civilisation, human beings did not have any sense of concern for the wellbeing of others except their own individual interests. For Hobbes, by nature human beings were not inclined to work for the common good. As he put it,

Whereas the agreement of irrational creatures is natural, that of men, is by Covenant only, which is Artificial: and therefore it is no wonder if there be somewhat else required (besides Covenant) to make their Agreement constant and lasting; which is a Common Power, to keep them in awe, and direct their actions to the Common benefit (Hobbes 1962: 99-104).

In the Hobbesian individualism, human beings are amoral and asocial by virtue of their original nature. The lack of natural agreements in what human beings do led to the formation of artificial agreements that are mainly based on covenants. These covenants are undertaken under the watchful eye of a Common Power whose main duty is to ensure that human beings do abide by the promises or covenants they have undertaken. The duty of the Common Power is to make sure that human beings end up working in a way that ensues in the creation of the common good.

For Hobbes, human activities are about the quest to have more power over other human beings. As he put it, “Riches, are Honourable; for they are Power...To be Conspicuous, that is to say, to be known, for Wealth, Office, great Actions, or any eminent Good, is Honourable; as a signe of the power for which he is conspicuous....Covetousness of great Riches, and ambition of great Honours, are Honourable; as signes of power to obtain them” (Hobbes 1962: 70-71). In other words, whatever a person does s/he does it for the sake of obtaining power over fellow human beings. Acquired riches enhanced the individual’s power over others. A society that is primarily characterised by competition for power can only be regarded as chaotic.

Macpherson argued that the Hobbesian society is a society that was characterised by competition and strife. The value of a person was thus predicated on the price that was available on the market. A human being did not have an intrinsic value per se. As he puts it,

Here, as in *Leviathan*, the objective value is established by the estimates of others, which estimates are based on the usefulness of his apparent power to them. Every man’s value is established as prices are established in the market. ...To speak of the value or price of every man, therefore, is to assume that every man is either a seller of his power or a buyer of others’ (or both) (Macpherson 1983: 39).

Within this theory of possessive individualism, it is apparently clear that Macpherson is arguing that according to Hobbes, individuals’ worth is determined by the market instead of seeing society as an institution of the common good. In this regard, what makes individuals to be regarded as individuals are their material possessions. This type of individualism was

thus conducive for the possessive market society that was then prevalent in the Western world and North America.

Within this tradition of possessive individualism one finds John Locke reducing the role of government to the protection of individual property. As he put it, “The great and *chief end* therefore, of Men uniting into Commonwealths, and putting themselves under Government, is *the Preservation of their Property*; to which in the state of nature there are many things wanting” [his italics] (Locke 1960: 220). In this mode of thinking government is seen as an artificial creation that was brought into existence for the sole purpose of protecting individual property. Robert Heilbroner interpreted this Hobbesian and Lockean understanding of government as follows, “Government is no longer considered to be a natural, timeless attribute of all social collectivities but is seen as the creation of ‘individuals’ who band together for their mutual safety and protection” (Heilbroner 1985: 119). For Locke people submit themselves under a government in order to solely secure the protection of their properties. Locke went on to say that “every Man has a *Property* in his own *Person*. This no Body has any Right to but himself. Whatever a man removes out of its natural state, he has mixed his labour with. By mixing his labour with it, he makes it his property...” [his italics] (Locke 1960: 240). In the light of the above quotation, Locke is asserting that persons are persons by virtue of being naturally endowed with ownership of property. This ownership of property is something that is appropriated through one’s labour and this application of labour on something makes that particular thing the individual’s property which others in society do not have any claim to. The appropriation of property by the individual did not need the consent of others in society because a person’s labour was exclusively his or her own. From what has been said hitherto, it is evidently clear that both Hobbes and Locke were advocating the predominance of possessive individualism which was partly causal to the ascendancy of and appropriation of modern capitalism in the Western world and North America. In the light of the above synthetic discussion of Hobbes and Locke’s philosophical treatises on individualism which Macpherson

called possessive individualism, some foundation was laid for the Western world's appropriation of modern capitalism which was later on adopted by other scholars who were more interested in human economic relations. For example, many economic historians have identified Bernard de Mandeville and Adam Smith as prominent scholars in the conceptual development of *Laissez Faire* capitalism.

### 2.3.3 Bernard de Mandeville, Adam Smith and the Individualism of Antirationalism

Bernard de Mandeville was a Dutch physician who took conceptual interest in the working of the modern capitalistic economy that was then on the rapid ascension in the Western world. Mandeville wrote a parody called *The Fable of Bees* in which he argued that private vices which are in most cases a result of individual greed were actually beneficial to society as a whole. Mandeville maintained that in their economic relations individuals were purely egoists. However, whilst individuals were solely self-interested they unknowingly end up promoting the common good (Goldsmith 1985: 34-35; Murove 2005: 76). Whilst individuals' economic activities were motivated by self-interest without any sense of concern for the wellbeing of others, the fact that society ends up benefiting from the economic actions of these egoists implies that egoism was good. As Mandeville poetically puts it,

Fraud, Luxury and Pride must live  
While we the Benefits receive  
Do we not owe the Growth of Wine  
To the dry shabby crooked Vine? (Mandeville 1924: 36).

Mandeville's understanding of human nature was based on the presumption that they were egoists who were barren of any sense of moral concern for the wellbeing of others. All human economic actions were based on the pursuit of egoistic purposes. Some of the human moral predispositions such as virtue and self-denial were, according to Mandeville, purely an illusion "because all actions came from self-interest" (Mandeville 1924: 357). As Murove puts it,

The result of his [Mandeville] deductive reasoning led him to the conclusion that all moral conduct has a selfish basis. Someone who might try to help a person in a dangerous situation should be understood as selfish because s/he would be doing so with the hidden intention of satisfying his or her own need for compassion in the sense that the one who helps gets personal satisfaction for helping (Murove 2005: 77).

Thus Mandeville had no any other view of human nature besides the idea that they were absolute egoists and moralists would do much good to the community if they refrain from teaching people what they are not. Whatever action was done by a human being should be understood as motivated by greed. Such actions can sometimes be judged as altruistic by the hidden intention is that they serve the individual need for being seen by society as an altruistic person or a good person. The Mandevilian economic thinking on human actions became a pioneering work “of laissez-faire individualism in the economic field and as such an anticipator of Adam Smith” (Viner 1958: 339-240). Thus in Mandeville we find a pragmatic articulation of a type of individualism that was conducive to the conceptualisation and appropriation of the modern liberal capitalism in Western societies as well as in North America.

In the same vein, Adam Smith echoed Mandeville’s main thesis about laissez-faire capitalism when he weaved his *Wealth of Nations* around the idea that self-interested individuals were capable of promoting the flourishing of wealth without government intervention in the economy. In his most quoted passage that is regarded by many scholars as the doctrine of *laissez-faire* capitalism Adam Smith wrote, “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of their own necessities, but of their advantages” (Smith 1976: 26). In other words, when business people are involved in business, we should bear in mind that they are mainly there for the pursuit of their self-interests, and not necessarily for the economic wellbeing of their fellow human beings. Business people were not in business for the purpose of promoting benevolence in society, but mainly for the

single minded pursuit of their self-interests. As for Smith, *Laissez-Faire* individualism that was prevalent in liberal capitalism was part and parcel of the working of God within the economy. In his earlier book, *The Theory of Moral Sentiments* which he wrote prior to *The Wealth of Nations*, Smith had this to say,

...[Though the rich] consume little more than the poor, and in spite of their natural selfishness and rapacity, though they mean only their own convenience...They are *led by an invisible hand* to make nearly the same distribution of the necessaries of life which would have been made had the earth been divided into equal portions among all its inhabitants; and thus, *without intending it*, without making it, advance the interest of society” [his italics] (Smith 1872: 304-305).

By asserting that even though the individual was solely self-interested, ‘he was led by the invisible hand’, to advance the common good which was not part of his intention, Smith was in a way advancing the idea of individualism of antirationalism. The individualism of antirationalism is thus based on the idea that self-interested individuals end up promoting ends that they did not fathom at all or ends that were part and parcel of their own planning. In other words, economic actions of egoists within a free market economic system give rise to a beneficial economic order that was not intended by these egoistic economic actors. In this regard, there was no need for government planning with the aim of regulating the functioning of the capitalistic free market economic system. Here the belief in individualism of antirationalism was partly based on the idea that actions of egoistic individuals over a long period of time can give rise to a social spontaneous order (Dahrendorf 1989: 183; Polanyi 1968: 69-70).

The theory of social spontaneous orders was developed by Fredrick Hayek in his interpretation of Adam Smith’s concept of the Invisible Hand. Thus one finds Fredrick Hayek arguing that human actions can sometimes lead to consequences that were originally unintended by the participants. Hayek went on to debunk the arguments of those who were critics of Adam Smith’s concept of ‘the Invisible Hand’ on the grounds that these critics “cannot conceive of an order which is not deliberately made, and partly because to them an order means something aiming at concrete purposes which is...what

a spontaneous order cannot do” (Hayek 1982: 37-38). In this regard, the idea of seeing the actions of egoistic individuals giving rise to a spontaneous order undermines the role of society in the making of the character of the individual. In his other book titled *Individualism and Economic Order*, Hayek (1948: 4-9) submitted that, “The true individualism which I shall try to defend began its development with John Locke, and particularly with Bernard Mandeville and David Hume...and Adam Smith. ...that the spontaneous collaboration of free men often creates things which are greater than their individual minds every fully comprehend”. Hayek went on to say that the theory of spontaneous order gives rise to “an individualism of antirationalism” whereby the individual promotes the general welfare of society without necessarily knowing that s/he is doing so.

The individualism of antirationalism was also echoed by Ayn Rand when she argued that there was nothing which people can enjoy in common and that the very idea of the common good was just an abstract. On this premise she argued that government should not plan for the economy with the aim of promoting welfare. As she puts it, “the only way a government can be of service to national prosperity is by keeping its hands off” (Rand 1967: 141). In the light of the above quotation, it can be deduced that Rand’s main argument was that an economic system that relies entirely on the free reign of self-interest does not need any external interference that is aimed at redressing economic inequalities because within the liberal capitalist economy things have a tendency of naturally working themselves in a way that would benefit everybody in the long run. The modern capitalist individualism of antirationalism is also echoed in doctrine of atomic individualism.

#### 2.3.4 Modern Capitalism and Atomic Individualism

The theory of atomic individualism is based on an understanding of an individual as a self-enclosed entity. The theory of atomic individualism overlaps with the other two theories of individualism that have been discussed above. Other scholars have referred to atomic individualism as based on the philosophy of individual liberality or the philosophy of

liberalism. The individual is atomised to the extent that s/he is postulated as devoid of any relationships with society. As Heilbroner puts it,

...in [modern Western capitalist societies the individual] is imagined to be a self-sufficient cell from which a living social organism is constructed. ...These are not persons perceived as individuated members of an existing, aboriginal social organisation. They are imagined as isolated personages existing without any social ties – self-supporting yet mutually dependent hermits, coexisting in a state of latent hostility and suspicion (Heilbroner 1985: 120).

Thus in atomic individualism the individual is first and foremost presumed to be naturally endowed with an independent existence which is incorrigible to the existence of other individuals in society. The overriding ontological characteristic of atomic individualism is based on the primacy of individual subjectivism. Proponents of atomic individualism accept the existence of government only on the premise that it is there to help them into realising their self-interests which are presumed to differ radically from other individuals' self-interests. This atomised individualism is the premise of modern capitalistic economic liberalism. Robert Nozick comes across as a radical individualist by virtue of his advocacy for a society where there is minimal state interference within the public sphere of human existence. He argued that individuals had “inviolable rights”, Hence, “there is no justified sacrifice of some of us for others. The root idea, namely that there are different individuals with separate lives and so no one may be sacrificed for others, underlies the existence of moral side constraints” (Nozick 1974: 33). Within this theory of atomic individualism as espoused by Nozick, the existence of the individual cannot be subsumed under the generality of social existence because of the prior existence of a truism that individual lives are separate from the lives of others. For this reason, what is moral is an existential reality that is entirely subjective to the individual existence.

In atomic individualism the individual is entirely absorbed with his own self-interest, hence he does not care about the plight of others because as individuals we do not have any moral obligation towards those who are poor and destitute because according to advocates of atomic individualism, as Tibor Machan puts it, “there are no objective goods or objective values,

neither the defense of liberty nor any other course of conduct is more important than any alternative” (Machan 1993: 2). In other words the rightness or wrongfulness of a particular action depends entirely on the individual’s subjective evaluation of the choice made by the individual qua individual. Nozick put it blatantly that government had no right to charge taxes on individual income because it does not own that tax which it charges on individuals’ incomes. It is mainly for this reason that proponents of atomic individualism claim that the individual is endowed with inviolable right to do whatever he so wish with his money and assets. In the light of this claim, the theory of atomic individualism suits very well with the free market society of modern capitalism. In this regard, the theory of atomic individualism presumes that individuals do not need societies for their individual wellbeing. In his support of atomic individualism, Samuel Brittan argued against the idea of the primacy of society as the foundation for the flourishing of the common good when he said, “Collectivities do not think, feel, exult, triumph, or despair, and to plan for their benefit is wrong sort of high-mindedness” (Brittan 1988: 212). In other words, it is individuals in their interiority who ultimately make choices instead of communities. In modern liberal capitalism atomised individuals are presumed to be by their very nature of individual subjectivity be in the position to appropriate liberal capitalistic institutions. It is thus the essence and nature of an atomised individual that makes it possible for him or her to appropriate modern liberal capitalistic institutions by virtue of being an infinite appropriator (Macpherson 1975: 28-29). Modern capitalism theory of atomised individualism is based also based on individual endless acquisition of wealth as the goal and purpose of the individual’s life.

A prominent feature that is prominent in atomised individualism in modern capitalism is based on the premise that the individual is a utility maximizer. All individual actions of the atomised individual of modern capitalism are presumed to be aimed at maximising utility for the individual. In the light of this goal of utility maximisation, each atomised individual is supposed to act after calculating the implication of his or her actions to the maximisation of

his or her utility. Alan Hamlin stated that utility maximisation “is *personal* in the sense that the utility to be maximised is my own. Other individuals do not enter into the evaluation process...” (Hamlin 1986: 17). In other words, the individual in his or her subjectivity is the object of utility maximisation to the exclusion of the rest of the members of society. This theory of utility maximisation is basically aimed at measuring the atomised individual as the subject of mathematisation of the individual’s consuming habits. The objects of utility maximisation are individuals as discrete units and not society in general. The theory of utility maximisation commensurate well with the concept of methodological individualism – a concept that was coined by Max Weber.

Neil Williams (1995: 1) observed that methodological individualism “relies on the assumption that one can legitimately abstract away from society *a primordial atomic individual*, and then see what combinations of these individuals create a social group [his italics]”. The main underlying presumption of methodological individualism is that it is individuals who come together to form society, hence society is a sum of individuals who compose it. Thus on the basis of this presumption society is only intelligible when understood through the intentions, actions and beliefs of individuals. It is mainly on the premise of such a presumption that a human being is also understood as originally asocial, hence society is a sum of these isolate individuals. Groups or collectivities are deemed not to have enduring and concrete existence besides individuality. For this reason, Williams characterised methodological individualism as an individualistic ontology of society. An individualistic ontology of society is also entrenched in the writings of Robert Nozick and Samuel Brittan. According to Robert Nozick, individuals should be seen as ends in themselves and should not be used to further the interests of others. For him, the idea of individual inviolability imposes moral constraints on what the state can do in its interaction with the individual. He writes,

The moral side constraints upon what we may do, I claim, reflect the fact of our separate existences. They reflect the fact that no moral balancing act can take

place among us; there is no moral outweighing of one of our lives by others so as to lead to a greater overall *social* good. There is no justified sacrifice of some of us for others. This root idea, namely, that there are different individuals with separate lives and so no one may be sacrificed for others, underlies the existence of moral side constraints, but it also, I believe, leads to a libertarian side constraints that prohibits aggression against another. The stronger the force of an end-state maximising view, the more powerful must be the root idea capable of resisting it that underlies the existence of moral side constraints. Hence the more seriously must be taken *the existence of distinct individuals who are not resources for others* [my emphasis] (Nozick 1974: 33).

What is implied by Nozick in the above quotation is that people should not be used in order to further the general wellbeing of society. Doing so amounts to violating the principle that as individuals, all persons have a separate existence that cannot be subsumed under the social good or common good. The type of individualism which Nozick is espousing is popularly known as atomic individualism whereby social relations are purely superficial. The state is thus not allowed to interfere in the private lives of individuals because doing so can only imply the violation of individual selves. The presumption is that individuals have autonomous existence from society. In this philosophical outlook, individuals are presumed to exist as self-defining entities whose identity cannot be subsumed from the generality of existence. The theory of atomic individualism is based on some scientific presumptions. For example, Rene Descartes who is popularly known for giving a synthesis between science and modern Western philosophy argued that what can be trusted as existing is geometry and science and that as human beings we cannot be sure of the existence of other people. In this vein, Descartes wrote,

While I wanted to think everything false, it must necessarily be that I who thought was something; and remarking that this truth, *I think, therefore I am*, was so solid and so certain that all the most extravagant suppositions of the sceptics were incapable of upsetting it, I judged that I could receive it without scruple as the first principle of the philosophy that I thought (see Russell 1996: 516).

The dictum, 'I think, therefore I am' implies that a person is defined by his or her subjectivity. Thus a human being as 'a thinking thing' "is one that doubts, understands, conceives, affirms, denies, wills, imagines, and feels - for feeling, as it occurs in dreams, is a form of thinking" (see Russell 1996: 517). Here it can be deduced that Descartes reduced all human experiences to the realm of subjectivity. Such a philosophy was very conducive to the development of atomic individualism which postulates society as an abstract

that does not have any bearing towards the individual's subjectivity. This type of philosophy has some great influence to Nozick's theory of atomic individualism because of the emphasis which he puts on the individual's subjectivity qua individual without any reference to the society where the individual belongs. Another western philosopher who had a strong influence to the philosophy of atomic individualism is Gottfried Wilhelm von Leibniz's philosophy as propounded in his book titled *Monadology*. According to Leibniz things existed as substances which cannot be extended and they existed as 'monads' - thus implying that they are self-enclosed. These monads are locked into themselves and have their own conceptualisation of the universe in its totality. As he puts it,

Now this interconnection, relationship, or this adaptation of all things to each particular one, and of each one to all the rest, brings it about that every simple substance has relations which express all the others and that it is consequently a perpetual living mirror of the universe. And as the same city regarded from different sides appears entirely different, and is, as it were multiplied respectively, so, because of the infinite number of simple substances, there are a similar infinite number of universes which are, nevertheless, only the aspects of a single one as seen from the special point of view of each monad. ...Besides, in what has just been said can be seen the *a priori* reasons which things cannot be otherwise than they are. It is because God, in ordering the whole, has had regard to every part and in particular to each monad; and since the monad is by its very nature *representative*, nothing can limit it to represent merely a part of things. It is nevertheless true that this representation is, as regards the details of the whole universe, only a confused representation, and is distinct only as regards a small part of them, that is to say, as regards those things which are nearest or greatest in relation to each monad (Cited in Solomon 1985: 97-98).

Leibniz's monads do not interact with each other because in their subjectivity each monad mirrors the universe in such a way that there is no need to interact with each other. A human body was a monad. These monads have been created in such a way that they exist in a state of pre-established harmony. Nothing enters or leaves the life of a monad because they are deemed to be windowless (Russell 1996: 533). The philosophical anthropology of Leibniz thrives on individualism of self-sufficiency whereby each individual in society is deemed to be self-sufficient in every respect to the extent that s/he does not need help from the other members of society.

The very idea that persons exist as windowless monads drives home the idea that they cannot be influenced by the existence of other individuals in society. Social relations are thus understood as external to the individual. Nozick's theory of atomic individuals augurs well with Leibniz's philosophical anthropology of monadology because for Nozick society has been made in such a way that "there are distinct individuals, each with his own life *to lead*" [his italics] (Nozick 1974: 34). In atomic individualism what is trivialised is the whole idea of the individual's responsibility to society to which s/he is a member. The individual is basically portrayed as have an autonomous existence from that of society. Thus the doctrine of atomic individualism is sometimes called the philosophy of liberalism - implying that the individual is liberated from society and s/he is at liberty to do what pleases her with her wealth. The emphasis that is placed on individual autonomy is based on the belief that all individuals are rational and that they can make their own decisions for the betterment of their own lives. One finds one of the neo-liberal capitalist thinkers, Samuel Brittan stating it succinctly that, "Capitalist civilisation is above all rationalist. It is anti-heroic and anti-mystical. The spirit that animates it is the very opposite of 'Theirs not to reason why, theirs but to do or die'. The capitalist is forced by circumstances to query the way everything is done and endeavour to try and find a better way" (Brittan 1988: 9). Here the presumption is that all people are rational and they apply reason to achieve their economic goals. This type of reason which is seen as integral to economic liberalism is popularly known as instrumental reason. It is called instrumental reason because the liberal individual is presumed to use reason to achieve his or her own self-interests. Brittan argued that economic liberalism is based on the belief in individual freedom to pursue his or her economic activities as well as in free speech without any external influence to what she chooses to do. Freedom, according to Brittan implies the individual's ability to spend his or her money in a way s/he chooses (Brittan 1988: 37). This obviously implies that the individual should not be constrained by government on how she or he wants to spend his or her money.

While the ethical theory of utilitarianism is based on the principle of promoting ‘the greatest good for the greatest number of people’ as espoused by John Stuart Mill, Brittan argued that,

The traditional economist’s case for a form of market economy has been based on what might be called liberal utilitarianism. This is a belief that individual desires should normally be satisfied to the maximum degree possible without interfering with the desires of others. The utilitarianism involved is a highly qualified one. As already mentioned, it seeks to satisfy the people’s preferences as shown by their behaviour and not to measure or promote happiness in any direct way (Brittan 1988: 37).

Brittan went on to say that liberal utilitarianism “proceeds on the presumption that the individual should usually be regarded as if he is the best judge of his own interests” (Brittan 1988: 38). In economic liberalism, as stated by Brittan above, one finds that the ethical doctrine of utilitarianism is actually given another interpretation which radically differs from that which was given by Mill who argued that one should always act in such a way that his or her actions should promote the greatest good for the greatest number of people. In this regard, actions are supposed to be judged right or wrong on the basis of the consequences which they produce. Actions are deemed right when they produce happiness that such actions were done. Within the scope of this study, of great interest is that utilitarianism is an ethical theory that is suitable for welfarism. Early utilitarians such as Jeremy Bentham understood welfarism in terms of pleasure and pain. An action was good in so far as it produces pleasure, and bad when it produces pain. Act-utilitarianism maintains that an action is right when it produces more utility than the action that was done. It is the consequences of actions that lead to moral judgement. Human welfare can be promoted when people always act in such a way that they keep their promises and are generous to the poor in society (Scarre 1988: 439-431).

According to Brittan, the greatest good has to be restricted to the individual instead of society in general. Since the greatest good is the individual good, Brittan observed that, “The economic expression of liberal utilitarianism is sometimes known as consumer sovereignty...” [his italics] (Brittan 1988: 43).

Thus the individual is presumed to be endowed with tastes and choices that are not necessarily shared with others. It is the individual and her or his tastes who is sovereign instead of the state or society as the main foci for the promotion of the common good. The idea of 'consumer sovereignty' refers to the idea that as a consumer, the individual's tastes should not be subsumed under the generality of society. This idea gives an individual an autonomous existence. Previously the idea of individual sovereignty was expressed by Thomas Hobbes in his book, *Leviathan* in which is advanced the proposition that, "The power of a sovereign is monopolistic in the sense that there cannot be any political power that competes with it" (see Martinich 1995: 277). In other words, the power of the sovereign is a power that is owned exclusively by oneself and cannot be shared with others. While in Hobbes' *Leviathan*, the sovereign was postulated as the ruler of a state or a kingdom. This ruler enjoyed absolute authority over his subjects. neo-liberal economists have sometimes argued that economic matters it was the individual who was ultimately the sovereign by virtue of the fact that s/he is free to make personal choices without any social constraints. For example, one finds James Dale Davidson and William Rees-Mogg arguing that information technology and the contemporary global neo-liberal capitalism was giving rise to the coming of an era of the sovereign individual. As they put it,

The Information Age will be the age of upward mobility. It will afford far more equal opportunity for the billions of humans in parts of the world that never shared fully in the prosperity of industrial society. The brightest, most successful and ambitious of these will emerge as truly Sovereign Individuals. At the highest plateau of productivity, these Sovereign Individuals will compete and interact on terms that echo the relations among the gods in Greek myth" (Davidson and Rees-Mogg 1997: 14-15).

In other words, Davidson and Rees-Mogg's sovereign individuals will be individuals who are self-sufficient and are not in need of society. The same attitude of trivialising the importance of society is well stated by Brittan (1988: 109) as he advanced three main guidelines for the liberal individual's understanding of economic policy. Firstly, the individual must be seen as

“the best judge” of his or her interest in such a way that government policy should be tailor-made to fulfil individual aspirations. He labelled this as “liberal utilitarianism” in the sense that it gives the individual the freedom to decide that which is best for herself or himself. In this regard, it is not society which decides for the individual on what is good for her or him. The second policy should be based on “impersonal general rules” whereby policy makers minimise their influence on how private institutions should manage their affairs. Thirdly, the influence of politics should be minimised so that they don’t impinge on individual freedom. According to Brittan, these guidelines are an amalgamation of different liberal traditions and they show that there is no policy which can be vouchsafed as a guarantee for the prioritisation of personal freedom. Those these three guidelines which are summarised above are intertwined, sometimes they complement each other or conflict with each other. The second guideline, in favour of general rules, qualifies the liberal utilitarianism of the first presumption; and the third presumption which is against the practice of overextending the political area, can make one on occasion less keen on general laws than one would otherwise be [his italics] (Ibid).

What is implied by Brittan in the above quotation is that liberalism gives precedence to the individual autonomy whereby rules that govern society should be impersonal in the sense that such rules should not be promulgated with the explicit aim of achieving a particular social goal. In this regard, impersonal rules are those rules that usually govern a free market economy. In a free market economy, individual actions usually lead to outcomes that were not intended by the actors. As we have seen previously, Hayek described this as the theory of spontaneous orders, a theory that says that “spontaneous collaboration of free men often creates things which are greater than their individual minds” (Hayek 1948: 8). According to the theory of spontaneous orders, the individual’s actions can contribute to something socially beneficially even though s/he did not intend to do that. The way how the free market operates is based on spontaneous orders because on a free market the individual’s actions are

usually aimed at achieving what is to his or her self-interest, and not to the interest of society as a whole. For Brittan the ordering and functioning of society has to be relegated to these impersonal rules of the free market economy. Since individuals are presumed to be free to make choices on a free market, it is thus equally presumed that these individuals' self-interests should always prevail.

Paul Heyne is also one of those neo-liberal economists who believed that individuals are solely motivated by their private self-interest instead of public interest. What we usually interpret as public interest is in actual fact private interest. As such, for Heyne, government is there to co-ordinate individual private interests and not to promote the common good. He avers, "Government is people interacting, paying attention to the expected costs and benefits of the alternatives that they perceive. ...A surprising number of people assume without thinking about it that 'government acts in the public interest'. But does it really? Does it always do so?" (Heyne 1988: 283). What is implied is that government is guided by self-interest in all its decisions instead of the popularly presumed public interest. Heyne went on to say that, "Those whose decisions make up the sum of government actions will pay attention to the information actually available to them and the incentives that actually confront them. Economic theory predicts that this information and these incentives will tend to be both limited and biased" (Ibid). Social conflicts for Heyne should be understood as a conflict of rights, especially the right to private property. As he puts it, "Adjudication, or the attempt to resolve conflicting claims by seeking to discover existing rights, always tries to avoid unexpected decisions or outcomes. It tries to settle disagreements over property rights by supporting and reinforcing the expectations that are most widely and confidently held" [his italics] (Heyne 1988: 256). The language of rights is based on the salient presumption that individuals are owed rights - that is, that which rights belongs to them.

The theory of atomic individualism is also central to the modern concept of human rights as it emanated from Western and North American philosophy of persons. Ayn Rand writes,

...a right is the property of an individual, that society as such has no rights, and that the only moral purpose of a government is the protection of individual rights. ...There is only one fundamental right...a man's right to his own life. ...the right to life means the right to engage in self-sustaining and self-generated action - which means: the freedom to take all the actions required by nature of a rational being for the support, the furtherance, the fulfilment and the enjoyment of his own life (Rand 1964: 93-94).

In the light of the above quotation society was just an abstract because what was concrete was the individual because s/he was the bearer of rights. The individual did not owe society any rights. As she puts it, "As to his neighbours, his rights impose no obligations on them except of a negative kind: to abstain from violating his rights. ...Without property rights, no other rights are possible" (Rand 1964: 94). In other words Rand is saying that the individual does not have any obligations to the community in which he stays except that he should always be on guard that his community does not violate his rights. The individual does not owe the community any obligation, rather it is the community which owes the individual his rights and these rights find their summation in the right to property. All other rights are derived from the right to private property. Thus for Rand all morality is premised on the right to private property. She writes, "Property rights and the right of free trade are man's only 'economic rights' (they are, in fact, political rights) - and there can be no such thing as 'an 'economic bill of rights' (Rand 1964: 97). In other words, human rights could be group into two sets, namely the right to property and the right to free trade. These cardinal rights exclude any individual claim to welfare. Rand's advocacy of atomic individualism comes out more explicitly when she said,

Any group or 'collective', large or small, is only a number of individuals. A group can have no rights other than the rights of its individual members. In a free society, the 'rights' of any group are derived from the rights of its members through their voluntary, individual choice and contractual agreement, and are merely the application of these individual rights to a specific understanding (Rand 1964: 102).

This understanding of rights is a reiteration of an individualistic ontology of society whereby individuals interact with each other as self-sufficient members who need nothing from society besides the protection of their properties. Since all property was owned on individualistic basis, it also implied that society did not have rights.

Robert Bellah et al characterised North American society as typically steeped in an individualistic culture. As they put it, “Anything that would violate our right to think for ourselves, judge for ourselves, make our own decisions, live our lives as we see fit, is not only morally wrong, it is sacrilegious” (Bell et al 1986: 142). This individualism does not recognise the existence of communities except individuals and their rights. Individuals are deemed not to have any commitments to society besides their own personal self-interests. An argument that has been raised of critiques of individualism in all its forms is that individuals need society to develop their full potentials. Alasdair Macintyre observed that,

The self thus conceived, utterly distinct on the one hand from its social embodiments and lacking on the other any rational history of its own, may seem to have certain abstract and ghostly character. It is therefore worth remarking that a behaviourist account is as much or as little plausible of the self-conceived in this manner as of the self-conceived in any other (Macintyre 1983: 31).

In such observations it is evidently clear that individuals will always need communities to communicate in a language that is shared within the community. Other ethicists such as Charles Taylor have argued against atomic individualism in defence of communitarianism by asserting that human beings “develop their characteristically human capacities in society” whereby “[l]iving in society is a necessary condition of the development of rationality, or of becoming a moral agent” (Taylor 1996: 191-197). It is mainly in the light of such arguments that one can deduce that individualism in all its forms was unintelligible.

In post-colonial Africa, because of the general discontent with the values of modern capitalism, proponents of the appropriation of modern capitalism through economic indigenisation have argued for the need to incorporate African traditional values in the modus operandi of modern capitalism. They argue that the appropriation of modern capitalism can be realised through the incorporation of traditional communitarian values in this economic system. However, as we shall see in the following sections, scholars have held two opposing views with regards to the role of African traditional values in the BEE/indigenisation debate and the appropriation of modern capitalism in post-colonial sub-Saharan Africa. The first school of thought in this debate maintains that values entrenched in modern capitalism as we have seen above are incompatible with African traditional values. The second school of thought argues that the initial appropriation of modern capitalism was enabled by individualistic values that were disseminated to Africa through colonialism, Christianity and Islam.

#### **2.4 African Traditional Communitarian Values and the Values of Modern Capitalism**

Those who argue against the symbiosis between colonialism and modern capitalism buttress their arguments on the premise that African traditional society was communitarian and collectivist in its economic outlook therefore modern western capitalism can never be appropriated in the African context. However, we have seen previously that most of the African nationalists appealed to African traditional communitarian values of collectivism in their socio-economic construction of what they called African socialism which they presumed to be inherent in African traditional societies. In these arguments the preoccupation of African nationalists was to appeal to African traditional collectivist values with the aim of reconstructing African socialism as opposed to the western modern capitalist economic system which was seen as the handmaid of capitalism. However, other scholars simply argued that modern capitalist values were incompatible with African traditional communistic values.

The arguments of post-colonial African communitarians can be categorised as communitarian ontology of society. In this African communitarian ontology of society, African post-colonial scholars refuted the Hobbesian contractarian theory of social existence and atomic individualism. The African scholars have argued that what makes a person in the African communalistic ontology of society is the existential reality of common belonging. For example, scholars such as John Mbiti have argued against atomic individualism as entrenched in Rene Descartes philosophy in which he postulated an individual as a self-enclosed entity by virtue of being a thinking thing. Descartes' philosophy was based on an individualistic ontology of society when he said, "I think therefore I am" - *Cogito ergo sum* (Latin). This philosophical dictum of human existence implied that other things or other human beings in society could only be known through a process of inference from what is known in one's mind (See Russell 1991: 547-551; Murove 2016: 79). Thus one finds Mbiti refuting this Cartesian individualistic ontology of society by proffering the argument that in African traditional kinship system,

...everybody is related to everybody else...the individual does not and cannot exist alone except corporately. He owes his existence to other people, including those of past generations and his contemporaries. He is simply part of the whole. The community must therefore make, create or produce the individual; for the individual depends on the corporate group. ...Only in terms of other people does the individual become conscious of his own being, his own duties, his privileges and responsibilities towards himself and towards other people. When he suffers, he does not suffer alone but with the corporate group; when he rejoices, he rejoices not alone but with the corporate group...Whatever happens to the individual happens to the whole group, and whatever happens to the whole group happens to the individual. The individual can only say: *I am, because we are; and since we are, therefore I am*, The is a cardinal point in the understanding of the African view of a [person] [my italics] (Mbiti 1970: 136-141).

In the light of the above quotation, communalistic ontology of society as embedded in the African kinship system is based on the presumption that persons are persons or attain their personhood because of their natural common belongingness to society. A human being is originally social by nature. It because of the reality of common belonging that individuals attain

their ultimate wellbeing. In this African communalistic ontology of society, the individual is an individual because of the prior existence of community and not by virtue of insulated rationality. The same observation was made by Munyaradzi Murove when he said that, “The mind itself [is] something that is mediated or contributed to by the community by virtue of the fact that the individual is born and socialised in the community” (Murove 2016: 79). For us to understand the individual we need to start by understanding the community in which the individual is imbedded. This conceptualisation of the individual’s existence radically differs from methodological individualism which is mainly based on the idea that society was just a sum of individuals. The implication of the African communalistic ontology of society radically debunks modern capitalistic individualism in all its forms as outlined previously. In the same vein, Ifeanyi Menkiti argued against the Western individualistic ontology of society on the premise that it postulates society as a composition of individuals who happen to come together with the explicit purpose of protecting their self-interests. In this regard the community is thought of as an “aggregated sum of individuals comprising it”. For Menkiti, the Western understanding of the community and the individual is an articulation of “methodological individualism” which has a prior commitment to the existence of collectivities (Menkiti 1984: 179). In Western individualistic ontology of society, Menkiti said that community is understood as a collection of individuals or “a non-organic bringing together of atomic individuals into a unit more akin to an association than community”. In this individualistic ontology of society, social existence becomes bearable on the precondition that such an existence is premised “around the postulation of individual rights” (Menkiti 1984: 180).

The existence of community is not something which Africans theorise about, rather they live communal lives. The individual’s identity is not a private possession, rather it communal in the sense that it was originally contributed to by the community. In this regard what it ultimately means to be human is to be in communion whereby the individual shares the communal values with others. The individual is regarded as someone with

Ubuntu (humanness) when s/he lives in harmony with others. As such, the individual's humanness is not premised on the property they have, but on his or her ability to live in harmony with others. As we have seen in the preceding section, Western and North American attitude to wealth is based on the pursuit of self-interest and unbridled acquisitions without any sense of care and concern for the community. Whilst modern capitalism focuses on the individual as the pinnacle of economic achievements and acquisitiveness, African communitarianism puts emphasis on helping fellow community members who are in need and making sure that there is peace and harmony within the community. In traditional African society the accumulation of wealth was based on the principle of sufficiency. In African traditional society, as Michael Gelfand put it, "Each [person] is entitled to a portion of the land sufficient for his or [her] needs and those of his or [her] family. Materially, therefore, members of such a [community] cannot be divided into haves and have-nots" (Gelfand 1981:65). In this traditional African economic outlook, the instinct to endless acquisitiveness and greed was curtailed by traditional ethos of sufficiency which took into account the economic needs of others. The traditional African attitude to wealth was also based on the individual ontology which was articulated in the ethical concept of *Unhu/Ubuntu*.

#### 2.4.1 The African individual ontology of Unhu/Ubuntu and the African Attitude towards Wealth

It has been the central presumption of this chapter thus far that a cultural and philosophical ontology of persons has a strong bearing on that culture's attitude towards wealth. As we have seen in the previously, the Western and North American presumption that human beings were solely self-interested, always interested in pursuing their self-interests without a sense of concern for the wellbeing of community is basically attributed to the ascendancy of modern capitalism in the West and North America. We have seen previously that Marx Weber articulated this presumption more clearly when he advanced the theory that there was some early connection between the ascendancy of modern capitalism in Western and North American society

and the Protestant ethic that exonerated greed, hard work and thrift as virtues that were cultivated within the domain of the economy. The concept of *Unhu* (Shona)/*Ubuntu* (Zulu/Xhosa/Ndebele) means humanness (Samkange and Samkange 1980: 39; Ramose 1999: 52). This implies humane treatment of other people. As Murove observed that in *Unhu/Ubuntu*, “One experiences a sense of dignity and worthiness by the way s/he is treated by others. In turn, one affirms the humanness of others by saying *la bantu bano buntu* - these people have humanness or that they are a true embodiment of what it really means to be human” (Murove 2016: 173). The ethic of *Unhu/Ubuntu* is based on the presumption that our human existence or the individual’s existence and ultimate wellbeing is intertwined with the existence and wellbeing of others within the community. This presumption is augmented with a Zulu/Xhosa adage which says *Umuntu ngumuntu ngabantu* (a person is a person because of other persons). In other words, personhood is something that is derivative from our relationality with others within the community. This adage drives home the idea that human beings are relational beings. They don’t chose to be relational, rather they find themselves or are born in a web of relationships. Mvume Dandala emphasised the primacy of relationality in the ethic of Ubuntu when he said, “The saying *Umuntu ngomuntu ngabantu* becomes a statement that levels all people. It essentially states that no one can be self-sufficient and that interdependence is a reality of all” (Dandala 2009: 260). In the light of Dandala’s interpretation of *Ubuntu*, it is clear that *Ubuntu* is incompatible with the values individualism that are pivotal to modern capitalism in Western societies and North America. Within the above adage, we can deduce that *Ubuntu* is pragmatic communitarian ontology of society. In such ontology of society, the individual’s is expected to be virtuous in his her relationships with others in the community at large. In this regard, having *Ubuntu* is the primary foundation for a good character or humanness.

However, in post-colonial Africa the ethic of *Unhu/Ubuntu* has generated two dominant responses that appear to be epistemologically irreconcilable. The first school of thought argues that the communitarian ontology of society is

simply incompatible with the *modus operandi* of modern capitalism therefore this communitarian ontology of society could be a contributory factor the failure of the appropriation of capitalism in post-colonial Africa. This type of argument is also a refutation of the intelligibility of indigenisation of modern capitalism in post-colonial Africa. The second school of thought maintains that *Ubuntu* can be incorporated into the *modus operandi* of modern capitalism in a way that will lead to the appropriation of modern capitalism in post-colonial Africa. In this school of thought, it is also argued that the indigenisation of capitalism in post-colonial Africa should have *Unhu/Ubuntu* as the moral base for this economic system. While I shall not go into a detailed discussion of these schools of thought on *Unhu/Ubuntu*, it will be the focus of chapter 3 to give an extensive discussion on these two schools of thought.

## **2.5 Conclusion**

In this chapter my concern was to make a comparative investigation between modern capitalistic values that were considered to be indispensable in the West and North America to the ascendancy of capitalism. The chapter started by arguing that there was a symbiotic relationship between modern capitalism as it was mediated to Africa from the West and colonialism. Because of this symbiotic relationship between modern capitalism and colonialism, I have shown that the argument that was proffered by African nationalists was that African traditional values of collectivism were incompatible with modern capitalism, hence an economic system that was based on socialism was more commensurate with African traditional values of collectivism. I have also observed that the argument of African socialism can be seen as an attempt by African nationalist to indigenise capitalism through the claim that pre-colonial society was collectivist.

However, I went on to discuss modern capitalist values which some Western sociologists such as Marx Weber have identified as the explanatory reason for the ascendancy of modern capitalism in Western societies and North America. Weber identified these historical modern capitalist values as thrift,

hard work and frugality. I went on to argue that the argument that was proffered by scholars is that in post-colonial Africa colonialists did not pursue their economic activities on the basis of these Weberian values because capitalism within the colonial African context was mainly about expropriating natural resources from the colonised African people.

In the light of the above observations, I went on to discuss whether modern capitalist values as they originated from the West and North America were commensurate with African traditional values. In this regard it was also observed that the modern capitalist values that evolved from the West and North America were mainly based on an individualistic ontology of society. This individualistic ontology of society differed sharply with the African communitarian ontology of society on the grounds that in Africa the individual's wellbeing was indispensable from the wellbeing of the community. This claim was authenticated in my discussion of the individual ontology that is embedded in the ethic of *Unhu/Ubuntu*. The Southern African concept of *Unhu/Ubuntu* has been integral to the post-colonial Southern African discourse on indigenisation and the appropriation of capitalism in that part of Africa. Some scholars have argued about the indigenisation of capitalism on the basis of the African individual ontology as enshrined in the ethic of Ubuntu/Unhu as we shall see in the following chapter.

## CHAPTER THREE: *UBUNTU/UNHU* AND THE INDIGENISATION DISCOURSE IN POST-COLONIAL SOUTHERN AFRICA

### 3.1 Introduction

The ethical concept of *Ubuntu* is regarded by many scholars as the foundation of African ethics in Southern Africa. It is for this reason that *Ubuntu* has been applied in various disciplines such as religion, politics, philosophy, business ethics, environmental conservation, just to mention a few, with the aim of indigenising these disciplines so that they could be epistemologically accessible to the majority of the African people. As I have shown towards the end of chapter 2, there are two competing schools of thought on the relevance of *Ubuntu* to modern capitalism in post-colonial Southern African capitalistic business context. The first school of thought maintains that the ethic of *Ubuntu* is a suitable ethic that should be made integral to a business ethics discourse and practice within the capitalistic economic context of post-colonial Southern Africa. It is maintained in this school of thought that modern capitalistic business practices should be given a local cultural flavour by making the ethic of *Ubuntu* the mode of transmission of the values that should prevail when doing business in post-colonial Southern African context.

In the second school of thought there are other scholars who argue that the communitarian ontology of society that is espoused in *Ubuntu* is incommensurable with the modus operandi of the global neo-liberal capitalism and the individualistic ontology of society that is embedded in this economic system. The implication of this argument is that the ethic of *Ubuntu* cannot lead to the appropriation of modern capitalism as presumed by the proponents of the indigenisation of modern capitalism in southern Africa. The presumption underlying this school of thought is that Africa can only appropriate modern capitalism by emulating the Western and North American values that gave rise to the ascendancy of modern capitalism in these societies. In other words, the indigenisation of modern capitalism through *Ubuntu* is seen as a misdirected academic project.

Since these two schools of thought remain the main focus of this chapter, the chapter is divided into two sections. The first section will discuss the contemporary discourse on the ethic of *Ubuntu* with specific reference to the appropriation of modern capitalism in Southern Africa. In the second section I will discuss the arguments of those scholars who are against the ethic of *Ubuntu* as a relevant indigenous African ethic for the appropriation of modern capitalism in post-colonial Southern Africa. Thereafter I shall come to some conclusion for the whole chapter.

### **3.2 The Ethic of *Unhu/Ubuntu* and the Appropriation of Modern Capitalism**

With the end of socialism in Eastern Europe and the failure of the 'African socialism' project in post-colonial Africa, modern capitalism remained the only economic system for Africa and the whole world. Dietmar Mieth and Marciano Vidal observed that the neo-liberal capitalistic economic hegemony was analogous to the hegemony of the early Catholic Church. As he put it, "This hegemony of the capitalist economic model with neo-liberal stamp has made us recall an old, disused theological axiom from ecclesiology: 'Outside the church there is no salvation'. Secularising this axiom, we can ask, 'Is there no salvation outside capitalism?'" (Mieth and Vidal 1997: vii). The ascendancy of neoliberal capitalism to world dominance triggered diverse reactions from scholars of diverse academic backgrounds.

Neo-liberalism has dominated all the world markets in a way that could be characterised as imperious. Within this imperious mode, the economic wellbeing of all peoples of the world is premised on embracing the policies of neo-liberal capitalism without any possibility of an option for a neutral stance. Francisco Gómez Camacho stated this imperious nature of neo-liberal capitalism more succinctly when he said, "Either you are in favour of the market, or you are against it; you can take it or leave it, but no intermediate position seems to be possible" (Camacho 1997: 3-4). The global neo-liberal economic system is based on an individualistic ontology of society, which the proponents of neo-liberal capitalism presume to be

globally universalisable. For example, as we have seen in chapter 2, Davidsom and Rees-Mogg argued that the current ascendancy of neo-liberal capitalism to global dominance which is being facilitated by information technology is bringing into existence an era of sovereign individuals. As they put it, “The Sovereign individual of the new millennium will no longer be an asset of the state, a *de facto* item on the treasury’s balance sheet. After the transition of the year 2000, denationalized citizens will no longer be citizens at all, but customers” (Davidson and Rees-Mogg 1997: 23). In other words, the expansion of neo-liberal capitalism all over the globe was liberating individuals from social relations and commitments. It is mainly in the light of this brief background to neo-liberal global capitalism that some scholars see the ethic of *Ubuntu* as an ethic that can assist in the appropriation of the current neo-liberal capitalism. Thus the ethic of *Ubuntu* could be applied within the modern capitalistic business environment of companies and organisations. It was argued that companies would fare well if they adopt African values that are enshrined in the ethic of *Ubuntu*. Barbara Nussbaum expressed the above observation more succinctly when she said,

The South African research and experience demonstrated unequivocally how and why Africans, informed as they are by *Ubuntu*, are masters of the awareness of the need to communicate and the processes required to build and maintain communal relationships. In American ‘business-speak’, these are ‘social technologies’. In southern Africa, they would probably simply be termed relationship, or community building (Nussbaum 2009: 242).

In the light of the above quotation Nussbaum is saying that the ethic of *Ubuntu* should be made integral to capitalistic business practices in the African context because in the ethic of *Ubuntu* emphasis is put on the humane treatment of people. According to Nussbaum, this humane treatment of people can also be applied to the work place. Nussbaum went on to argue that the South African King Report on Corporate Governance made a deduction to the effect that, “The essence of *Ubuntu* (humanity) that cuts across Africa is based on the premise that you can be respected only because of your cordial co-existence with others” (Nussbaum 2009: 248). As for Nussbaum, a commitment to an ethic of *Ubuntu* implies the promotion

of harmonious relationships within the workplace. The she sees this deduction as generalizable to the West and the US, especially on the idea of cultivating an ethos of inclusivity within the business atmosphere. She writes,

Capitalism infused with *Ubuntu* would help to foster nations truly united through generous, co-operative consciousness that recognises the commonality of groups as much as the sovereignty of individuals. ...*Ubuntu* would help to provide an integrating philosophy, or mechanism, to inform transform business relationships between the seemingly separate categories of profit and people, politics and economics, material and spiritual. *Ubuntu* would seek to create conditions in which relationships might be mutually reinforcing, productive, fair and co-operative within and between companies and in their links with national and global networks (Nussbaum 2009:249-250).

What is implied in the above quotation is that *Ubuntu* has the potential to contribute to a virtue ethic within a modern capitalistic business environment. Whilst it is not clear as to how *Ubuntu* ethic would contribute to virtue ethics in the modern capitalistic business environment, Nussbaum's presumption is that *Ubuntu* is a virtue ethic which has the potential of transforming business institutions and individuals within capitalist businesses in a way that will assist in the and promotion of virtuous behaviour. In this mode of thought one can deduce that *Ubuntu* has positive contribution to make towards the transformation of global capitalism. For Nussbaum, the virtue ethic qualities that are inherent in the ethic of *Ubuntu* make it a relevant ethical tradition to be reckoned within the global business arena. Nussbaum concludes by saying, "Hopefully, the principles of *Ubuntu* will spark new ways of thinking for business that challenge us to become mature, generous and caring. Were business to be valued according to what it did for others, and in the service of humanity, it might help create the kind of world that works for all" (Nussbaum 2009: 256). However, in the light of the individualistic ontology of society which is inherent in modern liberal capitalism, as we have seen in chapter 2, what Nussbaum is advocating as the would-be contribution of *Ubuntu* to global capital capitalism is in actuality the exact opposite of the cherished business values of business under the global hegemony of neo-liberal capitalism. Here it can also be

deduced that advocates of the efficacy of the ethic of *Ubuntu* in business under the global hegemony of neo-liberal capitalism implied the appropriation of global neo-liberal capitalism. In other words, the salient presumption is that African ethical values such as those enshrined in the ethic of *Ubuntu* should be made integral to neo-liberal capitalistic business practices.

Nussbaum's convictions about the efficacy of the ethic of *Ubuntu* and the appropriation of global neo-liberal capitalistic business discourse were also echoed by Mvume Dandala when he observed that companies would fare well ethically when they embrace the values enshrined in the ethic of *Ubuntu* at the workplace. Thus Dandala had this to say,

Most large companies were started by people with a human face. But as they grew in size and stature, *Ubuntu* receded and companies often became remote edifices sometimes even threatening to ordinary people. When Africans are involved in a situation where they are expected and encouraged to continue a tradition, such as that of quality service within an organisation, the seeds of belonging are planted. If this is done, their upbringing, to observe and develop values and grow in character, will play its part (Dandala 2009: 273).

In the above quotation Dandala is admonishing that if only *Ubuntu* could be accepted in companies then African people will feel that they belong and this feeling of belonging will eventually lead to appropriation capitalism. Other scholars have maintained that as an ethical concept, *Ubuntu* can promote a work ethic of solidarity within the work place. John Mafunisa emphasised the ethos of solidarity in *Ubuntu* when he said,

Vhavenda warns its tribal members: *Munwe muthibi a u tuse mathuthu* (One finger cannot pick stamped mealies), which translates a, 'A person can't perform many jobs alone'. It means that in Vhavenda social custom, people's values and needs can only be promoted effectively by a unified effort by all members of the society (Mafunisa 2008: 119-120).

What is implied here is that the adoption of the ethic of *Ubuntu* would promote an attitude of solidarity among employees and their employers. Thus in this way of thinking, one finds that the *ethic of Ubuntu* is portrayed as a panacea to work ethic within the context of Africa because of the emphasis that is put on the humane treatment of people at the work place. It

is mainly for this reason that Mafunisa went on to make the following deduction,

The solution to Africa's current negative work ethic lies in learning from those public employees who successfully find a happy medium between African societal values and their employers' demands for productivity. When training future African public employees, one can no longer ignore the fact that their mentality is often affected more by the ideal of the common good, than by the importance of individual performance, which has often been imported from North American management models (Mafunisa 2009: 122).

In the light of the above quotation, it is abundantly clear that Mafunisa is arguing that African poor work ethic arises from the fact that traditional African traditional values are hardly integrated in the work environment. The hold which African traditional values have on African workers is the explanatory reason why Africans prioritise the common good over individual performance at the work place. However, needless to say that Mafunisa's argument that African traditional values would promote the ideals of the common good goes against the ideal of the appropriation of modern capitalism which, as we have seen previously in chapter 2, puts emphasis on individual performance qua individual since these individuals are ultimately responsible for their actions. Whilst other scholars have wrote about the African ethic of *Ubuntu* with specific reference to its relevance to modern capitalism within post-colonial Africa, others have maintained that the ethic of *Ubuntu* has some relevance within the global modern neo-liberal capitalist economic system.

### 3.2.1 *Ubuntu and Neo-liberal Capitalism*

Amidst the global expansion of neo-liberal capitalism, some African scholars have argued in a way that tends to imply that post-colonial Africa can only appropriate global neo-liberal capitalism by promoting an ethic of human centred solidarity as enshrined in the ethic of *Ubuntu*. Here the presumption of the advocates of the ethic of *Ubuntu* is that the globalisation of neo-liberal capitalism is leading to the domination of rich countries of the northern hemisphere over poor countries of the southern hemisphere. This way of thinking can be discerned from Mogobe Ramose when he said,

*Ubuntu* is ontologically a -ness and not an -ism. As such it is epistemologically oriented towards the construction of knowledge which is undogmatic by character. ...*Ubuntu* is one of the core philosophical concepts and organisational principles of the Bantu-speaking peoples. The peoples must, in the face of economic globalisation, cement strong ties of solidarity among themselves first. Here, the desideratum for solidarity is indeed the construction of a boundary, and so bounded reasoning is neither alien nor necessary repugnant to *Ubuntu* philosophy. But the delimitation of boundaries here is a means to an end rather than an end in itself. Therefore, the Bantu-speaking peoples must remain open to collaborate with all human beings the world over, who are determined to replace the deadly dogma of economic fundamentalism with the life-giving logic of -ness, putting the preservation of human life through sharing before the relentless pursuit of profit (Ramosé 2005: 114-115).

As for Ramosé, the concept of *Ubuntu* has the capability to resist the expansive nature of global neo-liberal capitalism. The economic system of neo-liberal capitalism is the antithesis of *Ubuntu* by the virtue of the fact that it puts priority on the pursuit of profits at the expense of human wellbeing. Armed with the concept of *Ubuntu*, Ramosé maintained that Bantu-speaking people are in the position to collaborate with other people in the world who are committed to overcome economic fundamentalism that is entrenched in the global neo-liberal capitalism. Thus it is Ramosé's main conviction that the concept of *Ubuntu* cannot be reconciled with the modus operandi of the global neo-liberal economic system. The main reason for this irreconcilability lied in the fact that the global neo-liberal capitalist system dehumanised people as it gives prime value to profit over human wellbeing. Through the concept of *Ubuntu* Ramosé believed that the global neo-liberal capitalism cannot be appropriated, rather *Ubuntu* remains the main ethical resource for resistance against this economic system through the implied human solidaristic social outlook. However, there are some scholars who have argued against the ethic *Ubuntu* as an appropriate indigenous ethic for the appropriation of modern capitalism and neo-liberal capitalism.

### 3.3 Arguments against the Ethic of *Ubuntu* and the Appropriation of Modern Capitalism

Some Western scholars have argued against *Ubuntu/Hunhu* mainly on the grounds that such an ethical concept was a creation of academics which did not have any relevance to contemporary society. This is the argument that was advanced by a Dutch anthropologist, Wim van Binsbergen when he said,

In the hands of academic philosophers, *Ubuntu/hunhu* has become a key concept to evoke the unadulterated forms of African social life before the European conquest. The world-view (in other words the values, beliefs and images) of pre-colonial Southern Africa is claimed to survive today, more or less, in remote villages and intimate kin relationships, and to constitute an inspiring blue-print for the present and future of socio, economic and political life in urban and modern environments, at the very centres of the economy and the political system. It is thus that *Ubuntu/hunhu* also serves as a concept in management ideologies in the transitional stages of post-apartheid (2002).

In the light of the above quotation, van Binsbergen's argument is that *Ubuntu/hunhu* is rather being used by African scholars in a way that is utopian. In other words, it was unrealistic to expect *Ubuntu/hunhu* to be of practical relevance to the modern capitalistic system which in most cases is found in urban areas. van Binsbergen argued that the utopian use of the concept of *Ubuntu* in socio-economic transformation is that the use of this ethical concept is not commensurate with the modern realities in the sense that this ethical concept does not concur with factual modern economic life of the present day because the socio-economic realities of the era in which the concept was used are no longer existent. He writes, "Serious problems await the intellectual if she or he fails to perceive utopian and prophetic statements as such, and instead proceeds to an empirical critique as if such statements are meant not primarily to muse and to exhort, but to give a factual description". van Binsbergen went on to allege that the concept of *Ubuntu* and other indigenous African concepts do remain utopian in the sense that, "They primarily express the speaker's dreams about norms and practices that allegedly once prevailed in what we are now to be considered *peripheral* places (notably, within the intimacy of allegedly closely-knit villages, urban wards, and kin groups)" (van Binsbergen 2000). In the light of

the above quotation, the emphasis the argument which is basically being made by van Binsbergen is that the ethical concept of *Ubuntu/hunhu* is being used naively without taking into account its implications to the reality of a globalised world. Thus he writes,

If *Ubuntu* is to be Africa's great gift to the global world of thought, it is primarily not the African villager's gift, but that of the academic and managerial codifiers who allowed themselves to be distantly and selectively inspired by village life: ignoring the ubiquitous conflicts and contradictions, the oppressive immanence of the world-view, the witchcraft beliefs and accusations the constant oscillations between trust and distrust, and merely appropriating the bright side (van Binsbergen 2000: 11-12).

One can easily deduce from the above quotation that van Binsbergen is asserting that the contribution of the ethical concept of *Ubuntu/hunhu* to globalisation is not coming from the villagers who live according to the values entrenched in *Ubuntu/hunhu*, but from academics who do not live according to value systems of *Ubuntu*. For him, the belief systems in village setting where *Ubuntu/hunhu* is found are not compatible with the modernised African academics. It is mainly for this reason that van Binsbergen sees the African academic as someone who is not in the proper existential position to speak about *Ubuntu/hunhu* because of urbanisation - a sociological phenomenon that radically differs from traditionalism. On the basis of the above argument one can easily deduce that van Binsbergen shares a sceptical outlook on the efficacy of *Ubuntu/hunhu* towards the indigenisation of global capitalism and the resultant appropriation of capitalism in post-colonial southern Africa. As puts it, "The current *Ubuntu* industry, however, has largely resorted to [d]istantly, and without recourse to explicit and systematic methodological and empirical procedures, but instead driven by academic philosophers' and management consultants' intuitive linguistic analyses and childhood reminiscences" (van Binsbergen 2000: 11-12).

In the light of the above quotation, van Binsbergen is arguing against the efficacy of *Ubuntu* in the business sphere as well as in the global world of business because of the interests of academics and management consultants

whose interests differ remarkably from the use of *Ubuntu* within the African traditional village setting. However, it is evidently clear that for van Binsbergen *Ubuntu* is not applicable to business ethics in post-colonial Southern Africa. Van Binsbergen's scepticism towards the efficacy of *Ubuntu* and the appropriation of modern capitalism comes out succinctly when he euphemistically characterised the whole discourse on *Ubuntu* as '*Ubuntu* industry'. Van Binsbergen's analysis of *Ubuntu* found appreciation among Western scholars who argue against the very existence of the ethical concept of *Ubuntu/Hunhu* among Africans within their traditional setting. Such scholars have gone as far as claiming that *Ubuntu* was just a scholarly fabrication which is not found among Africans within their traditional village setting. Patrick McAllister is among those scholars who appreciated Van Binsbergen's denigration of *Ubuntu*. He writes,

While theologians sing its praises and philosophers tease out its imagined nuances and implications, *Ubuntu* has also been appropriated by sectors of the business community as a management strategy and embraced by many business organisations, where it is construed as a particularly African management style that emphasises the importance of good communication, dialogue, and solidarity within organisations. Some local and international enterprises use the term in their name, seeking to apply in the business environment values and orientations which are assumed to exist in village life and which are thought to be uniquely African (McAllister 2009: 3).

In the light of the above quotation it is evidently clear that McAllister is of the opinion that *Ubuntu* does not exist, rather it's an academic creation by African scholars. MacAllister's interpretation of *Ubuntu* is based on an epistemological expropriation of the ethical value that is cardinal to African moral outlook because anyone with a grain of knowledge about *Ubuntu/hunhu* and the gist of African moral outlook will not fail to find out that this ethical concept is the foundation of African ethics and also the basis of human relations in African societies. Here I should like to assert with confidence as an African that in Southern Africa *Ubuntu/hunhu* remains cardinal to African indigenous moral outlook. However, this assertion is refuted by MacAllister when he avers that,

In the context of rural African village life, such as that experienced and documented by anthropologists, the term *Ubuntu* is but rarely heard, claim Van Binsbergen, and I have to agree. In twenty four months of intermittent residence among Xhosa people in a rural location in Willowvale district, Transkei, I hardly ever heard the word, and I would not be able to produce evidence that it embodies a rural philosophy or set of values and norms that people use as an everyday reference to judge the quality of actions (MacAllister 2009: 5).

MacAllister's refutation of the authenticity of *Ubuntu* as an African ethical tradition is unintelligible because his refutation is not based on the works of African scholars who have written on *Ubuntu*, rather his main source is what the Dutch anthropologist Van Binsbergen's has written about *Ubuntu* in a way that is rather condescending. The denigration of the relevance of African indigenous knowledge system is completely unhelpful in the conceptualisation of *Ubuntu* and its contribution to the appropriation of modern capitalism. If one has to look into Western ethical traditions one finds that it is not all Western people who are capable of articulating Emmanuel Kant's deontological ethics or John Stuart Mill's Utilitarian ethics. I have also stayed and socialised with Europeans most of my life but I have never heard them talking about deontological ethics or utilitarianism. It is totally irrational for MacAllister to expect Africans to be speaking about *Ubuntu* among themselves. *Ubuntu* is mainly about the African understanding of a person which is usually expressed in doing or in the way one relates to others in community.

The way a person relates to others shows the presence of *Ubuntu* or its absence thereof. This idea comes out more poignantly when Desmond Tutu said, "A person with *Ubuntu* is open and available to others, affirming of others, does not feel threatened that others are able and good, for he or she has a proper self-assurance that comes from knowing that he or she belongs in a greater whole and is diminished when others are tortured or oppressed, or treated as if they were less than who they are" (Tutu 1999: 31). Here the implication is that *Ubuntu* is a philosophy of life which is expressed through solidaristic communal existence. This philosophy of life is mainly in doing instead of discourse. According to Munyaradzi Felix Murove,

A person who is mostly preoccupied with their own self-interest at the expense of the wellbeing of the community is not seen as *Muntu* because to such a person relationships with others are only deemed important on the precondition that they help to advance personal interest. It is for this reason that people described such a person as someone *uzicabangela* (Zulu) or *anozvifunga* (Shona) – s/he only thinks for himself or herself to the exclusion of the wellbeing of others (Murove 2016: 186).

In other words, a person who is endowed with *Ubuntu* will always show a sense of concern for others and does not live life solely on the dictates of self-interest. Thus Murove went on to observe that, “One also finds that such a person is described as endowed with *nhliziyo emphi* (Zulu) or *mwoyo wakashata* (Shona) – a cruel heart. To have *nhliziyo emphi* means that such a person has no concern for the wellbeing of the community or those whom s/he lives with” (Murove 2016: 186). Such an observation shows that *Ubuntu* is mainly about doing, that is, what a person does in his or her relationship with others rather than being discursive. MacAllister was mistaken when he expected to expect Africans to discuss the meaning of *Ubuntu* among themselves because among Africans *Ubuntu* is understood as an inherent moral disposition within each and every individual. As an inherent moral disposition, it is expected that the individual will always act in ways that enhances the flourishing of *Ubuntu* in his or her day to day intercourse with others in the community. Nhlanhla Mkhize made a similar observation when he said,

In traditional African thought, human beings are born into a human society and hence the communitarian and concrete (as opposed to abstract) view of the self. Unlike the Hobbesian subjects, who stand in isolation to define themselves as solitary, unattached thinkers, the human being in African thought defines the self with respect to the quality of his or her participation in a community of similarly constituted selves (Mkhize 2008: 39).

In other words, it is *Ubuntu* is not about discussing what it means to be a person, but living life in a way that shows the manifestation of *Ubuntu*. It is a life that is lived on the principle of relationality and interdependence within the community. In African ethical tradition, the essence of a person is also based on the idea of common belonging as opposed to atomic

individualism as we have seen previously in chapter . Individuals are mostly evaluated on the basis of fostering common belongingness in their actions. As stated previously, to be a person is to live in communion with others. It is the communal context that provides with the foundation for personal character. In this regard, John Mbiti puts it well when he said, “The individual can only say: I am because we are, and since we are, therefore I am” (Mbiti 1969: 108). To be is to belong instead of existing as a monad as propounded in the philosophy of Leibnez as we have seen previously. The individual ontology that arises from the African understanding of persons is indispensable from communal belongingness. The individual’s being is thus understood as originally entangled with the existence of others to such an extent that what the individual’s being and becoming cannot be understood in separation from the existence of others. This also implies that the idea of an individual who exists in a state of self-sufficiency is illusory. It is mainly for this reason that *Ubuntu* puts emphasis on community as the main characteristic of what it means to be a human being. Human wellbeing cannot be attained outside communal belongingness. Leopold Senghor puts it well when he observed, “[the African] does not assimilate, he is assimilated. He lives in common life with the Other; he lives in symbiosis... ‘I think therefore I am’, Descartes writes...The negro-African would say: ‘I feel, I dance the Other; I am...’” (Senghor 1964: 72-73). In this mode of thought, the African understanding of a person places emphasis on communal belongingness. Human wellbeing cannot be attained outside communal belongingness. What happens in the community does affect the individual’s wellbeing. The question that arises is the identity of the individual in the ethic of *Ubuntu*. In the light of the above discussion, it can be deduced that the ethic of *Ubuntu* entails the predominance of an understanding of individual identity as something that is derived from one’s natural predisposition to social bondedness.

### **3.4 Social Identity Theory and *Ubuntu***

In the light of the preceding section, it is evidently clear that critics of *Ubuntu* seems to have failed to comprehend the ontological meaning of this

ethical concept when they discussed it as an abstract term that has no bearing on the lives of ordinary people. Some scholars such as Jan Stets and Peter Burke have maintained that

...[i]n social identity theory, a social identity is a person's knowledge that he or she belongs to a social category or group. ...A social group is a set of individuals who hold a common social identification or view themselves as members of the same social category. Through a social comparison process, persons who are similar to the self are categorised with the self and are labelled the in-group; persons who differ from the self are categorised as the out-group (Stets and Burke 2000: 225).

In other words, social identity theory is based on the individual's self-understanding that she or he belongs to a particular community that shares common membership. People are regarded as belonging to a particular social group on the basis of some shared traits. For example, I would like to concretise social identity theory by saying that in *Ubuntu*, a sense of solidarity and common belonging within the community provides the individual with a sense of what it means to be a person. However, Stets and Burke went on to say that, self-categorisation and social comparison are processes that play a pivotal role. As they put it,

The consequences of self-categorisation is an accentuation of the perceived similarities between the self and other in-group members, and an accentuation of the perceived similarities between the self and the other in-group members, and an an accentuation of the perceived differences between the self and out-group members. This accentuation occurs for all the attitudes, beliefs and values, affective reactions, behavioural norms, styles of speech, and other properties that are believed to be correlated with the relevant intergroup categorisation. The consequences of the social comparison process is the selective application of the accentuation of effect, primarily to those dimensions that will result in self-enhancing outcomes of the self. Specially, one's self esteem is enhanced by evaluating the in-group and the out-group on dimensions that lead the in-group to be judged positively and the out-group to be judged negatively (Stets and Burke 2000: 225).

The implication of the above quotation is that the individual can only identify with those who belong to her or his group as opposed to those who are judged as not belonging to one's own group. In this understanding of social identity, the individual sees her identity solely in terms of belonging to a particular group because of the shared values and traits within that

group. This type of identity is exclusive or discriminatory in the sense that those who are not seen as belonging to the in-group are most likely to be seen as less human. In this identity theory, a sense of concern for the plight of others is a concern that is restricted to the in-group, and not to humanity in general. The out-group is only relevant for comparative purposes aimed at boosting self-enhancement. Contrary to this exclusivist theory of social identity as espoused by Stets and Burke, in the African ethic of *Ubuntu* the main understanding of individual identity is that the individual's sense of self has been contributed to by others in one's immediate group and beyond. Thus in the ethic of *Ubuntu*, people are universally recognised as people because of their humanness. Even those who are not related by blood or kinship are regarded as equally belonging to the community. In traditional African culture, the community was not a close knit of tribal relationships, rather one finds that the ideal was that everybody should belong. For this reason one finds that among the Shona peoples of Zimbabwe there is also a concept of *Ukama* through which people who did not share the same totem end up identifying themselves as relatives towards each other. For example, Murove made the following observation concerning the ethic of *Ukama*.

Someone who observes *Ukama* or acts in a way that expresses their indebtedness to relatedness and interrelatedness is commended as *munhu chaiye* (s/he is the epitome of humanness). *Ukama* implies our human belongingness and the need to actualise this belongingness with acts of generosity. As an example; instead of telling someone that they must share their food or material possessions with others, one can always put it in a proverb that says: *Ukama igasva hunozadziswa nokudya* (relationships is a half measure, it finds fulfilment in sharing). In this proverb a selfish person is admonished with a proverbial ethical reminder that *Ukama* is not a theoretical concept, but an existential reality which should be enacted through sharing of food and possessions (Murove 1999: 11-12).

In the light of the above quotation is evidently clear that Shona ethic of *Ukama* is an ethic that fosters our human common belongingness by giving primacy to the reality of relationality. Within this ethic one is inculcated with the idea that one belongs to the larger family of humanity and one's identity is an identity that is inclusively shared with others. In the ethic of *Ukama* the idea of relatedness is not only restricted to human society, rather one finds

that through the totemic system which serves as the foundation of this ethic, human beings are presumed to share some common origin with the natural environment. The founding ancestor of *Ukama* is the totemic species such as eland, elephant, lion, zebra, baboon, fish, to name but a few. In this regard, Murove argued that there was a belief within the ethic of *Ukama* that as human beings we share the same identity with the natural environment (Murove 1999: 24). In other words, what it means to be human and human identity cannot be adequately accounted for purely on anthropocentric terms because our own very human identities have been contributed to by our human societies as well as by the natural environment. Both the concepts of *Ubuntu* and *Ukama* do show that the doctrines of atomic individualism and egoism are an aberration or a misguided philosophical doctrines. The doctrines give the impression that society is primarily composed of individuals who come together whilst they are already possessed with their own personal identities that cannot be subsumed under society as an organic whole. At the human existential level, these African ethical concepts imply that one should exist in a way that demonstrate a sense of common concern for all. This also implies an awareness of the reality that as human beings we belong to a web of interdependence such that our wellbeing cannot be intelligibly extricated from each other.

The issue of interdependence has been identified by many African scholars as the pinnacle of African ethics whereby ontologically a person is not defined in terms of self-realisation as we have seen with western concept of atomic individualism. In the theory of atomic individualism a person is understood as self-sufficient and devoid of any social relations. On the contrary, in African ethics one finds that a person becomes a person through participation in the life of the community whereby action is prioritised as the summation of what it means to be a person. In other words persons are understood in terms of their interdependence on other persons. This interdependence of persons was well observed by Benezet Bujo when he said,

It must be recalled that African ethics does not define the person as self-realisation or as ontological act; rather, it describes the person as a process of coming into existence in the reciprocal relatedness of individual and community...This means that the individual becomes a person only through active participation in the life of the community. It is not membership in a community as such that constitutes the identity: only common action make the human person a human person and keeps him[sic] from becoming an 'unfettered ego' (Bujo 2001: 114-115).

In other words, African ethics gives primacy to reciprocal relatedness of the individual and the community instead of the western understanding of the individual as the subject of self-realisation within his or her interiority. Within this ethical framework, one comes to identify oneself with the immediate community as well as humanity in general. However, Bujo went on to say that, "The person is not defined as an ontological act by means of self-realisation, but by means of 'relations'. This means that the human person in Africa is from the very beginning in a network of relationships that constitutes his inalienable dignity" (Bujo 2001: 117). In other words, personal identity is something that is premised on relationships with others. Thus one finds Ifeanyi Menkiti arguing against the western contractarian understanding of community whereby the community is primarily understood as a collection or association of individuals. According to Menkiti, this western understanding of community presupposes a view of individuals randomly coming together or "a non-organic bringing together of atomic individuals into a unit more akin to an association than to community" (Menkiti 1984: 180). What is implied here by Menkiti is that the African understanding of community presumes it to be an organic whole. As we shall see later on in this study, this African understanding of community as an organic whole has been integral to the debate on African postcolonial efforts and domesticating capitalism through the economic policies of indigenisation. However, In the following chapter I shall pay attention to African ethics and the indigenisation discourse with specific reference to global capitalism.

### 3.5 Conclusion

The above chapter was mainly about the African ethic of *Ubuntu* and appropriation of modern capitalism. Other scholars have wrote about the African ethic of *Ubuntu* with specific reference to its relevance to modern capitalism within post-colonial Africa. Other scholars have maintained that the ethic of *Ubuntu* has some relevance within the global modern neo-liberal capitalist economic system. It was observed that some African scholars such as Mogobe Ramose believed that the global neo-liberal capitalism cannot be appropriated, rather *Ubuntu* remains the main ethical resource for resistance against the contemporary neo-liberal economic system. This resistance towards neo-liberal capitalism is deemed to be self-evident in the implied human solidaristic social existence that is embedded in the African ethic of *Ubuntu*. On the other hand it was shown that other scholars such as Wim van Binsbergen being sceptical towards the efficacy of *Ubuntu* and the appropriation of modern capitalism. This scepticism came out succinctly when he euphemistically characterised the whole discourse on *Ubuntu* as ‘*Ubuntu* industry’ - thus implying that those who see the ethic of *Ubuntu* as suitable for the appropriation of modern capitalism are doing is for business purposes that are contrary to the real ontological meaning of the ethic of *Ubuntu*.

Regardless of the sceptical voices against the efficacy of the African ethic of *Ubuntu* and the appropriation of modern capitalism, the current discourse on the appropriation of modern capitalism in modern Africa has been related to economic indigenisation discourse and the post-colonial government economic policy efforts. The idea that the individual’s identity is communal by nature played a pivotal role in the post-colonial African discourses and policies of indigenisation as a way of appropriating modern capitalism. In the following chapter I shall focus will be given on the debate of the contribution of African indigenous values to the appropriation of modern capitalism in post-colonial Africa.

## CHAPTER FOUR: AFRICAN TRADITIONAL VALUES AND THE APPROPRIATION OF MODERN CAPITALISM

### 4.1 Introduction

In the preceding chapter, we have seen that many scholars in post-colonial Africa have argued that African traditional values can be used as resources for the indigenisation of capitalism in post-colonial Africa. Though capitalism was mediated to Africa through colonialism, the values that have been central to capitalism are individualism and acquisitiveness or greed. As we have seen chapter 3, the traditional liberal capitalistic model of a person was based on the idea that s/he was solely self-interested. In this regard, the belief is that individuals within a capitalistic society will always behave and relate with each other on the basis of pursuing their personal interests, and self-interest is considered to be the main source of motivation.

Capitalistic relations are postulated as originally devoid of any moral sentiments or considerations. The other model of a human being is that the individual does not need community to succeed in life. Individuals are thus presumed to be self-determining in their efforts to achieve whatever they want to achieve in life. The community is nothing else than an association of individuals. This way of thinking presupposes that modern capitalism cannot be appropriated in those societies where the individual is seen as subsisting in the community. Those post-colonial African scholars who wrote on the problem of modern capitalism in Africa have always argued that the emphasis that was given to communal wellbeing in African traditional values was inhibitive towards the appropriation of modern capitalism. This observation implied that the indigenisation of modern capitalism will in actual fact inhibit the appropriation of capitalism in post-colonial Africa.

On the other hand, those critics of indigenisation of capitalism in post-colonial Africa have argued that such a policy had nothing to do with the appropriation of capitalism, but a deliberate policy aimed at creating African capitalists who would end up replacing the previous colonial class of

capitalists. In other words, a deliberate creation of African capitalists violates the fundamental capitalistic ideal which says that a genuine capitalist should be someone who creates his or her own wealth through hard work and frugality. This way thinking also implies that those Africans who become rich through indigenisation cannot be considered as genuine or authentic capitalists. This chapter is weaved around four sections that arise from the issues that were briefly mentioned in this introduction. The first section will discuss the African traditional ethical perspective on greed. In this section I intend to investigate some of teachings of African traditional ethics on greed. The second section provides us with the African traditional ethical perspective on individualism. Here the aim is to investigate the following question: If modern capitalism is connected to the values of individualism, to what extent is the appropriation of modern capitalism feasible in a cultural context such as that of Africa that does not condone individualism? The third section discusses the debate of African socialism as an attempt by African politicians to indigenise capitalism. The fourth section will be a conclusion that is constructed on the three sections that were discussed in the chapter.

#### **4.2 A Comparative Analysis between Modern Capitalism and African Traditional Values**

One of the main reason which has been identified by other scholars in post-colonial Africa is that modern capitalism thrived in a social context where individual greed was acceptable as integral to the working of the capitalist economy. The modern capitalistic presumption of a human being was that s/he was an egoist who acts mainly in pursuit of self-interest or utility maximisation. It is Adam Smith who is considered as the most important thinker about the working of modern capitalism and human behaviour. The most famous idea which was advanced by Adam Smith is the idea that without external interference or directive from government, the economy has a tendency of self-correcting in a way that ensues in the natural allocation and distribution of resources to the extent that in the long run all who participate in it will ultimately get satisfied. In this way of thinking,

Adam Smith was translating the mechanistic worldview of Isaac Newton into a social analysis. For example, in his most celebrated book, *Wealth of Nations* Smith reiterated Newton's laws of gravity and motion as follows: "There is in every society or neighbourhood and ordinary or average rate of wages and profit...[t]his rate is naturally regulated". The source of regulation was what Smith called the market price. For him the market price is naturally predisposed with "a tendency to gravitate around the natural price, but it is always being turned back toward the natural price by the force of interest as manifested in supply and demand" (Smith 1976: 55-56). The novel idea which Smith introduced in capitalist thinking was that without external interference or government regulation, the economy can work on its own more efficiently. A natural mechanism which was analogous to the force of gravity in the Newtonian mechanical law was what he called 'the pull of self-interest' or to put it more pragmatically, 'the pool of greed'.

Individual self-interest or greed was an inert individual psychological state of being that enables harmony or equilibrium within the economy such that government intervention aimed at, let us say, the promotion of social welfare would just be superfluous. He writes, "Without any intervention of law, therefore, the private interests and passions of men[sic] naturally lead them to divide and distribute the stock of every society, among all the different employments carried on in it, as nearly as possible in the proportion which is most agreeable to the interest of the whole society" (Smith 1976: 630). It can be deduced in the above quotation that Smith believed that the passion of self-interest which he regarded as the dominant driving force in human beings works in a way that facilitates in the allocation of resources in the whole economy. Relying on self-interest or individual greed was more assuring than governmental interventions in the economy. Robert Heilbroner summarised Smith's economic theory in the *Wealth of Nations* as follows,

Two great problems absorb Adam Smith's attention. First, he is interested in laying bare the mechanisms by which society hangs together. How it is possible for a community in which everyone is busily following his self-interest not to fly apart from sheer centrifugal force? What is it which guides each individual's private business so that it conforms to the needs of the

group? With no central planning authority and no steadying influence of age-old tradition, how does society manage to get those tasks done which are necessary for survival? These questions lead Smith to a formulation of the laws of the market. What he sought was 'the invisible hand', as he called it, whereby 'the private interests and passions of men' are led in the direction 'which is most agreeable to the interest of the whole society (Heilbroner 1972: 52).

According to the above quotation from Heilbroner, one can easily deduce that modern liberal capitalism was built around the idea that the free market was the arena which helped individuals to pursue their private interests without government intervention. The idea of a free market presupposed an entity which enjoyed some autonomy from all sorts of constraints that are human made. This idea is pivotal to a comprehensive understanding of modern capitalism as it was developed by Smith up to our contemporary times. The popular economic axiom that is an offshoot of Smith's free market is that the economy usually fares well when the laws of the market are respected or are not interfered with through the introduction of superficial human laws aimed at regulating the functioning of the economy. None interference with the laws of the market always resulted in economic outcomes that usually advance the interests of society as a whole. Thus Heilbroner caricatured Smith's understanding of the laws of the free market as follows:

Adam Smith's laws of the market are basically simple. They tell us that the outcome of a certain kind of behaviour in a certain social framework will bring about perfectly definite and foreseeable results. Specifically they show us how the drive of individual self-interest in an environment of similarly motivated individuals will result in competition; and they further demonstrate how competition will result in the provision of those goods society wants, in the quantities that society desires, and at the prices society is prepared to pay. ...It comes about in the first place because self-interest is willing to pay for (Heilbroner 1972: 53).

At the heart of Smith's laws of the free market is the role of self-interest in determining human actions on the market and society at large. Through the motive of self-interest, the individual behaves in a way that ultimately benefits everybody even though that was not the individual's original intention that everybody should benefit. Self-interest was part and parcel of

the law of nature or natural law. The concept of Natural Law was based on the idea that there is a tendency in things to behave according to a predetermined rule. In this regard, Natural Law was a law of the state of nature before positive law or human law. Some Christian thinkers such as Thomas Aquinas would go as far as to say that Natural law can be known through reason. In this way of thinking it became a central dictum of natural law among Christian thinkers that, "The known good must be done and its opposite - evil must be avoided" (Rommen 1948: 71). Natural law was thus identical with the will of God, hence human exceptions were a violation of the divinely willed order. Natural law in the strict sense was an unformulated law resting directly in nature. From the concept of natural law modern Western philosophers developed the idea that human reason was autonomous and that existing human laws "constituted unwarranted fetters", a philosophical view that "was closely bound up with the nascent socio-philosophical individualism" of the 16<sup>th</sup> century's evolution of western rationalism which is sometimes known as the age of the enlightenment era. (Rommen 1948: 76). One finds that among some of the influential western thinkers such as Thomas Hobbes, whom we have seen previously, in human existence the evidence of natural law was in selfishness. Hobbes would thus characterise human existence under natural law or state of nature as 'a war of all against all'. This universal war which typified human existence under natural law was artificially mitigated when humanity decided to submit itself under a covenant before a Sovereign Power. In this regard, Hobbes had this to say, "Therefore, notwithstanding the laws of nature...if there be no power erected or not great enough for our security, every man will - and lawfully - rely on his own strength and art for caution for all other men" (Hobbes 1962: 99). This Hobbesian interpretation of natural law was rather individualistic in the sense that his main presumption was that under natural law, human beings were asocial and were only concerned with their own self-interests or survival without due regard for the wellbeing of others.

This individualistic interpretation of natural law was integral to Adam Smith image of an ideal economic man popularly known as *homo economicus*. On

the market itself this individualistic interpretation of natural was applied by Smith whereby self-interest or egoism was the natural driving power in each and every individual. Smith would put it thus, “It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages” (Smith 1976: 26-27). In this quotation one can easily deduce that self-interest became part of natural law that explains human motivation and actions on the market. When one talks of the market, Smith had thus stated it unequivocally that one was talking of human economic relations that are driven by egoism as the natural impulse in each person. The idea that self-interest was a manifestation of natural law on the market was also intended to give a constraint on the role of the government. This idea is well enunciated by Smith as follows,

All systems of preference or of restraint, therefore, being taken away, the obvious and simple system of natural liberty establishes itself of its own accord...By directing industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, *led by an invisible hand to promote an end which was not part of his intention...*” [my emphasis] (Smith 1976: 413).

It evidently clear that self-interest or greed is being postulated by Smith as the manifestation of natural law instead of human law. The metaphor of ‘the invisible hand’ emphasises the harmony that exists between natural law and the will of God. If individual pursuit of self-interest on the market was already in harmony with the will of God, it therefore follows that human laws aimed at regulating the functioning of the market were unnecessary. This idea was also observed by Heilbroner when he said,

But self-interest is only half the picture. It drives men to action. Something else must prevent the pushing of profit-hungry individuals from holding society up to exorbitant ransom: a community activated only by self-interest would be a community of ruthless profiteers. This regulator is competition, the socially beneficial consequence of the conflicting self-interests of all the members of society. For each man, out to do his best for himself with no thought of social cost, is faced with a flock of similarly motivated individuals who are in exactly the same boat. Each is only too eager to take advantage of

his neighbour's greed if it urges him to exceed a common denominator of acceptable behaviour (Heilbroner 1972: 53).

The presence of self-interest in each human being was something that was implanted by nature such that from being solely concerned with one's own self-interest, the individual ends up promoting social harmony which was previously not part of the individual's intention. Thus 'the invisible hand' became for Smith some kind of "a natural law of the universe, a force that possessed the awesome power to bring good out of [individual] private greed" (Tawney 1926: 51). Since self-interest was synonymous with natural law, without any intervention from governmental laws, Smith stated it succinctly that "the private interests and passions of men naturally lead them to divide and distribute the stock of every society, among all the different employments carried on in it, as nearly as possible in the proportion which is most agreeable to the interest of the whole society" (Smith 1976: 630). This belief in the efficacy of self-interest on the free market was the main basis for Smith's belief that government should not interfere with the market because the market has a tendency of self-correcting its own excesses.

Another important feature of modern capitalism is that of the image of a human being as primarily a utility maximiser. An economic textbook by Richard Lipsey states that the theory of utility maximisation is based on the presumption that, "households or individuals try to make themselves as well off as they possibly can in the circumstances in which they find themselves" (Lipsey 1989: 141). In other words, the main presumption behind the modern economic theory of utility maximisation is that individuals will always act in a way that results in getting as much as possible from whatever they want to eat. This also implies that a human being is greedy by nature because s/he will always want to have the maximum quantity of that s/he has or what to have. An action is economically condoned if it leads to the maximisation of utility. The individual is thus presumed to exist in a subject state of nonsatiety. Alan Hamlin observed that utility maximisation is epistemologically based on instrumental reason or ends rationality. He thus

went on to say that, “[in utility maximisation] it is sufficient to note that egoism, or self-interest, and commensurability are both required components of utility maximisation in its interpretation as a form of ends-rationality” (Hamlin 1986: 17). It is clear in the light of the above quotation that utility maximisation is based on the presumption that human beings are pure egoists and as egoists they do not have any other source of motivation besides the mundane maximisation of utility. Herman Daly and John Cobb argued against utility maximisation on the grounds that, “If nonsatiety were the natural state of human nature then aggressive want-stimulating advertising would not be necessary, nor would the barrage of novelty aimed at promoting dissatisfaction with last year’s model. The system attempts to remake people to fit its own presuppositions. If people’s wants are not naturally insatiable we must make them so, in order to keep the system going” (Daly and Cobb 1994: 87-88). The issue of nonsatiety which is central to the theory of utility maximisation is an economic invention that has nothing to do with human nature. The theory of utility is based on an individualistic understanding of a person because the individual is deemed to be the unit for the measurement of utility.

#### **4.3 The Incommensurability between African Traditional Values and Modern Capitalism**

The above section provided the reader with a succinct summary of modern capitalistic understanding of a person. In this section I shall argue that post-colonial African scholars as well as African politicians have persistently argued that African traditional values were incommensurable with the capitalistic understanding of a human person, hence, this economic system could not be appropriated in the African context. What has raised a lot of debate arises from the observation of the failure of modern capitalism in the post-colonial African context. This debate has been discussed from various perspectives by many scholars. Firstly, the most popular argument of the incommensurability of modern capitalism and African traditional values has been advanced by African nationalists who in their various ways have argued that economically African traditional society was socialistic, hence

capitalistic values that are dominantly characterised by individual private ownership of wealth did not make sense in the African context. Secondly, there are those who argue that African traditional values such as African traditional communitarian values were worlds apart when compared with the values of individualism and greed that are enshrined in modern capitalism. Still on the question of African traditional values, one also finds that there are other scholars who argue that the prestige motive – the ideal of sharing wealth with relatives and neighbours does not augur well with the modern capitalistic values that prioritise thrift and frugality. Thirdly, there are some scholars who agree that African traditional communitarian values were incommensurable with values of modern capitalism but then go on to argue that the very presence of modern capitalism in the African context was mediated by Christianity and Islam.

#### 4.3.1 The Commensurability of African Traditional Values and Socialism

After the attainment of independence from colonial powers, most of the African nationalists became very critical towards the colonially mediated capitalistic modes of production and consumption in their newly independent countries. Since capitalism was mediated to Africa through colonialism, there has been a resentment towards this economic system by African nationalists. Richard Sklar observed that,

In African social thought, capitalism and socialism coexist as binary concepts implanted during the era of colonial rule and anti-colonial struggle. ...Each part of the binary system corresponds to a political tendency or movement. Political and social movements are metaphorical expressions that signify purposeful combinations of thought and action. The terms 'capitalist' and 'socialist' identify the elements of an ideological conflict in Africa... (Sklar 1988: 4).

The debate of socialism versus capitalism came about as a result of the African experience of capitalism as an economic system that was introduced to the colonised Africans by their colonial masters. The struggle against colonialism was also understood as a struggle against capitalism. It is because of this historical legacy that Africa has found itself entangled in a conflict of capitalism versus socialism – the latter being understood as an

economic system that was liberative to those who were subjected under colonial rule. The continuous existence of capitalism in post-colonial African states was interpreted by African nationalists such as Kwame Nkrumah as evidence of the existence of neo-colonialism. In other words, neo-colonialism implies the continuous existence of colonialism in post-colonial African societies. In his book, *Neo-Colonialism*, Nkrumah averred that,

Africa today is the main stamping ground of the neo-colonialist forces that seek the domination of the world for the imperialism they serve. Spreading from South Africa, the Congo, The Rhodesias, Angola, Mozambique, they form a maze-like connection with the mightiest international financial monopolies in the world. These monopolies are extending their banking and industrial organisations throughout the African continent. ...Decolonisation is a word much and unctuously used by imperialists spokesmen to describe the transfer of political control from colonialist to African sovereignty. The motive spring of colonialism, however, still controls the sovereignty. The young countries are still the providers of raw materials, the old of manufactured goods. The change in the economic relationship between the new sovereign states and the erstwhile masters is only one of form. Colonialism has achieved a new guise. It has become neo-colonialism, the last stage of imperialism; its final bid for existence, as monopoly-capital or imperialism is the last stage of capitalism (Nkrumah 1971; 30-31).

It is evidently clear in the above quotation that Nkrumah was critiquing capitalism on the grounds that it perpetuates the existence of neo-colonialism in the decolonised African countries. According to Nkrumah, the economic dominance of yester colonisers was the explanatory reason for the existence of neo-colonialism because these yester colonial powers continue to have an economic influence on their yester colonies. It is capitalism which Nkrumah saw as entrenching neo-colonialism in decolonised African states through monopoly capital as the last stage of capitalism. As for Nkrumah, the African continent has become “a playing ground, not only of the cold war (an aspect of the fight of capitalism for existence against socialism” (Nkrumah 1971: 33). It is clear that the binary economic ideological discourse of capitalism versus socialism was also related to African nationalists’ effort that were aimed at getting rid of neo-colonialism which they saw as symbiotically related to neo-colonialism. Nkrumah’s advocacy for socialism was purely a political strategy whose primary purpose was to

counter the hegemony of monopoly capital or imperialism. It was Nkrumah's conviction that colonial powers were still dominating the post-colonial African scene through monopoly capital. In his earlier work, *Africa Must Unite*, Nkrumah explicitly stated that his advocacy for socialism was based on social egalitarianism in post-colonial Ghanaian context. Nkrumah presumed that socialism was an economic ideology that would promote the common good in Ghana whereby prices of goods would be affordable, houses and education would be accessible to all Ghanaians. Thus he writes,

In Ghana, we have embarked on the socialist path to progress. We want to see full employment, good housing and equal opportunity for education and cultural advancement for all the people up to the highest level possible. This means that: prices of goods must not exceed wages; house rentals must be within the means of all groups; social welfare services must be open to all; educational and cultural amenities must be available to everyone. ...Production for private profit deprives a large section of the people of the goods and services produced. If, therefore, we are to fulfil our pledge to the people and achieve the programme set out above, socialism is our only alternative. For socialism assumes the public ownership of the means of production, the land its resources, and the use of those means in fulfilment of the people's needs (Nkrumah 1970: 119).

Nkrumah's argument for socialism is premised purely on egalitarian grounds - that under socialism everybody will have access to wealth and the means of production. In the light of the above quotation, one can easily deduce that socialism is rather advocated instead of being argued for. Socialism is understood as the only plausible economic system that can promote the common good. On the other hand, capitalism is denigrated on the grounds that it deprives the majority of the people to have access to wealth whilst socialism implies common access to wealth. For Nkrumah, under socialism there is public ownership of the means of production and all the national wealth which has the fulfilment of people's needs as the telos of wealth instead of individual accumulation. Under capitalism, individual accumulation of wealth is a derivation for others. As such, a reconstruction of a post-colonial socialist Ghanaian society was a matter of building a just society. As he put it, "Our aim is the building of a society in which the principles of social justice will be paramount. But there are many roads to socialism, and in the circumstances of our present retardedness, we

must employ all the forces at our disposal while we fashion others which will accelerate our progress towards our goal” (Nkrumah 1970: 120-121). Socialism was about reconstruction a society that is based on social justice. Since socialism was based on justice, it was thus Nkrumah’s presumption that such an economic ideology will inevitably redress issues of social inequality that were entrenched in capitalism as it was transmitted to Ghana under colonialism.

Nkrumah’s advocacy for socialism was also based on a matter of principle – to promote Ghana’s economic independence. Economic independence was the only viable solution to a situation of economic dependence on western powers. For this reason, one finds that Nkrumah was against the modern capitalistic idea of foreign investment which he found to be a defeat of independence.. . In this regard, he had this to say, “It would simply defeat our whole objective of economic independence, for instance, to encourage foreign investment in our development and see the flight of capital from Ghana exceed or even approximate the totality of such investment” (Nkrumah 1970: 123). In other words, foreign investment compromised national independence as it leads to the drainage of national wealth in the sense that one who invests expects some financial return from the investment. For this reason, one can also say that Nkrumah’s advocacy for socialism was partly based on economic nationalism – that the nation should control its wealth and the means of production. Economic nationalisation in post-colonial African states was based on taking over all the extractive sectors of the economy. Socialism provided a wider scope for economic nationalisation. In Nkrumah’s way of thinking, it is evidently clear that Nkrumah was not interested in the appropriation of modern capitalism, rather he was more interested in destroying capitalism and after which he would replace it with socialism. As we have seen previously, the continuous existence of capitalism in post-colonial Africa implied the perpetuation of neo-colonialism. His detest towards modern capitalism is more nuanced when he said,

The socialist objective implies the universal good of the nation, and in the interests of that socialist objective it will be necessary for all of us to forgo some immediate personal desire for a greater benefit a bit later on. Speedier development out of surpluses or social services in the interest of the community confer more advantages upon a greater number of people than would increase wages for certain groups of workers. But as productivity rises appreciably and the socialist base of the economy extends through increasing public ownership of the means of production, the government will not only be able to mobilise a greater surplus for use in the interests of the country, but will be in a position to reward labour for its greater exertions by increased wages (Nkrumah 1970: 123).

In the light of the above quotation it can be deduced that Nkrumah equated socialism to 'the universal good of the nation' whereby the socialist objective implies sacrificing present enjoyment for the future greater benefit. Increment in productivity results in greater public ownership of the means of productions and greater future wages for the workers. One can caricature this way of thinking by saying that under socialism everybody will materially well off like everybody else. Nkrumah's socialism was a typical example of western classical socialism which was based on Jeremy Bentham's theory of utilitarianism. For western utilitarians, as Ingrid Rima puts it, "Instead of supporting the existing social order, their interpretation of the utilitarian principle of the 'greatest good' proposed a more egalitarian system of income distribution, in which individuals would receive the whole product of their labour" (Rima 2001: 200). The ethical theory of utilitarianism was based on the idea that an action can be considered to be ethical when it promotes the greatest good or happiness to the greatest number of people. Joseph Schumpeter proffered four arguments against the use of utilitarianism in modern economics. He writes,

First, utilitarianism hypotheses are completely valueless in questions of interpretations of history or in questions touching the moving forces of economic history. Second, utilitarian hypotheses are worse than valueless in all problems involving questions of actual schemes of motivation, for example, in such a problem as the economic effects of inheritance. Third, utilitarian hypotheses are in fact basic to that part of economic theory that is usually referred to as Welfare Economics...We adopt these hypotheses habitually when discussing such problems as the effects of transfers of wealth from the relatively rich to the relatively poor. ...Fourth, in the field of economic theory in the narrowest sense of the term, utilitarian hypotheses are unnecessary but

harmless. For instance, we can state and discuss the properties of economic equilibrium without introducing them (Schumpeter 1986: 134).

Schumpeter's criticism of utilitarianism is based on the premise that the main concern of economic analysis in modern capitalism is the individual and his or her interests and not the promotion of the common good as implied in the ethical theory of utilitarianism. The way how the economy functions renders utilitarian hypotheses useless. If economic analysis is based on the understanding of the individual behaviour as an egoist and utility maximiser, it becomes illogical for someone to presume individual economic actions as orientated towards the promotion of the greatest good for the greatest number of people. Other scholars have argued that there is no evidence that socialism has been good in creating wealth for the greatest number of people. However, it is not clear how socialism in post-colonial Africa was going to fulfil the utilitarian functions that were envisaged by Kwame Nkrumah. Mazrui argued against socialism on the grounds that that such an ideological posturing violated the "issues of historical continuity". Thus he writes, "Most African economies have already been deeply integrated into a world economy dominated by the West. African countries that turn socialist domestically find that they are still integrated within the world capitalist system. The rules of that system are overwhelmingly derived from principles evolved in the history of capitalism. In international trade, countries seek to maximise their return and acquire profit. The rules of business and exchange at the international level, the banking system which underpins these exchanges, the currencies used in money markets and in meeting balance of payments, are all products of the capitalist experience" (Mazrui 1983: 286). What is being argued by Mazrui is that an attempt to introduce socialism in the African context would violate the principle of historical continuity because post-colonial African economies were fully immersed in the global capitalistic system which they inherited from colonialism. Mazrui went on to argue that whilst post-colonial African countries might adopt socialist policies domestically, the fact that they

remain integrated in the world capitalist economic system make them remain perennially dependent on that capitalistic system (Ibid).

However, instead of arguing for socialism from Marxist perspective as what Nkrumah did, some African nationalists argued that African traditional values were commensurate with socialist values. As such, one finds that the argument was not that of appropriating capitalism, but a rejection of capitalism on the basis that capitalistic values were not compatible with African traditional values with regards to material things. Julius Nyerere argued explicitly that traditional African collectivism was some form of socialism. The idea of the commensurability of African traditional collectivist values and socialism was well captured by Nyerere when he said,

Traditionally we lived as families, with individuals supporting each other and helping each other on terms of equality. We recognised that each of us had a place in the community, and this place carried with it rights to whatever abilities and energies we had. The old, and the sick, or those whose crops had been destroyed by natural disasters, were not left alone in their suffering. Other people shared with them, and did so without any feeling on their side that this was charity from the better off, or involved any loss of human dignity for the one who was...in need...the community was a unity in which every individual was important, and among which goods available were shared without great inequality. This attitude, is basically what we mean by saying that traditionally African society was a socialist society (Nyerere 1968: 198-199).

In the light of the above quotation one can easily deduce that Nyerere was advancing the observation that African traditional society was a knit society in which a sense of concern for the wellbeing of others dominated social relations. On the basis of this observation he thus concluded that African traditional society was a socialist society. Underlying the idea of African socialism was a rejection of modern capitalism because of its connection with colonialism. William Friedman and Carl Rosberg observed that upon the attainment of independence from colonialism, the quest for an African indigenous identity gave rise to the discourse of African socialism. As they put it,

Part of the search for identity consists of discovering ostensible roots of African socialism in indigenous society. ...The essential contention is that Africa has always contained much indigenous socialism. Among the various elements of traditional socialism cited are the communal ownership of land (or the nonownership of land by individuals on a private basis), the egalitarian character of society (or the low degree of stratification), and the extensive network of social obligations that led to considerable cooperation. The existence of these traditional elements is held to represent indigenous socialism. Not only do they represent a set of roots for African socialists, but it is believed that their existence will facilitate the creation of modern economic institutions on a socialist basis. It is thus held that capitalism is not an appropriate economic form because it is 'unnatural' to Africa (Friedman and Rosberg 1964: 5).

In the light of the above quotation, the quest for African socialism carried with it a rejection of capitalism on the grounds that it was an economic system that was not commensurate with African traditional values. Socialism was regarded by many African nationalists as native to African indigenous values. In other words this had nothing to do with the appropriation of modern capitalism, rather, it was an outright rejection of capitalism. The focus was thus to indigenise socialism instead of capitalism. In this way of thinking, it is evidently clear that capitalism was regarded as foreign to African culture. For Leopold Senghor Africans were endowed with a particular way of thinking that shows that makes them socialists by nature. On the basis of African reasoning had had this to say, "[African reason] is essentially instinctive reason, which pervades all these values, because it is reason of the impressions, reason that is seized. It is expressed in the emotions, through an abandonment of self in an identification with the object; though the myth, I mean by images - archetypes of the collective soul, especially by the myth primordially accorded to those of the cosmos" (Senghor 1964: 50). What is implied in this characterisation of African thought is that Africans were by nature not individualistic. This was a rejection of the doctrine of atomic individualism which is central to capitalism. In this regard he states it explicitly that, "Negro African society is collectivist, or, more exactly, communal because it is rather a communion of souls than an aggregate of individuals...". Hence, "Africa had realised socialism before the coming of the Europeans..." (Senghor 1964: 29). The

discourse of African socialism was totally about an outright rejection of modern capitalism. In the lecture that he delivered at the University of Oxford, “African-Style Socialism”, Senghor had this to say,

Among the values of Europe, we have no intention of retaining capitalism, not in its nineteenth-century form at least. Of course, private capitalism was, in its early days, one of the factors of progress, just as feudalism was in its time... Today it is an out-of-date social and economic system - like federalism, like colonisation. And, I would add, like the imperialism in which it found its expression (Senghor 1964: 264).

In the light of the above quotation, it is evidently clear that the appropriation of capitalism has never been an issue for African nationalists such as Senghor, rather their preoccupation was in giving a narrative that should give a death knell to it. Capitalism was to be replaced by what he called African socialism. In this way of thinking, the ideal was built socialism on the foundation of African traditional values. Whilst he said that African socialism was going to borrow from some elements of European socialism such as such as power of the state being put in workers, collective ownership of property, a classless society and a planned economy, African socialism was to be based on what he called “*economic democracy and spiritual freedom*” [his italics] (Senghor 1964: 265). What is implied by ‘economic democracy and spiritual freedom’ is ability of the majority of the people to decide on how the economy should be managed as well as to express their spiritual belief systems. Senghor went describe the uniqueness of African socialism as follows,

With this prospect before us, we have decided to borrow from the socialist experiments - both theoretical and practical - only certain elements, certain scientific and technical values, which we have grafted like scions onto the wild stock of Negritude. For this latter, as a complex of civilised values, is traditionally *socialist* in character in this sense; that our Negro-African society is a classless society, which is not the same as saying that it has no hierarchy or division of labour. It is a *community-based society*, in which the hierarchy - and therefore power - is founded on spiritual and democratic values; on the law of primogeniture and election; in which decisions of all kinds are deliberated in a Palaver, after the ancestral gods have been consulted; in which work is shared out among the sexes and among techno-professional groups, based on religions... Thus, in the working out of our African Mode of Socialism, the problem is not how to put an end to the exploitation of man by his fellow,

but to prevent it ever happening, by bringing political and economic democracy back to life; our problem is not how to satisfy spiritual, that is cultural needs, but how to keep the fervor of the black soul alive [his italics] (Senghor 1964: 265).

Senghor's main argument which was a commonly shared argument among African nationalists hinged on the premise that African traditional society was communitarian therefore it was socialist. Capitalism was rejected primarily on the grounds that it was based on the values of individualism which were considered to be foreign to African culture. These African nationalists did not bother to take into account the workings of the capitalistic economic system which they had inherited from colonialism and how best they could appropriate the same economic system within their post-colonial societies. Of interest to these nationalists was on how best to end the capitalistic modes of production and not to appropriate capitalism. As I said previously, the thrust of African socialism argument was not on how to make capitalism work, but how to reject it by emphasising those African traditional values that are deemed incommensurate with modern capitalisms. In this regard, socialism is discussed as an economic system that existed in traditional African communities before the advent of capitalism through colonialism or imperialism. In the same vein, one finds Tom Mboya, the then minister of labour in Kenya saying that,

When I talk of 'African socialism' I refer to those proved codes of conduct in the African societies which have, over the ages, conferred dignity on our people and afforded them security regardless of their station in life. I refer to universal charity which characterised our societies and I refer to the African's thought processes and cosmological ideas which regard man, not as a social means, but as an end and entity in the society. ...When I think of African socialism I also have in mind those ideals and attitudes of mind in our tradition which have regulated the conduct of our people with the social well as the objective. I think it is worth while emphasising the fact that these ideals and attitudes are indigenous, and that they spring from the basic experience of our people here in Africa and even here in Kenya. It was not difficult to learn and practice them because they were expressed in the language of the soil, which our people understood, and not in foreign slogans (Mboya 1964: 251-253).

For Mboya, African socialism emanated from African humanistic values whereby a person was regarded as an end in himself or herself. African socialism was based on traditional African values that regulated the behaviour of people in society. Those values of African socialism were indigenous in the sense that they are culturally specific to the African context. Here again it can be deduced that the thrust of Mboya's conceptualisation of African socialism was not about the appropriation of capitalism, but rather to show how radically African socialism differed from modern capitalistic way of thinking in the sense that it fostered a collectivistic approach to economic development instead of being individualistic as is the case with modern capitalism. Whilst modern capitalism mode of thought is individualistic and futuristic, African socialism is based on the presumption that African needs to reconstruct itself by appealing to the communitarian values of the African past. The African socialism discourse was another way of trying to indigenise capitalism when seen from the perspective of cultural relevance.

However, other African nationalists such as Kenneth Kaunda of Zambia adopted the term African humanism instead of socialism. In this description of this African humanism proffered a scathing critique against modern capitalism as an economic system that was inherently anti-humanistic. Thus he writes,

Humanism cannot be reconciled with a class system. ...*God has made Man to be free, free from any want.* The only question is whether this freedom is to come about peacefully or violently. *The haves have been warned.* The have-nots will rise against the haves whether the haves like it or not. ...We must constantly think of ways and means of controlling and regulating the evil intentions in Man for more and more personal wealth. This is important, Greed is the starting point towards the creation of of a capitalist society. For example, we all know that food is good for the growth of both body and soul. But if one does not control and regulate one's eating habits the body breaks down and suffers from all sorts of illnesses. Indeed, lack of attention to diet can lead to untimely death. The same is true of greed for wealth. We want money to create a good life for ourselves and our families, but this must be controlled and regulated so that, like the overblown gourmand, we do not die a moral and spiritual death from being too rich. Too much of anything, even of the best things, is, without exception, bad in the end! ...We need to produce,

we must produce, but the result must be *common wealth* [his italics] (Kaunda 1975: 20).

It abundantly clear in the above quotation that Kaunda was against some of values of modern capitalistic economic system which I have outlined previously. For him, a capitalistic society was antihumanistic by virtue of dividing society into classes and the primacy that is given to greed or self-interest. Whilst modern capitalism as it was developed from Adam Smith onwards taught that greed was the primary reason for the flourishing of wealth and that without individual greed there would not be any industries and entrepreneurs, Kaunda's African humanism is based on a vehement detest for greed. People were not supposed to be greedy for wealth and though greed was part of human nature, it is also clear in the above quotation that Kaunda believed that in a humanistic society that greedy has to be controlled and that the goal of wealth production as to ensue in a socio-economic condition where such wealth is owned in common. Capitalism was to be rejected because it was based on the exploitation of fellow human beings by a few who are owners of capital. As he puts it, "Our humanism will not allow us to use our superior skills to exploit the less-endowed by organising them into a labour force which does not get a fair return of its work. A humanist accepts that capital must be rewarded, but capital alone, without labour, land and management, cannot produce anything" (Kaunda 1975: 77). Here again one can easily see that Kaunda was wholly against modern capitalism. Like other African nationalists, his African humanism was not so much about creating a vibrant or prosperous economy, but redistribution of wealth. His anticapitalistic stance is more nuanced when he said,

*Participatory democracy in our economic life means that all major means of production and distribution be placed in the only safe repository of power, which is the people themselves. Just as we are doing everything in our power to democratise all our political institutions, so we are under an obligation to do precisely the same thing insofar as economic and financial power is concerned. ...no individual will be allowed to run a business concern that earns him a gross profit margin which goes beyond K500,000 per annum. Anything beyond this will be taken over either by the State, city, municipal or rural*

council, township management board, co-operative, credit union, thrift society or indeed a public corporation, on agreed terms [his italics] (Kaunda 1975: 79-81).

It can be deduced in the above quotation that Kaunda was against private ownership of the means of production as it is the practice in a capitalistic society. Also, the very idea that there was a stipulated limit to what the individual can accumulate does show that Kaunda's main preoccupation was not about appropriation of modern capitalism, but on how to destroy it. In Kaunda's humanist society individual entrepreneurship and dexterity was not recognised as it was viewed as an expression of being antisocial. Such an attitude becomes a fatal blow to capitalism because individual entrepreneurship and dexterity are considered as keystones to economic development and national prosperity. Kaunda was not interested in appropriating capitalism with the intention of creating wealth, rather his main interest was suppressing the modern capitalistic modes of wealth creation.

Like other African nationalists, Kaunda's African humanism was mainly inspired by the belief that traditional African society was collectivist, hence modern capitalism incompatible with this traditional collectivist ethos. In this vein he writes, "The tribal community was an inclusive society. By this I mean the web of relationships which involved some degree of mutual responsibility was widely spread. I would describe industrial society as an exclusive society because its members' responsibilities are often confined to the immediate family..." (Kaunda 1966: 29). Here the presumption is that modern capitalistic industrial society was incommensurate with African collectivist values. In this regard capitalism is rejected on the grounds that it thrives on the ethic of individualism. Same argument was also made by Michael Gelfand when observed that in traditional African society in Zimbabwe,

All clansmen are materially equal in their Tribal Trust Lands, since no land can be bought or sold and each man receives just sufficient on which to grow enough food for his family. As all the men in the clan area claim to be brothers, it is most important in order to avoid jealousies that no one is more

wealthy than the rest. If any man finds himself in strained circumstances, one of his brothers will help him without expecting repayment. ...Western man on the other hand is individualistic and acquisitive and likes to add to what he already has, is hard to satisfy, has no sooner achieved one goal than he will strive for another. He spends his life increasing what he has acquired, adding more and more to it and growing wealthier, more powerful and more learning. With many people the desire to become rich becomes an obsession. It assumes an urge that is never satisfied. A person may become a millionaire but is still not content (Gelfand 1981: 15).

In the light of the above quotation, Gelfand is saying that African traditional society is characterised by equality and a sense of contentment with the material things which one has. In such a traditional setting, the value of sharing material possessions with others is highly priced. He contrasts this African attitude to material things with the western capitalist societies which are dominated by values of individualism and endless acquisitiveness which defies any rational explanation. It can be deduced from this way of reasoning that Gelfand is arguing that African traditional society was collectivist, hence capitalistic values were incommensurate with African traditional values. By implication it means that socialist values are commensurate with African traditional collectivist values.

The argument of a collectivist African traditional society as commensurable with socialism was also made by the former president of Zimbabwe, Canaan Banana in his book titled, *Towards a Socialist Ethos* as follows, “For us the ethic of collectivism and the African system of the extended family remains the only positive and redemptive force in a world where there is so much paralysing coldness and insensitivity to the plight of the marginalised and the dispossessed. African tradition and culture maintains that we are our brother’s keeper. ...We believe that the individual must die in order to find his or her self within the context of the collective” (Banana 1985: 13). Again one can easily see an appeal to African collectivist values as incommensurable with capitalistic individualistic values. The ideal was that material possessions should be shared with everybody.

A critique that has been made against African nationalists and their argument of African socialism is that such an ideological economic stance produced disastrous economic consequences in post-independent African states. This argument of African socialism was not so much thought of in terms of economic development but rather it was mostly politically motivated. It seems the argument of African socialism was mainly motivated by the general frustration with modern western capitalistic modes of social development. This argument was well articulated by Mazrui when he said,

A...consideration which has contributed to the favourable intellectual climate for socialism in Africa concerns the accumulation of frustration over efforts to develop Africa through Western patterns of economic growth. Many Africans are seeking alternative strategies of social and economic improvement out of a sheer sense of desperation at the inadequacies of the first decades of independence. In reality, socialist experiments in post-colonial Africa so far have not yielded any greater improvement for the masses than other experiments. On the contrary, sometimes the social costs of socialism in Africa have indeed been rather high (Mazrui 1986: 188-189).

In other words, Mazrui is arguing that there is no empirical evidence that can show that socialism has worked in post-colonial Africa. The socialist experiment in post-colonial Africa has led to a situation of economic decay. The economic situation prior to the socialist experiment was far much better. Country after country of post-colonial African states that embarked on the socialist experiment has experienced economic decay. If socialist values were commensurable with African traditional values of collectivism as it was claimed by African nationalists the question that arises is, why then did African socialism fail in post-colonial Africa? Mazrui's answer to this question is that post-colonial Africa lacked "organisational capabilities" to effectively bring about a socialist society. Thus he puts it, "Many hastily assume that a history of collectivism in a traditional setting is a relevant preparation for organised collective efforts in a modern setting. Unfortunately, much of the evidence points to the other way. Collective effort based on custom and tradition and kinship ties leaves Africa unprepared for the kind of organised collectivism that needs to be based on command rather than custom on efficiency rather than empathy, on

rationality rather than ritual” (Mazrui 1983: 285). Mazrui’s argument here is that African traditional values were not commensurate with the values of socialism which are mostly based on command, efficiency and rationality. In his other book, *The Africans*, Mazrui argued that the whole post-colonial African nationalist argument of African socialism was unintelligible when seen in comparison with post-colonial Africa’s material conditions. He writes,

But while the resources of Africa were indeed being incorporated into world capitalism, the people of Africa were not being transformed into effective capitalists. Africans were, on the whole, objects in a game of capitalism rather than subjects. They were basically pawns in a bourgeois chess game. It is in this sense that Africa’s central economic problem in the post-colonial era is not too much capitalism but too little. ...Effective capitalism has yet not arrive. If the genius of capitalism is production, the genius of socialism is distribution. And yet one cannot distribute poverty or socialise the means of non-production. Africa will need to develop a productive capacity before it can meaningfully implement a programme of distribution. At least to some extent Africa has to become capitalist before it can genuinely become socialist (Mazrui 1986: 233).

In other words, it was unintelligible for post-colonial Africa to vouchsafe for socialism whilst economic productivity was poor. African nationalists were supposed to intensify capitalist production before they even think of socialistic policies of wealth redistribution. It was a matter of logic for Mazrui when he said that redistribution presupposes the existence of something to redistribute. Thus Mazrui concluded that what was required in post-colonial Africa was a development of a strong capitalistic base before one can even contemplate of socialism implementing socialism. Since the thrust of socialism was main orientated towards equitable distribution of wealth, it is obviously unintelligible for one to contemplate or even implement policies of distribution in the absence of that wealth which is supposed to be distributed. The African socialism experiment had a rather devastating effect to both the private and public sector. The private sector was subjected to lots of legislative restrictions which were inherently inhibitive towards individual entrepreneurial creativity. On the other hand, the public sector became the main employer for the majority of the

population even though it was not making profits. This inevitably led to economic stagnation and ultimate decay. Many developmental theorists have come to realisation that after decades of economic stagnation and decay in post-colonial Africa, what was needed was to promote a capitalistic spirit of entrepreneurship. As these developmental economists put it,

The key to the solution of the current African malaise is a release of the energies of the many million African producers, both men and women. The encouragement of African entrepreneurship is essential. Where indigenous entrepreneurship flourishes and markets develop, it will also become easier to attract foreign capital. Thus there is a synergy between indigenous and international business (Cited in Sklar 1988: 13).

Developmental economists are overwhelmingly of the view that the African socialism experiment inhibited the spirit of entrepreneurship among Africans because people were not given room to take up business initiatives. As a result those post-colonial African countries that implemented policies of African socialism experienced exponential economic deterioration. On the final analysis the solution that was given by multilateral lending institutions such as the International Monetary Fund (IMF) and the World Bank were based on the economic principles of neo-liberal capitalism. The implementation of neo-liberal capitalist policies was thus prescribed to most of the post-colonial African states in a programme that came to be popularly known as Economic Structural Adjustment Programme (ESAP). Acceptance of this programme became the precondition for borrowing funds from the World Bank and the IMF as to assist most of the African states who were in economic distress. The following were some of the recommendations that were integral to ESAP as a fully-fledged neo-liberal capitalist solution in the aftermath of the failure of African socialism experiment:

- elimination of price controls in conjunction with measures to increase competition and avoid monopolies and cartels, whether by parastatals or by private business;
- gradual reduction of exchange controls balanced by reduced protectionism in the industrial countries;
- elimination of counter-productive red tape in regulatory systems devised by governments for business enterprise;
- reform of the parastatal sectors, including privatisation as a tool and not as an end in itself;

- credit facilities and technical assistance for small businesses and farming;
- product specialisation among countries and other devices to enhance the viability of regional markets (Cited in Sklar 1988: 13).

In the light of the above World Bank and IMF solution, government was supposed not to interfere in the functioning of the economy and promote free market policies, privatisation of parastatals. ESAP policies were also called policies that were aimed at promoting economic recovery. This economic recovery was also understood as aimed at arousing the spirit of capitalism in post-colonial Africa. Sklar described the ESAP policies as post-colonial African embrace of the spirit of capitalism. Thus he writes, "Today, the spirit of capitalism in Africa is broad, and away from the shadow of desiccating doubt. It is manifest in the privatisation policies of many governments, the virtual abandonment of socialistic economic strategies by once-doctrinaire regimes (e.g. Benin, Congo, Angola, and Mazambique" (Sklar 1988: 14). The African socialism experiment was going against the popular working of capitalism as discussed in the previous section. The IMF and World Bank ESAP policies were aimed at injecting the spirit of capitalism as a panacea to post-colonial Africa's economic malaise. But what is the spirit of capitalism?

As we have seen in chapter 2, the concept of the spirit of capitalism was coined by a Germany sociologist Max Weber who alleged that the rise of modern capitalism in Europe and North America was the result of the religious teachings of reformed Protestantism which emphasised modern capitalist qualities which were about thrift, hard work and being frugal. For Weber it was some of these teachings of reformed Protestantism in Europe and North America which became stimulant to the spirit of modern capitalism. Such an ethic was conducive to the rise of modern capitalism because it emphasised hard work and saving money instead of sharing one's economic fortunes with others. Thus the thrust of spirit of capitalism was to make money and to save it. Each individual was accountable for his or her actions in terms of what s/he does with her wealth. The Protestant ethic was also based on individualism. As we have seen previously, some scholars have alleged that the problem behind Africa's failure to appropriate the spirit of

capitalism should be traced to the history of this economic system in Africa – that capitalism was introduced to Africa through and expropriation of resources from the colonised Africans without necessarily being accompanied by hard acquisition work.

This observation was made by Mazrui as follows, “Capitalism arrived in Africa with the imperative of acquisition without the discipline of work and frugality. The white man himself in Africa set a dangerous example. He never washed his own clothes, or cooked his own food, or polished his own shoes, or made his own bed, or cleaned his own room, or even poured his own gin and tonic” (Mazrui 1990: 493). What is implied in the above observation is that capitalism was mediated to Africa without the Protestant ethic. Colonialism was more about plundering which Max Weber characterised as booty capitalism or imperialist capitalism. According to Weber, “In general and at all times, imperialist capitalism, especially colonial booty capitalism based on direct force and compulsory labour, has offered by far the greatest opportunities for profit. They have been greater by far than those normally open to industrial enterprises which worked for exports and which oriented themselves to peaceful trade with members of other polities” (Weber 2009: 168). In other words, the type of capitalism that was transmitted to Africa through colonialism was remarkably different from the capitalism that existed in Europe where the Protestant ethic provided the moral foundation of modern capitalism. In the colonised African context, capitalism was thus identified with the plundering of resources through the use of force. Murove observed that,

The African experience of colonial capitalism was based on an economic system that was mainly acquisitive with unprecedented expropriation of land and minerals from indigenous African peoples. Economically, colonialism was an era of the unleashing of greed upon the defenceless colonised indigenous people. Under colonialism, African minerals, fertile lands, sacred sites and wild life sanctuaries were ruthlessly expropriated from the indigenous African population to the benefit of individual colonialists without any compensation. Most of those colonial acquisitions were legitimised in some law which made it difficult for indigenous Africans to claim back that which was expropriated from them (Murove 2018: 14-15),

In the light of the above observation the argument that is being proffered is that capitalism arrived in Africa without any amoral foundation, rather it became the driving motive for colonial expeditions. As we have seen in the preceding discussion, most of the African nationalists were against capitalism on the grounds that it was the handmaid of colonialism. In as much as colonialism was rejected as an oppressive foreign political system that was forcibly imposed upon the majority of indigenous African people by violence, the same outlook towards capitalism was also expressed by many African nationalists. As we shall see in the following chapter, the contemporary discourse of economic policies of indigenisation seem to derive their inspiration from the desire by post-colonial African governments to make capitalism indigenous to the African post-colonial African context. Mazrui is more nuanced on the failure for the appropriation of modern capitalism in the post-colonial African context when he said,

The greatest mockery about Western imperialism does not lie in its promotion of capitalism in Africa, it lies in its failure to do so. ...the West destroyed traditional African economies without really creating capitalist foundations to replace them. In this sense, the problem of dependency in Africa is about who controls capitalism within Africa, rather than about the merits of capitalism as such (Mazrui 1986: 215).

In such observations one can easily deduce that capitalism was not appropriated in post-colonial Africa because of Western imperialism or colonialism which created an economic situation of dependency instead of entrepreneurship among Africans. The way how capitalism was transmitted to Africa through imperialism was dovetailed by the distortion of modern capitalist values. This point comes out more strongly when he posed the following question, “In what sense did Western imperialism fail to create African capitalism?” Mazrui went on to say that “the answer lies in the phenomenon of distorted capitalist transmission”. In this distortion, “Western imperialism transmitted capitalist greed to Africa - but without capitalist discipline. It transmitted the profit motive - but not entrepreneurial persistence and risk-taking. Western materialism was transferred to Africa, but not Western rationalism” (Mazrui 1986: 215).

Because of imperialism, the transmission of capitalism to Africa was about greed which was not accompanied by some of the modern capitalist values such as thrift and frugality which were described by Weber as pivotal to the ascendancy of modern capitalism in Western societies. Moreover, Western materialism was readily accepted in post-colonial Africa without being accompanied by Western rationalism – this is the idea that an economic action is only justifiable on the basis of utility maximisation or the individual concerned. But some scholars such as Sklar would argue that Africa's economic development did not lie in the binary debate of capitalism versus socialism. As he puts it, "In sum, socialism needs capital and lacks a theory of incentive; capitalism needs the state and lacks a theory of social responsibility. The African economies need private capital, purposeful state participation, powerful incentives, and public responsibility for the general standard of living. These common requirements for social progress can only be met by judicious mixtures of capitalism and socialism" (Sklar 1988: 18). In other words, both socialism and capitalism have their own advantages and disadvantages. For this reason, Sklar is advocating a mixture of both economic systems. But as we have seen previously, within an African context that is characterised by extreme poverty as a result of economic underdevelopment some scholars such as Mazrui have argued that what is needed in Africa is the real spirit of capitalism instead of socialism.

However, there are some scholars who have argued that despite the post-colonial African socialism experiment, during the colonial era, the spirit of capitalism was appropriated through the introduction of the Christian and Islamic religions. The main argument which is put forward by these scholars as we shall see in the following section is that these two foreign religions were endowed with some teachings that inherently favoured an individualistic outlook towards life. This individualistic outlook towards life was thus regarded as indispensable for the ascendancy of the spirit of entrepreneurship among Africans during the colonial era.

#### 4.4 Christian and Islamic Values and the Appropriation of Modern Capitalism in Africa

As shown in the preceding discussion, Max Weber advanced a sociological theory which focussed on the influence of the Christian religion towards the rise of modern capitalism in Western societies. Weber studied the influence of religion in various spheres of human existence such as economic, political, aesthetic, erotic, intellectual life and theodicy. For example, in his study of some of the Protestant sects in the United States he made the following observation, “Admission to the congregation is recognised as an absolute guarantee of the moral qualities of a gentleman, especially of those qualities required in business matters. Baptism secures to the individual the deposits of the whole religion and unlimited credit without any competition. He is a ‘made man’. ...In general, *only* those men and success in business who belonged to Methodist or Baptist or other *sects* or sectlike conventicles”. Weber went on to say that, “When a sect member moved to a different place, or if he was a traveling salesman, he carried the certificate of his congregation with him; and thereby he found not only easy contact with sect members but, above all, he found credit everywhere. If he got into economic straits through no fault of his own, the sect arranged his affairs, gave guarantees to the creditors, and helped him in every way, often according to the the Biblical principle...” (Weber 2009: 305). In other words, conversion to a religion enabled the individual to feel that s/he is chosen as a special person among the rest of other individuals in society. For Weber, by virtue of conversion to a religion, the individual was accorded some economic advantage such as ease access to credit which s/he could otherwise not have had s/he not been a Christian. In this way, belonging to a religious sect was understood as synonymous with being morally trustworthy in one’s business dealings. Hence, according to Weber, “It is crucial that sect membership meant a certificate of moral qualification and especially of business morals for the individual. This stands in contrast to membership in a ‘church’ into which one is ‘born’ and which lets grace shine over the righteous and the unrighteous alike. Indeed, a church is a corporation which organises grace and administers religious gifts of grace, like an endowed foundation” (Weber

2009: 306). Thus for Weber, religious sects were more convenient for the shaping of an individual's capitalistic character as compared to the traditional churches such as the Catholic Church, Anglican Church and the Lutheran.

Weber's primary interest as insinuated previously was to investigate how religion influenced the rise of modern capitalism. The type of religion which he found to have the causal influence in the rise of modern capitalism was reformed Protestantism or the Puritans whose religious teaching was based on the belief that individuals were capable of achieving their own destinies without external interference. This implied that religion was a matter of individual affair qua individual. According to George Ritzer, Weber's understanding of the Protestant ethic and the spirit of capitalism was based on the idea that "it is people's duty to ceaselessly increase their wealth". Hence, "This takes the spirit of capitalism out of the realm of individual ambition and into the category of ethical imperative" (Ritzer 1996: 148). The ethical imperative became the justification of thrift and frugality in the making of money which was seen as integral to the individual's divine calling. Some post-colonial African scholars have argued that whilst the spirit of capitalism had existed in Africa south of the Sahara, of great significance is the role that was played by Christian missionaries in instilling the spirit of modern capitalism among Africans.

#### 4.4.1 The Christian Religion and the Spirit of Capitalism in Africa

John Iliffe argued that the spirit of capitalism was already in existence in pre-colonial Africa. He observed that by 1848 in a port in eastern Nigeria a Presbyterian missionary by the name of Hope Masterton Waddell preached the gospel of Christianity and capitalism to the eastern Nigerian people of Old Calabar and only to discover that the people of Calabar already practised the spirit of capitalism: As Waddell put it,

I preached the way of wealth from the word of God, industry, honesty, economy, temperance, knowledge, and the blessing of God; warning against idleness, sloth, gluttony, drunkenness, ignorance, waste, and bad company, as the sure way to poverty and ruin. Seeing the company did not look pleased, I asked the king what

ailed them. He said, that they knew all that themselves already (Cited in Iliffe 1983; 44).

The practice of being diligent in the pursuit of wealth was something that existed in pre-colonial African societies. The accumulation of wealth was also related to competition for social prestige in these pre-colonial African societies. Thus all those vices that were deemed incompatible with the single minded pursuit of material possessions were to be avoided. In the southern part of Zaire, pre-colonial historians recorded that the Kuba people are said to have taught their young men who were going through initiation that laziness was an evil which was synonymous with witchcraft (Iliffe 1983: 44-45). In other words, such observations tend to undermine the idea that the Protestant ethic provided the causal rationale for the rise of modern capitalism. But pre-colonial African economic practices cannot be compared to modern capitalistic practices. For this reason, Iliffe went on to investigate the contribution of Christianity to pre-colonial African economic transition to modern capitalism.

In the investigation of the contribution of Christianity to pre-colonial African economic transition to modern capitalism Iliffe observed that in Zambia there emerged successful farmers and shopkeepers who were colloquially known as *bawina* – the winners. Most of these *bawina* were predominantly Jehova’s Witnesses’ converts from the Lala people. Thus he writes,

...membership [to Jehova’s Witnesses] encouraged commercial success in three less direct ways. First, certain of the Witnesses’ specific teachings aided a businessman: the importance of literacy (in order to read the scriptures), the careful use of time, the notion that to acquire skills was to have them ready for the New Kingdom. Second, to be a Witness was to belong to a solidary community whose mutual trust gave its members an entrepreneurial advantage. And finally, since the Lala were a matrilineal people but the teachings of the Witnesses favoured patriliney, to become a Witness provided an ideological justification for cutting unwanted ties with matrilineal kin, who might otherwise eat up the profits of the enterprise, and for replacing their often inefficient assistance with hired labourers paid in cash. Among the Lala, then, it was not simply that Jehova’s Witnesses became capitalists, but that aspiring capitalists became Witnesses (Iliffe 1983: 45-46).

In the light of the above quotation, it is clear that the Christian religion in the form of the Jehova's witnesses' sect enabled the emergence of the spirit of capitalism among the Lala people in Zambia in three ways that departed from the traditional Lala ways of life. The Christian religious ways that were introduced to the Lala people was literacy, solidarity among Jehova's witnesses and a radical break with the bonds of matrilineal traditional practices that were deemed prohibitive to individual entrepreneurial efforts. Thus those who wanted to become capitalists among the Lala had to become Jehohava's Witnesses first. This is typically an echo of the Weberian theory that the Protestant ethic as espoused by the Puritans aided the rise of the spirit of modern capitalism in the West and North America. Iliffe's advocacy of the Weberian Protestant ethic and the spirit of capitalism in post-colonial Africa is more nuanced when he further affirmed that,

Such specific, identifiable links between Christianity and capitalism have been common in Africa. The traders of Lagos who established plantations on the mainland in the late nineteenth century, for example, were mostly zealous members of independent churches and created a symbiotic relationship between their and their plantations. Migrant labourers working on the plantations were taught independent Christianity. On returning home they sometimes founded daughter congregations and invited their employer-pastor to visit them. ...Christianity, then, could facilitate entrance into the role of capitalist. Could it also facilitate entrance into the role of worker, of anonymous member in large-scale capitalist society? (Iliffe 1983: 46).

Thus according to Iliffe, Christianity facilitated the appropriation of capitalism among Africans in the sense that it offered Africans with a radical break from the clutches of African traditional society and its inhibitive mores towards the ethic of entrepreneurship. Whilst Weber had attributed the Protestant ethic and the rise of modern capitalism to the Puritans, for Iliffe it was Christianity in general that acted as a stimulant to the appropriation of the spirit of modern capitalism in colonial Africa. Iliffe went on to say that in Ivory Coast Albert Atcho, an Ivorian and an entrepreneur preached a peculiar type of Christianity which helped towards appropriation of the Spirit of capitalism among the Ivorians because the emphasis of his message was on enjoying life to the fullest within the present. The following are some of the extracts from Atcho's preaching:

“What is the happiness that you desire to have? First, children, to be well paid in your job, to find a place of employment rapidly, to succeed in planting, and to have a better life” (Cited in Iliffe 1983: 47). It is evidently clear that such type of preaching was wholly materialistic in the sense that it instilled the idea that the individual’s happiness relied in the material things s/he accumulates. For Atcho, the ideal human being to be emulated by his followers was supposed to be a European. As he puts it,

If it were possible to see God, if there were someone whom one could see, it would not a black man whom one would see but a white. Being white Himself, He created like Him the one who directly resembled Him. He confided to him all the notions, all the facilities and the technical abilities. That is why the whites are in advance of us. But in drawing nearer to God again our-selves, we shall become like our elder brothers with the white men (Cited in Iliffe 1983: 47).

In other words, for Atcho the white man was an ideal person for a black person to emulate because of his technical achievements. Since the white man was made in the image of God it was only logical that the black man should imitate the white man in all that he does. Believing in God was a prerequisite towards coming nearer to the white man. However, Iliffe went on to say that, at Bregbo where Atcho undertook his ministry, those who came to him for confession expressed tensions in their lives. He writes,

More important, the confessions showed that many maladies were due to tensions between old kinship ties and the individualism demanded by the new Ivorian society. ...Atcho healed individuals; he did not stress the restoration of harmony to groups. He taught his patients not to believe that they suffered misfortune because they had been bewitched – the persecutive notion normal in small-scale agricultural societies. But he did not teach them to ascribe their misfortunes to their own guilt and thereby to internalise it and achieve individual, personal responsibility. Rather, he offered an escape from the full strains of individualisation by assuring his patients that their maladies were divine punishments for collaborating with the actions of the devil, and it was these actions that were vividly described in the thousands of imaginary confessions. In that it is the function of prophetism to ease historical transitions, Atcho was the prophet of Ivory Coast’s transition to capitalism. And it was entirely in keeping with the association of spiritual force with material prosperity that he should have been not an ascetic but a wealthy entrepreneur. Connections of this kind between Christianity and capitalism are familiar enough within European history and I need not illustrate them further (Iliffe 1983: 47-48).

What is implied by Iliffe in the above quotation is that Christianity taught a message of individualism which was apparently conducive to the appropriation of capitalism in the Ivorian society. The Christian religion also provided a radical break from African traditional belief systems. One can easily deduce the influence of Weber's *Protestant Ethic and the Spirit of Capitalism* in Iliffe's account of the appropriation of capitalism in Africa. Other scholars have maintained that the teachings of the old churches were conducive to the appropriation of capitalism in Africa instead of the independent churches that were rather rebellious to the colonial establishment. Inus Daneel studied the rise of independent churches in Zimbabwe after which he deduced,

On the basis of occupational differences members of the mission churches tend to preponderate in the 'upper class' in Chingombe. Salaried clergy, teachers, clerks and businessmen in the rural centres form the elite of the local community. This is the group that builds Western style houses and drive cars, which are increasingly becoming symbols of status and wealth as opposed to the traditional standard of owning livestock. Independent Church members are more numerous in the 'middle class' of skilled and semi-skilled labourers, who include members of government services such as the police, road and rail transport, and tradesmen such as builders, tailors and carpenters. ...*A significant conclusion is that the Independent Churches do not appeal only to the economically under-privileged.* In other words, any simplistic theory that there is a direct correlation between the rapid growth of the Independent Churches and the lot of the impoverished sector of rural society is plainly untenable. The indications are that where these churches have an impact on the ranks of the 'poor' and recruit them as members, they immediately encourage them to improve their economic positions [his italics] (Daneel 1987: 119-120).

Daneel is echoing Weber's thesis as he ties membership in independent churches to entrepreneurship and economic success. However, Daneel's argument is can be refuted on the grounds that some independent churches in Africa have been known to be too traditionalistic to the extent that their formation has been predominantly motivated by the need to preserve African traditional values. For example, a Church called Johanne Apostles of Marange in Zimbabwe is notoriously known for downplaying the importance

of education and seeking treatment from modern hospitals. Followers of this independent church are encouraged to marry at a younger and tender age. Business enterprises are usually created with the aim of supporting their huge families as polygamous marriages are part and parcel of the tradition of this church. Such a church can hardly be said to be in the position to aid the appropriation of capitalism. However, apart from the role of the Christian religion in aiding the appropriation of modern capitalism in Africa. It seems the role of traditional churches is more emphasised when it comes to the appropriation of modern capitalism than that of independent churches. According to Paul Kennedy, "Church membership provided religious justification, spiritual protection and practical assistance for the converts in their struggles to disentangle themselves from the demands of their matrikin and concentrate instead on building up their business and nuclear family interest" (Kennedy 1988: 142). Thus the Christian religion contributed to the appropriation of capitalism in Africa as those African converts became capitalists by virtue of disentangling themselves from the communal demands of African traditionalism. However, some scholars have also observed that since Christianity was not the only foreign religion in Africa, the Islamic religion played a significant role in the appropriation of capitalism in sub-Saharan Africa because its teachings was also based on some of the values conducive for the appropriation of modern capitalism.

The Islamic religious teachings the insisted the virtues of sobriety, obedience, self-discipline and hard work are thus deemed to have played a critical role in the appropriation of capitalism in Africa. These religious virtues are understood to have played a critical role for the success of capitalistic institutions in colonial Africa. Charles van Onselen in his study of forced labour, *Chibaro* in Southern Africa observed that in the newly established mine compounds, mine owners "came to realise that not all religious activity was threatening, or incompatible with industrial activity. The majority of religious teachings were conservative, and the values of the protestant ethic, such as obedience and service, could be put to good use in the [mine] compounds" (van Onselen 1976: 185). In such observations it is

evidently clear that van Onselen is saying that religious values helped mine owners in their inscription of African labour. In this regard, Islam played a critical role in instilling discipline and hard work among the African mine workers. He writes,

Mine managers were also willing to acknowledge that sobriety, hard work and obedience were not exclusively Christian attributes. For the black followers of Islam, who came from Nyasaland, mosques were allowed to be constructed; and at both the Cam & Motor and the Globe and Phoenix mines they became part of compound life. The teachings of Mohammed were considered to meet so well the requirements of industrial life... (van Onselen 1976: 186).

Here the implication is that the Islamic religion was found to be more conducive to the smooth mining activities of western capitalist settlers. In the same vein, John Iliffe also observed that the Giriama of the Kenyan coast who became accumulators of wealth “had become Muslims, usually as a result of possession by an ‘Islamic spirit’ and at least to the extent of observing Ramadan and eschewing alcohol and impure meat”. Iliffe went on to say that, “This enabled them to withdraw from much Giriama social life and its accompanying drain on their funds, just as Jehovah’s Witnesses could withdraw from unwanted matrilineal ties. By the 1960s, moreover, the accumulators were beginning to intermarry and thus create the group solidarity which was another potential advantage of minority status” (Iliffe 1983: 48-49). In other words, Islamic religion helped to promote the spirit of capitalism among the Giriama people of Kenya in a way that was similar to the Christian religion. From the influence of Islam in east Africa Iliffe went on to investigate the influence of the Islamic religion in West Africa. AS he puts it,

For that aspect of Islam’s relationship with capitalism we must turn to the long-standing Islamic culture of West African savanna. There the association of business communities with particular Islamic brotherhoods is long established. By 1900, for example, all the North African traders in Zinder (in modern Nigeria) belonged to the Sanusi brotherhood, which enforced contracts among them and provided them with services all the way across the Sahara to Tripoli. During the twentieth century somewhat similar patterns appeared among West Africans. One such innovation was the growth of the Reformed Tijaniyya, a brotherhood of Senegalese origin which was introduced to Kano in northern Nigeria in 1937 and was thought thirty years later to have gained the adherence of more than half the

city's men. In Kano the Reformed Tihaniyya performed several functions. It reinforced the emirate's autonomy within the Sokoto Caliphate, whose official brotherhood was the rival Qadiriyya. It encouraged a genuine spiritual earnestness and popular participation (Iliffe 1983: 49-50).

It can be deduced from the above quotation that Iliffe is arguing that Islamic brotherhoods that were entrenched in capitalist business practices facilitated the appropriation of capitalism in West Africa. Through these Islamic brotherhoods, those Africans who converted to the Islamic faith were able to carry out their entrepreneurial activities. Also, the formation of these Islamic brotherhoods presupposed that its members set themselves apart from the rest of the traditional community and its traditions and mores. Iliffe would thus go on to say that, "Nevertheless, African Islam offers almost rich a variety of relationships between religious ideology and capitalist action as can be found within Christianity. ...There is very little indication that indigenous religious institutions aided the emerging capitalist" (Iliffe 1983: 51-52). Traditional African society is thus portrayed as inherently inhibiting the appropriation of the spirit of capitalism or the ascendancy of modern capitalism in Africa. Paul Kennedy (1987: 142) echoed Iliffe when he alleged that "conversion of some young entrepreneurs to the Islamic faith [followed] a long period of psychological tension and physical illness induced by the possibility of conflict with the elders whose status and power were threatened by the younger men's activities". Here again we have the motif of a radical break with African traditional society that was influenced by the Islamic religion as the enabling factor towards the appropriation of the spirit of capitalism. Some Africans who fell ill were usually diagnosed as being possessed by Islamic spirits "whose appeasement required nothing less than the religious conversion of those unfortunate enough to become possessed". Religious conversion to the Islamic faith fostered a new way of moral outlook that would later on become a catalyst factor towards the appropriation of the spirit of capitalism. In this vein, Kennedy writes, "Once this had occurred, the Islamic ban on the consumption of alcohol and certain foods, as well as the need to follow a partly separate ritual and social life, all provided the opportunity for

entrepreneurs to reduce their level of involvement in traditional society. Yet this behaviour no longer incurred community displeasure since it was now judged to be religiously determined rather than the result of selfish individualism". Conversion to Islamic faith enabled Africans to undertake entrepreneurial activities without fear of reprobation from African traditional community as the behaviour of the converts to the Islamic faith became religiously justifiable.

However, whilst the appropriation of modern capitalism is attributed to Christianity and the Islamic religion, the above scholars tend to agree on the idea that the African traditional religion was incompatible with the spirit of modern capitalism. Individual entrepreneurial success in traditional African societies has been always attributed to witchcraft or sorcery. The question that has been raised in this regard has to do with how Africans understood capitalism within their traditional settings. There is a motif among scholars which says capitalistic economic practices that thrived on individualism were prone to be seen as manifestations of witchcraft. The medical anthropologist, Michael Gelfand observed that among the Shona people of Zimbabwe, witches are believed to feed on human flesh. He writes,

Human flesh is believed to be the most powerful of a witch's medicines. These medicines may be used to cause harm or they may be used for socially acceptable purposes, for luck in gambling, for example, or success in business, or to obtain good crops; nevertheless, by their nature they are evil, and their use is held to convey an unfair advantage over others in the community (Gelfand 1991: 175).

The traditional African belief in witchcraft caused them to see successful entrepreneurial activities as the results of witchcraft. In the same vein, Iliffe observed that, "Many rural Rhodesians were said in the 1960s to believe that a successful trader must have buried the heart of a close relative under his counter. The Sukuma people of northern Tanzania long ascribed the success of pioneer cotton farmers to the fact that they had some zombies work for them. It was probably an indication of the different levels of capitalist development in the two societies that African witchcraft beliefs had a powerful levelling equality..." (Iliffe 1983: 54). Because of the values of

individualism in capitalism, it became inevitable that capitalistic economic activities came to be interpreted as a manifestation of witchcraft.

Another factor which has been propagated by Western anthropologists as mitigating against the appropriation of modern capitalism is that Africans were mainly lovers of cattle. These cattle, it is alleged, were seen as a symbol of economic status and they were also used in religious rituals. The colonial anthropologists L. Marquard and T. G. Standing wrote that,

Obviously, the first, and often the only, concern of primitive people is to keep themselves alive and get enough to eat. ...The normal life of the Bantu before Europeans came was in keeping cattle, tilling the ground, and hunting game. ...The ruling passion of most Bantu men's life was cattle. Cattle were movable reservoir of food, though rarely killed except to propitiate the spirits; they were the only form of money and fines...and gifts were paid in cattle; they were the chief if not the only mark of wealth and prosperity... (Marquard and Standing 1939: 20).

The implication of this anthropological observation about traditional African societies is that before the advent of colonialism, the African economy evolved around cattle breeding. Whilst cattle breeding was the pinnacle of African traditional economic outlook, there is strong evidence that prior to the advent of colonialism Africans were involved in the mining of copper, gold and iron as well as farming of various crops. However, most of the economic activities of Africans in traditional societies were mainly based on the value of subsistence instead of overaccumulation of wealth as we find in modern capitalism. Karl Polanyi, an Austrian economic historian observed that the idea of a free the western free market economy was something evolved in Western societies and did not have some form of universal origins in all human societies. In Western societies capitalism evolved with a peculiar understanding of a human being and labour which was not universally shared in all societies. He writes,

To separate labour from other activities of life and to subject it to the laws of the market was to annihilate all organic forms of existence and to replace them by a different type of organisation, an atomistic and individualistic one. ...This effect of the establishment of a labour market is conspicuously apparent in colonial regions today. The natives are to be forced to make a living by selling their labour. To this end their traditional institutions must be

destroyed, and prevented from re-forming, since, as a rule, the individual in primitive society is not threatened by starvation unless the community as a whole is in a like predicament. ...There is no starvation in societies living on the subsistence margin (Polanyi 1968: 163).

In the light of the above observation, the argument which Polanyi is making is that in traditional African societies the economic practice of subsistence promoted equality among all members of the community. No one hoarded wealth at the expense of other members of the community. Thus the problem of hunger and material deprivation did not exist. Polanyi went on to allege that, "It is the absence of the threat of individual starvation which makes primitive society, in a sense, more human than market economy, and at the same time less economic. Ironically, the white man's initial contribution to the black man's world mainly consisted in introducing him to the uses of the scourge of hunger" (Polanyi 1968: 164). In other words, capitalism was not a natural state of human beings within African traditional societies whose economies were based on subsistence. Within such an economic system, the advancement of human wellbeing was considered to be more important than individual pursuit of profits through endless accumulation of wealth. As we have seen previously in the argument of African socialism, the dominant idea was that African traditional societies were collectivist or that they practised some form of traditional socialism that was based on egalitarian values. Polanyi went on to aver that what was happening in African through colonialism was something which happened to European societies in the eighteenth century during the evolution of modern capitalism in those societies. Thus he writes, "Now, what the white man may still occasionally practice in remote regions today, namely, the smashing up of social structures in order to extract the element of labour from them, was done in the eighteenth century to white populations by white men for similar purposes" (Ibid). Here it is important to note that Polanyi is arguing that the current modern capitalistic practices were actually engineered at some point in time in European history. In other words, modern capitalism was not necessarily an economic system that evolved with human nature time immemorial, rather it was an economic system that came into being as a

result of deliberate human political legislations that were aimed at bringing about specific economic outcomes.

With reference to indigenous African societies, some scholars have argued that the modern capitalistic economic system cannot be appropriated because of its individualistic and mechanistic presumptions about a human person as solely a utility maximizer. These scholars have argued that African societies give prime value to prestige - the belief that wealth is there to be shared with others in community. For example, Mazrui argued that whilst the concept of private property was not foreign to African indigenous economic systems prior to the advent of colonialism, private property was curtailed by traditional customs (Mazrui 1977: 23). In the same way, the idea of private land which can be bought and sold was foreign to African customs because land was understood as something that belongs to the community as a whole. Whilst modern capitalism operated under the ideal that in his or her economic relations the individual is originally self-interested or greedy, African traditional value systems were based on the idea that the individual belongs to the community, and that wealth should be enjoyed in common. Jomo Kenyatta emphasised the primacy that is given to the prestige motive in indigenous African communities when he said, "The selfish or self-regarding man has no name of reputation in the Gikuyu community. An individualist is looked upon with suspicion and is given a nickname of *mwebongia*, one who works for himself and is likely to end up a wizard" (Kenyatta 1953: 119). The primacy that is given to the prestige motive is thus enough evidence to the argument that indigenous African traditional values were incommensurable with capitalistic values. In African traditional culture, as Benezet Bujo aptly puts it,

Avarice was one of the most detestable vices, Hence, the border between this avarice and frugality is unclear in Africa, because saving money, for instance, could be taken as an excuse for refusing to offer necessary assistance to others. This may explain why even today people in Africa do not hesitate to organise big feasts with relatives, friends and acquaintances and to spend money lavishly in order to keep human contacts as close as possible (Bujo 1998: 163).

But the question that arises is: If modern capitalism was built upon vices such as avarice, to what extent can such an economic system be appropriated in post-colonial Africa where avarice is highly detested? Whilst African governments, as we have seen in the preceding section, have attempted to devise policies that would eventually lead to the appropriation of capitalism, Guy Hunter cautioned that, “[In post-colonial Africa] The moral element has been equally strong. It is felt as a revulsion against the sufferings and inequalities of growth as it was achieved in the West; a revulsion particularly against private enterprise, not only because it had been disfigured by greed and exploitation but for its associations in Africa – capitalism, imperialism, colonialism” (Hunter 1967: 119). In other words, the moral element in African indigenous culture had a retarding effect towards the appropriation of modern capitalism in post-colonial Africa as well as the inevitable conceptual association of capitalism with colonialism and imperialism.

#### **4.5 Conclusion**

This chapter discussed some of the critical issues that have been central to the discourse of appropriation of capitalism in post-colonial sub-Saharan Africa. In this chapter I have argued that what has been found problematic in the quest for the appropriation of modern capitalism is that this economic system is weaved around an understanding of a person as individualistic and selfish who actions are solely motivated by utility maximisation. On the basis of this presumption, modern capitalism theory postulates that the individual quest for material possessions is insatiable. On the basis of a succinct summary of modern capitalistic understanding a human being and his or her economic relations, I went on to discuss the problem of incommensurability between African traditional values and modern capitalism. The argument of the incommensurability between African traditional values and modern capitalism gave rise to post-colonial African socialism experiment. African nationalists such as Kwame Nkrumah, Julius Nyerere, Leopold Senghor, Tom Mboya, Kenneth Kaunda and Canaan Banana, just to mention a few argued in their various ways that socialism was

indigenous to African values. On the basis of this presumption, the economic developmental orientation became that of indigenising socialism instead of capitalism. Thus capitalism was to be rejected mainly on the grounds that it was based on values of individualism which these African nationalists considered to be foreign to African indigenous values.

It was also argued in this chapter that the African socialism economic discourse in postcolonial Africa was not about the appropriation of capitalism, but the outright rejection of capitalism as it was deemed to be incommensurate with African indigenous values. The African socialism argument was not so much about economic development, rather it was politically motivated in the sense that the salient aim was to rebel against capitalism because of its historical symbiotic relationship with colonialism. In support of the above argument, there are other post-colonial African scholars who argued that the African socialism experiment ruined the economies of all those states in which it was implemented as a national developmental economic policy. This chapter also raised the argument of the appropriation of capitalism in post-colonial Africa. The argument about the appropriation of capitalism in post-colonial Africa was discussed in relationship with Weberian theory of the Protestant ethic and its causal influence to the rise of modern capitalism in Western societies. Some scholars argued that Christianity and Islam facilitated the appropriation of capitalism in colonial Africa. These religions are regarded to have promoted the capitalistic ethic of individualism by emphasising the idea of individual responsibility as well as dissociation of individuals from communal obligations - thus focusing solely on their entrepreneurial activities. These foreign religions are regarded to have taught Africans capitalistic values such as thrift, frugality, discipline and hard work. In this regard, we found that these scholars who have adopted the Weberian Protestant ethic theory tend to forge some convergence of thought on the idea that African traditional or indigenous religion was incompatible with the spirit of modern capitalism.

Finally, in this chapter there are some anthropologists who have maintained that African traditional society cannot be regarded as a suitable foundation for the appropriation of capitalism. In support of this argument some scholars maintained that capitalistic entrepreneurial practices have often been associated with witchcraft in the sense that a successful entrepreneur is suspected of practising witchcraft against the community. Another argument that was made against the appropriation of the spirit of capitalism was that the African economic outlook was rather based on subsistence instead of thriving for endless accumulation of wealth as it is the case in modern capitalism. It is for this reason, the scholars who proffered this argument deduced that the prominence that is given to morality in indigenous African cultures had a retarding effect towards the appropriation of modern capitalism in post-colonial Africa as well as the conceptual association of capitalism with colonialism and imperialism. In Chapter 5 my aim is to discuss how the quest for the appropriation of capitalism in post-colonial Africa has led to the contemporary discourse of economic indigenisation or Black Economic Empowerment (BEE) policies.

## CHAPTER FIVE: ECONOMIC INDIGENISATION/BLACK ECONOMIC EMPOWERMENT AND THE APPROPRIATION OF MODERN CAPITALISM IN POST-COLONIAL AFRICA

### 5.1 Introduction

In the preceding chapters we seen that various ethical issues have been raised with regards to the suitability of modern capitalism as a viable economic system for post-colonial Africa's economic developmental problems. The indigenisation of capitalism has been regarded by post-colonial African governments as the ultimate panacea to Africa's economic problems. The term economic indigenisation is sometimes referred to as Black Economic Empowerment (BEE). As we have seen in chapter 4, after attaining independence from their various colonial powers, many African states in sub-Saharan African embarked on various economic reform programmes that were mainly aimed at not only giving a radical break from modern capitalism as it was introduced to Africa through colonialism, rather economic experiments such as African socialism should be seen as earlier attempts by African nationalists to appropriate modern capitalism by trying to infuse African traditional values in this economic system.

Indigenisation or Black Economic Empowerment has been adopted by many post-colonial African governments as an ethical imperative economic policy that is aimed at redressing the economic inequalities that have been perpetuated by colonialism and apartheid in the case of South Africa. In order to redress the economic inequalities of the past, BEE/indigenisation is thus aimed at deliberately creating policies that will enable black people to participate in the national economy. Modern capitalism in post-colonial Africa is thus regarded as a foreign economic system that was introduced to Africa through colonialism. As a foreign economic system, proponents of BEE/indigenisation have argued that such an economic system can only be appropriated through active participation of the majority of the African population in the mainstream of the economy.

Another argument which is put forward by proponents of BEE/indigenisation in post-colonial Africa is that political power without economic amounts to perpetuating the legacy of colonialism or apartheid within the post-colonial or post-apartheid political dispensation. The main presumption is that political power should be complemented by economic power. Deliberate economic empowerment is thus presumed to ultimately lead to the appropriation of modern capitalism. Here the idea is not to come up with a unique form of African capitalism, but to enable the participation of black people through legislation so that they will control the national economy in the long-run.

Apart from the above introduction, this chapter is comprised of five sections. The first section will define BEE/indigenisation so as to orientate the reader on the meaning of these terms in the scope of this dissertation. In the second section I will discuss the relationship between indigenisation/BEE and the legacy of colonialism in post-colonial Africa. The third section will provide some analysis of indigenisation/BEE policies with specific reference to two countries – South Africa and Zimbabwe. This analysis will also make reference to other sub-Saharan African countries where indigenisation/BEE policies were implemented. In the fourth section I will discuss some of the ethical issues that arise from indigenisation/BEE as a policy for economic development aimed at redressing the legacy of colonialism and apartheid. Finally, I will conclude this chapter by drawing on some points that I deem to be of great significance to the chapter.

## **5.2 The meaning of Indigenisation/BEE**

The word indigenisation is a verb which is derived from the noun ‘indigenous’. The word indigenous is derived from the Latin word, *indigema*. The *Shorter English Dictionary* defined the word indigenous as 1. “Born or produced naturally in a land or region; native to (the soil, religion, etc). 2. Native, vernacular” (Onions et al 1973: 1057). Whilst there is no settled agreement among scholars on the meaning of indigenous, there is some convergence of thought on the understanding of the term indigenous as

meaning being born or native to the land. According to Lotte Hughes, anthropologists

...tend to use the term indigenous people to describe a non-dominant group in a particular territory, with a more or less acknowledged claim to be aboriginal - a word now used (with an initial capital letter) for the indigenous peoples of Australia in particular. But in its broadest sense, aboriginal simply means 'original inhabitants'. They are the people who were there first, who may also call themselves First Peoples or First Nations (Hughes 2003: 11-12).

Indigenous people are thus understood to be the original people who inhabited a particular area before the arrival of tribes/ethnic groups or nations. Indigenous people are the original people who existed in a particular area before the advent of any other people from without. According to the above definition, nomadic people who usually move from place to place in search of greener pastures for their livestock can hardly be considered as indigenous people. Since many black people who are currently the majority of the population in Southern Africa are historically said to have originated from central Africa they do not qualify to be called indigenous people in the light of the definition that has been given to us by Hughes.

The International Work Group for Indigenous Affairs (IWGIA) has the following definition,

Indigenous peoples are the disadvantaged descendants of those peoples that inhabited a territory prior to the formation of a state. The term indigenous may be defined as a characteristic relating the identity of a particular people to a particular area and distinguishing them culturally from other people or peoples. When, for example, immigrants from Europe settled in the Americas and Oceania, or when new states were created after colonialism was abolished in Africa and Asia, certain peoples became marginalised and discriminated against because their language, their religion, their culture and their whole way of life were different, and perceived by the dominant society as being inferior. Insisting on their right to self-determination is indigenous peoples' way of overcoming these obstacles. Today many indigenous peoples are still excluded from society and often even deprived of their rights as equal citizens (Cited in Hughes 2003: 13).

In the light of the above definition, indigenous people are those people who lived a particular territory before the formation of a state. This means that such people are the ones who belonged to that particular territory before their territory was taken from them through conquest. It is also important to note that indigenous people became marginalised or discriminated on the basis of religion, culture and their way of life is regarded as inferior by the dominant culture. Usually the dominant culture is the culture of the conquerors. Indigenous peoples' way of life and their religious belief systems are usually regarded as primitive. The belief that indigenous peoples were primitive was dovetailed with the idea that they needed to be modernised or taught Western ways of doing things. The United Nations provided the working definition of indigenisation as follows,

Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing in those territories, or parts of them. They form at present nondominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal systems (Hughes 2003: 15).

According to the above definition, indigenous people are regarded as those in the minority of society. Though they are in the minority, they do pass on their cultural heritage from generation to generation. However, the above definition is problematic in the sense that it discounts Bantu speaking people as indigenous people because the people who would qualify as indigenous are the Koi-San people who are historically considered to have inhabited Southern Africa before the invasion of southern Africa by the Bantu speaking people. In this regard, the Koi-San regard the Bantu speaking people of Southern Africa as immigrants or invaders. Another problematic issue that arises in the concept of indigenous is related to other peoples who are not African but they were born and raised in Africa and their ancestors were all buried in Africa. However, the dominant understanding of indigenous people is related to the idea that those who were colonised

qualify to be called indigenous people. The idea that black people suffered economic deprivation under colonialism and imperialism seems to have guided the rationale behind indigenisation as an economic policy.

However, as a socio-economic policy, indigenisation is aimed at redressing the injustices of the past as a result of colonialism and imperialism. Adebayo Adedeji (1981: 32) said that, "Throughout the ages and in various countries the basic objective of indigenisation has formed the cornerstone of economic policy, albeit in varying degrees. ...The English mercantile laws, for example, were designed to conserve foreign exchange, to monopolise the trade of the colonies, to reserve essential raw materials for English industries...". As such, he went on to deduce that, "To merely equate indigenisation with Africanization is to trivialise it". Thus for Adedeji indigenisation has been integral to the evolution of modern capitalism in many Western societies. Karl Polanyi argued that the capitalistic creed of liberalism was not something ahistorical, rather, in the English society this creed could be traced to 1830s. For example, "after the political victory of the middle class, in 1832, the Poor Law Amendment Bill was carried in its most extreme form and rushed into effect without any period of grace. *Laissez-faire* had been catalysed into a drive of uncompromising ferocity" (Polanyi 1967: 137). In other words, the legalisation of *Laissez-faire* was an attempt by the ruling class in the British society to protect their own wealth against government policies that were aimed at promoting social welfare.

In post-colonial Africa indigenisation has been construed in terms of African experiences of colonialism and apartheid. In this vein, Munyaradzi Murove gave the common arguments that are usually given by proponents of indigenisation in post-colonial Africa as follows,

- (1)The African economy under colonialism and apartheid was based on giving business opportunities to whites as opposed to black people, hence to redress this colonial economic legacy, it is imperative that the post-colonial African government should give preference to black people in all sectors of the economy.
- (2) Since capitalism has been the handmaid of colonialism and apartheid, the continuous existence of this economic system under the hands of those who were the beneficiaries of colonialism and apartheid can only

perpetuate neo-colonialism in post-colonial or post-apartheid South Africa. (3) Real political power is in the hands of those who own and control the economy. It follows that political power will remain inadequate without economic power by those who were previously disadvantaged to own and control all the sectors of the economy. For that to happen, it is indispensable that government legislative authorities should enact laws that promote BEE/Indigenisation/Africanisation in the modus operandi of companies and in the issuing of tenders. In so doing, economic power is being transferred to those who were previously disadvantaged. (4) Capitalism in Africa has helped to promote the westernisation of Africans and operated in ways that only helped to serve western economic needs. To reverse such a scenario, post-colonial Africa needed to domesticate capitalism, and the most effective way towards the domestication of capitalism was for black Africans to wrest control of this economic system such that African values, modes of production and consumption should become prominent in this economic system. Hence the post-apartheid economic policy of BEE/Indigenisation is regarded as the most effective economic policy towards the domestication of capitalism (Murove 2010: 49-50).

According to Murove, the above four points are a summation of the rationale behind indigenisation as a socio-economic policy. As an economic policy, indigenisation is aimed at transferring economic power into the hands of those who were historically disadvantaged because of colonialism and apartheid in the case of South Africa. Indigenisation is about controlling or owning an economic system which was previously under foreign control or domination. The primary aim for economic indigenisation is to ultimately appropriate or domesticate capitalism. If capitalism remains in the hands of the yester colonisers and oppressors, the majority of the previously oppressed will remain economically destitute. Thus government policies are aimed at actively enforcing economic indigenisation.

The government of Zimbabwe promulgated what it called *Indigenisation and Economic Empowerment Act* (Part I, b) in which it says, “indigenisation’ means a deliberate involvement of indigenous Zimbabweans in the economic activities of the country, to which hitherto they had no access, so as to ensure the equitable ownership of the nation’s resources”. The Act went on to say, “indigenous Zimbabwean means any person who, before the 18<sup>th</sup> April, 1980, was disadvantaged by unfair discrimination on the grounds of his or her race, and any descendent of such person, and includes any

company, association, syndicate or partnership of which indigenous Zimbabweans form the majority of the members or hold the controlling interest...”. The above definition means active participation of indigenous Zimbabweans in the economy of the country to which they were previously deprived from participating through colonialism. Indigenous Zimbabwean is defined as a person who experienced discrimination on the grounds of race. Within such a definition, it is clear that indigenisation is envisaged as a policy that is aimed at undoing the economic injustices of the past by empowering indigenous Zimbabweans. To achieve the objective of indigenisation the Act goes on to stipulate that,

- (i) The Government shall, through this Act or regulations or other measures under this Act or any other law, endeavour to secure that - (a) at least fifty-one *per centum* of the shares of every public company and any other business shall be owned by indigenous Zimbabweans. (b) no - (i) merger or restructuring of the shareholding of two or more related or associated businesses or (ii) acquisition by a person of a controlling interest in a business; that requires to be notified to the Competition Commission in terms of Part IVA of the Competition Act [*Chapter 14: 28*] shall be approved unless - (iii) fifty-one *per centum* ( or such lesser share as may be temporarily prescribed for the purposes of subsection (5) in the merged or restructured business is held by indigenous Zimbabweans ; and the indigenous Zimbabweans referred to in subparagraph (iii) are equitably represented in the governing body of the merged or restructured entity... (*Part II*).
- (a) no unbundling of a business or demerger of two or more businesses shall, if the value of any business resulting from the unbundling or demerger is at or above a prescribed threshold, be approved unless -fifty-one *per centum*...is held by indigenous Zimbabweans.
- (b) no projected or proposed investment in a prescribed sector of the economy available for investment by domestic or foreign investors for which an investment licence is required in terms of the Zimbabwe Investment Authority Act [*Chapter 14: 30*] shall be approved unless a controlling interest in the investment...is reserved for indigenous Zimbabweans.

In the light of the Zimbabwean indigenisation act as stated above, there is a strong belief that indigenous Zimbabweans should wrest control of the economy to the without greater participation of foreigners. Thus indigenisation means indigenous ownership of the economy by those who have been excluded from ownership as a result of race.

The government of South Africa does not talk much about indigenisation, rather it calls the same socio-economic policy as Black Economic Empowerment (BEE) which was defined by the BEE Commission as follows,

It is an integrated and coherent socio-economic process. It is located within the context of the country's national transformation programme, namely the RDP [Reconstruction and Development Programme]. It is aimed at redressing the imbalances of the past by seeking to substantially and equitably transfer and confer the ownership, management and control of South Africa's financial and economic resources to the majority of the citizens. It seeks to ensure broader and meaningful participation in the economy by black people to achieve sustainable development and prosperity (BEE Com 2001: 2).

In other words, BEE is postulated as primarily integral to the overall policy of the Structural Adjustment Programme (RDP) in which the primary policy objective is to redress the inequalities of the past. BEE was thus envisaged as a policy that would promote the broader participation of black people in the economy so that sustainable development and prosperity could be achieved in the long run. The thrust of BEE socio-economic policy is to enable greater participation of black people in the mainstream of the South African national economy as managers and owners of companies which were previously dominated and controlled by white people. One finds the BEE Commission stating it categorically that,

In this report, the BEECom presents a case for South Africa to break the cycle of underdevelopment and continued marginalisation of the majority of its people from the mainstream economy and catapult the country onto a course of sustained rates of economic growth. In making this case, the BEECom believes that the legacies of colonial and apartheid oppression and deliberate disempowerment provide a sufficient moral and political basis to justify an Integrated National BEE Strategy. ...Colonial and Apartheid policies lead to significant structural distortions in the economy. These distortions eventually resulted in a crisis in the Apartheid economy, the consequences of which are still with us today (BEECom. 2001: 3).

The implication of the above quotation is that BEE was about the promotion of economic development by enabling greater participation of the majority of the people who were previously marginalised from the mainstream of the economy. The greater economic participation of the majority who were previously marginalised is also anticipated to stimulate economic growth. In

this regard, the presumption is that BEE is a socio-economic policy that is going to empower people. The ability of this socio-economic policy to empower people makes it a corrective policy measure against the marginalising effects of Colonial and Apartheid socio-economic policies.

The former post-apartheid minister of finance, Trevor Manuel had this to say about BEE "...we have come to use the word 'empowerment' in recent years as a broader and more satisfactory characterisation of the social policy goal we formerly called 'affirmative action' and before that 'indigenisation' or 'Africanisation'. Empowerment is partly about redressing historical disadvantage, but it is also about investing in capabilities and opening doors of opportunity" (*Mail & Guardian 2005: 5*). In other words indigenisation, BEE or affirmative action are words that mean the same thing - transformation of the economy so that it becomes more inclusive by redressing the economic wrongs that were inflicted upon the majority of the African indigenous population by a white minority.

The South African Government discusses of BEE in terms of Transformation. Chapter 13, Section 217 of South African Constitution is about Procurement and its spirit is that of effecting BEE. This section states that,

- (1) *When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.*
- (2) *Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for -*
  - (a) *Categories of preference in the allocation of contracts; and*
  - (b) *the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.*
- (3) *National legislation must prescribe a framework within which the policy referred to in subsection (2) may be implemented* (Constitution of the Republic of South Africa, 1996, Act 108 of 1996).

In this Section 217, it is clear that the post-apartheid South African state is expected to procure in a way that favours those who were previously disadvantaged by the apartheid government. Section 217 of the Constitution of South Africa is thus echoed by The BEE Commission's Report of 2000 when it defined BEE as "an integrated and coherent socio-economic process".

Indigenization or BEE is partly related to the idea of promoting economic nationalism. The idea of creating such socio-economic policies arose from the need to domesticate capitalism or to make capitalism relevant to post-colonial African societies. Economic nationalism is related to the industrialisation of African societies during colonialism. As a result of colonialism, Africans found themselves being part and parcel of the industrialised colonial society and at the same time being economically excluded. Thomas Eriksen made an interesting observation when he said,

In this historical context, a need arises for a new kind of ideology capable of creating cohesion and loyalty among individuals participating in social systems on a huge scale. Nationalism was able to satisfy these requirements. It postulated the existence of an imagined community based on shared culture and embedded in the state, where people's loyalty and attachment should be directed towards the state and the legislative system rather than towards members of their kin group or village. In this way, nationalist ideology is functional for the state (Eriksen 2002: 103).

The socio-economic policy of indigenisation was intended to give a local flavour to an economic system that has been dominated by the West for a long period of time. As we have seen in chapter 4, the ideology of African socialism was appealed to by African nationalists on the grounds that African traditional societies were collectivists therefore capitalism and its individualistic values was not a suitable economic ideology for post-colonial African societies. In indigenisation or BEE socio-economic policy we see again another attempt at fostering economic nationalism through the deliberate promotion of ownership by indigenous people with the aim of giving capitalism and some indigenous semblance. In a world that is dominated by the Western driven capitalism, "the strategy of indigenisation would help Third World countries to retain some sense of economic

autonomy” (Murove 2008: 139). In this regard, indigenisation is a strategy that is used by African nationalists as a fight against the modern capitalistic world economic hegemony. Indigenisation can thus be seen as a way whereby African countries are asserting their identities within the economic sphere. Ali Mazrui characterised indigenisation as a quest for the domestication of capitalism. He writes,

While indigenisation involves greater utilisation of what is distinctively native, domestication is an effort to make what is foreign more relevant to local conditions and local needs. For example, there may be certain forms of technology that are distinctively imported. The question which would arise would be to make that technology more appropriate to the culture and material conditions of a given society (Mazrui 1990: 245).

Thus the strategy of indigenisation is supposedly aimed at relativising capitalism so that it can be domesticated to the local African cultural conditions. Whilst there is a belief that modern capitalism operates under universal rules, the domestication of this economic system will make it relevant to the local culture. Instead of seeing modern capitalism from a monistic perspective, the indigenisation of this economic system aims at relativises it to a particular culture. Some anthropologists such as John Camaroff and Jean Camaroff have referred to indigenisation as an attempt to commodify culture which they describe as the commercialisation of ethnicity or identity. Thus they write,

The identity industry is a prime case in point. Those who seek to brand their otherness, to profit from what makes them different, find themselves having to do so in the universally recognisable terms in which difference is represented, merchandised, rendered negotiable by means of the abstract instruments of the market: money, the commodity, commensuration, the calculus of supply and demand, price branding. And advertising. Ethnicity, Inc. is also shaped by the centrality of mass mediation to the age of planetary consumerism, the effect of which is that the counterpoint between the singular and the generic is now enacted...Ethno-commerce feeds an ever more ubiquitous mode of production and reproduction, one born of a time in which, as we have noted the sale of culture has replaced the sale of labor in many places (Camaroff and Camaroff 2009: 24).

In this regard, indigenisation understood as the commodification of ethnicity by emphasising the distinctiveness of one’s own culture as a way of selling

products. According to the above quotation, the emphasis which is placed on indigenisation is similar to the selling of culture. But the problem inherent in this kind of thinking is that it portrays modern capitalism as an economic system that exists independent of cultural context. As we have seen in the previous chapters, modern capitalism arose from Western culture and its worldview as well as its understanding of an individual as an atomic unit within society. However, as stated previously, the main thrust of indigenisation is to reverse the injustices that have been committed through colonialism and apartheid. It mainly for this reason that indigenisation is understood as affirmative action. Indigenisation is not about the promotion of ethnicity, rather its an expression of economic nationalism. As Murove puts it, “The economic modus operandi of colonial economic practices could not be severed from the idea of legalised robbery on the grounds that African resources were controlled by their respective colonial powers – be they French, British or Portuguese” (Murove 2008: 52). Without the indigenous control of the economy, political power will be useless since real power lies in the economy and those who control the national economy.

### **5.3 Indigenisation/BEE and the Legacy of Colonialism**

In the light of the above conceptual definition of indigenisation, it is evidently clear that one can hardly discuss indigenisation of the economy without referring to economic impact of capitalism under colonialism. What prompted imperial or colonial expeditions was the search for resources for the newly opened industries in the West. Colonialism was thus regarded as the handmaid of capitalism. As we have seen in chapter 4, African nationalists argued for what they called African socialism partly on the grounds that under colonialism, capitalism was mainly about the expropriation of the resources of the colonised Africans. Capitalistic modes of production were conflated with civilisation in such a way that civilisation became synonymous with Europeanisation of Africa. Vuyo Jack and Kyle Harris provided us with a comprehensive analysis that justifies the necessity

of BEE whereby the state it from the outset that an historical account is indispensable for understanding BEE. As they put it,

During the apartheid era, which came to an end in 1994, social engineering resulted in a gross imbalance in socio-economic status between Black and white. The exclusively white government engineered laws first through colonialism, and subsequently apartheid, to monopolise the economic resources of the country. Not only were Black people specifically excluded from economic participation, but they were also denied the right to economic and intellectual growth through various destabilisation mechanisms (Jack and Harris 2007: 5).

In the light of the above observation, BEE was a socio-economic policy that was necessitated by the historical epoch of colonialism and then later on by apartheid in South Africa. Both these two epochs in the history of South resulted in a systematic exclusion of black people from ownership of business and land. Economic inequalities between whites and blacks became statutory. Through these historical privileges, economic interests of the white population was often at variance with the political interests of the colonial government. Apartheid policies were not only instruments for the maintenance of political power in white hands, rather these policies were crafted with the aim of maximising the exclusion of black people from participating in the economy. As Jack and Harris put it,

Through legislation, colonialism limited land and business ownership by Africans. In order to retain cheap labour for the mines, at the time owned by key white political figures, colonial policy discouraged Black commercial agriculture. In 1913 the Land Act prevented Africans from owning land outside their designated areas. Forced communal ownership of agricultural land in these areas further destabilised Black commerce. In 1923, the colonial government introduced the Native Act, which restricted Africans, or effectively migrant labour, to designated 'location'. While legal requirements did not limit Black commercial activities to these locations, government tacitly encouraged local councils to do so. Where white traders operated on the fringes of such locations, local councils would discourage Black competition from operating in the designated areas (Jack and Kyle 2007: 5).

In other words, an historical colonial economic exclusion of blacks from participating meaningfully in the economy of their country created a situation whereby black people remained economically disadvantaged. Sol Plaatje who wrote on the effects of The Native Land Act in his book, *Native*

*Life in South Africa*, provides the reader with gruesome picture of this colonial Act of the British imperial government in South Africa resulted in the majority of black South Africans losing their land and livestock in a country of their birth. A part of this act reads as follows, “A native shall not enter into any agreement or transaction for the purchase, hire, or other acquisition from a person other than a native, of any such land or nay of any right thereto, interest therein, or servitude thereto” (Plaatje 2007: 64). Whilst the land which was previously owned by Black people was taken away from them through colonial legislations, one can easily see from the above quotation that blacks were not allowed to buy or own land. Without ownership of land, blacks were thus deprived of the ownership of minerals that were found in the land. Such economic deprivation implied that black people could only make a living as labourers in white owned farms or as migrant mine workers. Pass laws that were promulgated later on in South Africa by colonial administration were aimed at depriving black people, Indians and Coloured people any meaningful participation in the economy. For example, in the Kimberly Dimond Field the British colonial Administrators came up with Proclamation 14 of August 1872 which

...laid down a new regime of labour contracts, linking it to a system of pass laws that became the main device for controlling black labour throughout southern Africa for decades to come. On arrival in Kimberly, black migrants - ‘servants’ - were required to register at a depot and obtain a daily pass until they had secured employment. ...Once employed, the servant was required to carry a pass signed by his master (Meredith 2007:45).

Thus through such colonial legislations, black people were reduced to labourers who were subjected to continuous inhumane treatment at the hands of their colonial masters.

In the history of South Africa, apartheid was not so much about who controlled South Africa politically, rather it was about capitalism. Merle Lipton provided us with the characteristics of apartheid which was officially known by the then ruling Nationalist party as the policy of ‘separate development’ as follows,

- (a) *The hierarchy ordering of the economic, political and social structures on the basis of race*, identified by physical characteristics such as skin colour. Whites (roughly 18 per cent of the population...) comprised a ruling oligarchy and privileged elite; coloureds and Indians (12 percent) and Africans (70 per cent) were second and third class citizens respectively - indeed, Africans were even identified by the government as non-citizens.
- (b) *Discrimination against Africans*, and to a lesser extent coloureds and Indians, who were excluded from many of the civil, political and economic rights enjoyed by whites, such the vote, freedom of movement, and the right to do certain jobs or own property in much of the country.
- (c) *Segregation of the races in many spheres of life*: they lived in separate areas, went to separate schools and universities, used separate buses and trains; there was little social mixing; sexual relations and inter-marriage across the colour lines were illegal.
- (d) *The legalization and institutionalization of this hierarchical, discriminatory and segregated system*, which was enshrined in law and enforced by the government (Lipton 1986: 14-15).

Thus apartheid was about a systematic economic deprivation of the majority of the citizens in favour of the minority white population. Africans were rather enslaved in such a way that their economic subsistence survival depended on working for the economically privileged white people. For example, Lipton observed that, “The 1922 Stallard Commission laid down the principle that an African should only be in the towns to ‘minister to the needs of the white man and should depart therefrom when he ceases to minister”” (Lipton 1986: 18). In other words, the African was only important as a source of labour to a Whiteman. Whilst racially discriminatory Acts had existed under British colonialism in South Africa, the rise of apartheid in 1948 when the National Party came into power came up with a systematic categorisation of those Acts of discrimination into an official policy called apartheid. Thus in the process the whole country was subjected to Acts that privileged white people economically at the expense of other races. For example, Jack and Harris observed that, “In 1950 the Group Areas Act prohibited African, Coloured and Indian people from operating a business outside their designated area. Furthermore, although government never passed legislation to this effect, Africans were forcibly persuaded to stop trading in locations that existed on the outskirts of white towns and cities.

To protect white business interests, Black people wishing to continue trading had to return to their homelands to do business there” (Jack and Harris 2007: 5-6). Thus through legislation, apartheid became a political policy instrument that was crafted to deprive black people equal opportunities. It was not only blacks who were segregated against, as Lipton observes, “The 1950 Group Areas Act further restricted the residential and trading rights of all blacks, including, for the first time, the coloureds in the Cape. By 1980, 115,000 coloured and Indian families, involving over a quarter of all coloureds and Indians, had been forced to move, often losing their homes and businesses at derisory rates of compensation” (Lipton 1986: 23-24). In the light of these historical injustices, some scholars such as Daron Acemoglu, Stephen Gelb and James Robinson have advanced an insight to the effect that,

In essence, BEE is about attempting to create a degree of economic equality which would not itself be a natural market outcome of the changed political environment. Such a policy has been a commitment of the ANC at least since the formulation of the Freedom Charter in 1955 which stated ‘*The national wealth of our country, the heritage of South Africans, shall be restored to the people; The mineral wealth beneath the soil, the Banks and monopoly industry shall be transferred to the ownership of the people as a whole; All other industry and trade shall be controlled to assist the wellbeing of the people*’[my italics] (Acemoglu, Gelb and Robinson 2007: 4).

In other words, through BEE the post-apartheid ANC government was fulfilling the promises it made in the Freedom Charter in 1955 – that the wealth should be returned to the original people from whom it was unjustifiably taken through oppressive Colonial and Apartheid policies. When read in the spirit of the Freedom Charter, it is plausible to see BEE as part of economic nationalism. If BEE is part of economic nationalism, to what extent can such a policy promote the appropriation of modern capitalism? To answer such a question we have to recall that Apartheid and Colonialism distorted the mediation of capitalism in many ways which we discussed previously. This observation was also made by Acemoglu, Gelb and Robinson in their argument for the justification of BEE when they said,

For over a century, South African society was based on an economic and political model where whites structured institutions in order to repress blacks and extract resources from them. In the process, they created probably the most unequal society in the world. The extraction of rents from black people created a massive misallocation of resources. These were not just human, but also physical. Blacks had no access to land or capital and the Colour Bar blocked them from upward social mobility and removed the incentives to invest in human capital. Bantu education removed their ability to accumulate human capital. ...Basic economic theory suggests that there are potentially huge productivity benefits to be had from overcoming this misallocation of human and physical resources. This is because Apartheid left a mismatch between the distribution of ownership of assets and the abilities of those that can use them. During Apartheid, this miss-match was deliberately created in order to distort market prices and create rents for whites (Acemoglu, Gelb and Robinson 2007: 11).

Apartheid was not concerned with the rules of a free capitalistic economy governed by individual freedom to pursue their economic preferences. The apartheid economy was fully controlled in a way that furthered the political objectives of the apartheid state. It was no longer the free market that determined the allocation of resources, but Apartheid policies that in most cases promoted the misallocation of resources through the systematic entrenchment of racial segregation policies. The apartheid political system was not primarily concerned with the promotion of a modern capitalistic free market economy, rather it actually violated all the rules of this economic system. Human, financial and natural resources were allocated purely on the basis of boosting the apartheid political system. The most economically debilitating aspect of the apartheid system as that it virtually made black people objects of exclusion and exploitation. The issue of coming up with an appropriate policy or policies that can redress the economic ills that were inherited from Apartheid remains a daunting socio-economic policy task.

Acemoglu, Gelb and Robinson (2007: 13-15) came up with three potential policy responses for post-apartheid South Africa. The first policy response “would be to directly use income redistribution via the fiscal system to relax the wealth constraints facing blacks so that they could accumulate and acquire assets themselves”. But according to these authors, such a policy will

be faced with problems such as “dead weight losses”, “a redistribution of income may not lead to the upward social mobility of blacks” and such a “policy may take a long time to work and political stability may require a much more rapid solution to the problem”. The second response would be to “directly redistribute the assets themselves”. Such a policy shares the same problems with the above. Of great great significance is that it “can imply large losses and reduced investment due to expectations that property rights will be insecure in the future”. The third response would be “to remove inequalities and improve social mobility and would be affirmative action”. This policy response gives one the room to argue “on both positive and normative grounds that asset redistribution and affirmative action are socially efficient policies”. In all these policy responses, we can deduce that the main thrust is to correct those policies of Apartheid that were deliberately created with the aim of disenfranchising the majority of black people. For this reason, Acemoglu, Gelb and Robinson argued that, “In saying that resources are misallocated, or the inequality in South Africa needs to be removed because it is a threat to political stability, or that asset redistribution and affirmative action may be socially desirable policies, we are arguing in terms of social welfare”. Here the rationale is that in a political context where historical injustices that entrenched racial inequalities, the plausible policy approach would be the adoption of socio-economic policies that would be a corrective measure which ultimately results in the promotion of social welfare. Such a socio-economic policy measure might not necessarily aim at the appropriation of modern capitalism, but to serve as some form of reparation or restitution for the economic injustices that were committed against black people during the Colonial and Apartheid eras.

In the case of the then Rhodesia, colonialism was mainly about depriving the indigenous African people any form of meaningful participation in the economy of their country of birth. When the indigenous peoples of Zimbabwe were subjected to colonial rule, they were forcibly confined to

arid and infertile areas known as Native Reserves as all the fertile lands and minerals were taken by the colonial settlers. As Murove rightfully puts it,

Under colonialism, African minerals, fertile lands, sacred sites and wild life sanctuaries were ruthlessly expropriated from the indigenous African population to the benefit of individual colonialists without any compensation. Most of those colonial acquisitions were legitimised into some law which later on made it difficult for indigenous Africans to claim back that which was expropriated from them (Murove 2018: 15).

In this way of thinking, we can deduce that colonialism was all about acquisition of land and minerals which were previously under the ownership of African indigenous communities. The primary motive behind all the colonial expeditions was not to civilise and preach the gospel to the so-called heathens Africans. Martin Meredith observed that under colonialism, “Legislation was introduced to ensure that African development never posed a serious threat to white interests. Land, jobs and wages were apportioned by race. Within ten years from 1890 nearly 16 million acres were handed out to white farmers regardless of whether Africans were occupying the land or not” (Meredith 1979: 21). Thus colonialism was about dispossession of land and minerals from the indigenous African population. The struggle against colonialism and apartheid can be understood as a struggle for restitution, or correcting the economic injustices of the past. Thus one finds Mazrui saying that, “the consequences of both enslavement and colonisation are not merely themes for plenary lectures at African Studies conventions because these consequences also include the malfunctioning of colonial economies in Africa and the distortion of socio-economic relations in the African Diaspora...” (Mazrui 2002: 61-62). In this type of thinking, the epoch of slave trade from Africa to the transatlantic was similar to the epoch of colonialism. While slave trade was about enslavement of Africans in the building of the economies in the Americas, colonialism involved the looting of African natural resources for the building of the economies of colonial powers.

At the end of the cold war, the issue of reparations and empowerment of Africans over their own resources has gained a lot of momentum amidst the global marginalisation of the post-colonial state. As Mazrui puts it,

But it is not merely the empowerment of the African people over the African state which is at stake in the politics of reparations. It is also the empowerment of the new African state in the wider global system. How is this kind of global empowerment to proceed? In fact one of the ironies of the 1990s is that the African people in countries like Zaire, Zambia and Nigeria have been trying to assert greater control over their governments at precisely the time when African governments have been losing influence on world events. The African public is beginning to get empowered – but precisely the time when the African state is more deeply enfeebled. The momentous changes which have occurred in the wake of the end of the Cold War have, on the whole, marginalised Africa further (Mazrui 2002: 66-67).

In the light of the above observation it is clear that the issue of black empowerment has some global implications in the post-Cold War era. Related to this observation is the reality that African post-colonial governments are increasingly facing enormous challenges that are emanating from being marginalised on the global political arena. In this post-Cold War era, Mazrui went on to argue that, “Former communist enemies in Europe have become more important to the United States than former friends in Africa. With the disappearance of socialist allies, Africa’s influence in the United Nations has declined sharply, and Africa’s share of world trade, global investment, and foreign aid continues to shrink” (Mazrui 2002: 67). This argument implies that Africa’s global position has become too remote for reparations for the wrongs that were done to her during colonialism and transatlantic slavery trade. Prior to post-Cold War era, Africa had some influence on global politics on the grounds that the then competing global super powers were involved in a cut-throat competition for allies. Thus the economic needs of African states were prioritised by the two powers (USA and USSR) and their Eastern and Western allies. This global political change has led African scholars and nationalists to rethink the place of post- colonial Africa in the world economic and political arena.

In the aftermath of the post-Cold War, the leaders of global capitalism who are in this case the USA and her Western allies have maintained that what was needed in post-colonial Africa was the implementation of good liberal capitalistic policies that would translate into economic growth and development. But as we have seen previously, most of the IMF and World Bank prescribed policies to Africa have actually created a chronic state of post-colonial African economic dependency on their yester colonisers.

BEE/Indigenisation has been envisaged as a plausible economic policy that would help post-colonial countries to exercise some economic independence. Dependency theorists such as Chinweizu argued that,

Despite an almost complete success at political decolonisation, Africa failed at economic development and economic decolonisation, and consequently failed at that modernisation upon which it counted for world respect. ...Not only had Africa failed to create a robust modernity; worse still, it had lost even its traditional ability to feed itself. By 1984, it was the only continent that was unable to feed itself. ...As African leaders clamoured for relief aid, and as millions starved and died, Africa became an object of world charity, pity and thinly disguised contempt. After a quarter of a century of effort, Africa had neither attained modernity nor gained the respect of the world (Chinweizu 1999: 778-789).

In such a sceptical outlook towards Africa's ability to effect economic development, the problem of Africa's economic underdevelopment are put entirely on her own shoulders as her own doing. In a nutshell, Africa is accused of being responsible for its own economic woes. Africa has been failed by its own African leaders - hence it was unrealistic to lay African economic problems on colonialism. For Chinweizu, Africa's governing class was mainly responsible for the continent's economic developmental problems because its consumption habits whilst they were "on the whole, inexperienced in production, averse to its rigours and risks, and even superciliously hostile to material production. ...on the other hand, they had enormous appetite for material consumption" (Chinweizu 1999: 789-790). The African ruling class was more interested in consumption, a habit that did not take into account the primacy of production. This negative attitude towards production by the post-colonial African ruling class has been chiefly

responsible for the vicious circle of dependency in post-colonial Africa. He writes, “Their mandarin disinclination to production, their commitment to distributive welfarism, and their cargo-cult view of development as the satisfying of growing appetites by growing imports constituted the main strands of a dependency mentality which prevented Africa from achieving the development it professed to be striving after” (Chinweizu 1999: 792). In other words, Africa’s economic underdevelopment was rather a problem of the ruling class’s unproductivity and poor economic policies that emphasised on distributive welfarism, as we have seen previously with the African socialism experiment, and a tendency to import everything. In this way, Chinweizu argued that post-colonial Africa has maintained and perpetuated an economic culture of dependency. Chinweizu went on to say that, “Thus, whereas the structural roots of Africa’s failure to decolonize economically or to develop lay in inherited dependency relations, the African inability to organise and change those relations by concentrating on the enlargement of their productive forces ultimately resulted from the dependency mentality with which the African leadership was thoroughly suffused” (Ibid).

In the light of the above quotation, Chinweizu is rather assuming that Africans should solve their economic developmental problems by directly taking charge of their own economic developmental capabilities within their own economies. He regards this as part and parcel of economic decolonisation. Failure to decolonise economically gives rise to a situation of perpetuating colonially inherited dependency relations. In this type of reasoning, one can also infer that BEE/Indigenisation can be regarded as part and parcel of the post-colonial drive towards economic decolonisation. Economic decolonisation or indigenisation has the control of the national economy as its primary objective. This objective is well stated by Adebayo Adedeji as follows,

Unlike nationalization, indigenization in fact encourages, develops and strengthens indigenous private enterprise at the expense of expatriate-controlled enterprise. Four types of indigenization can be identified. First, there is the indigenization of ownership, which aims at giving the indigenes of

a country, either individually or collectively, ownership stake in the economic establishments in their country. Such indigenization of ownership can be accomplished through either public or private ownership or through a combination of both. There is, second, the indigenization of control, whose objective is to enable the indigenes of a country to exercise control – through the boards of directors – on the policies of the enterprises. While it is possible to have ownership indigenization without control indigenization, the reverse arrangement, namely control indigenization without ownership indigenization, can best be weak or fragile. Third, there is manpower indigenization, otherwise known as Africanization. ...The private sector, however, has also aimed at developing indigenous competence in modern industrial and commercial operations. Finally, there is the indigenisation of technology. This is in three phases, the first being the acquisition of technology from highly industrialized countries so as to enable developing countries to overstep many stages of development. The second stage is one of adaptive technology, a process of selection and adaptation in order to match imported techniques to African conditions. But both phases have a tendency to deepen the dependence of underdeveloped countries on industrialized countries, in tangible and intangible ways (Adedeji 1981: 31).

In the light of the above quotation, it can be deduced that Adedeji is interpreting the four types of indigenisation as primarily aimed at overcoming economic dependency through ownership of the means of economic production, control as directors of companies, developing civil services competence in national industries and finally making sure that technology is adapted to the local context. On the final analysis one can also say that the aim of indigenisation is to domesticate capitalism in such a way that strategically severs it from external control. The external control of African economies is a practice that was originally created by colonialism and imperialism. As we have seen in the previous discussion, the drive towards indigenisation has been motivated by the belief that since modern capitalism had some connections with colonialism and imperialism, political independence without economic independence will cause post-colonial Africa to remain in a perennial state of dependency on the yester colonial masters. In this regard, advocates of indigenisation as we have seen in the Zimbabwean Indigenisation Act would maintain that such a policy was aimed at effecting total decolonisation of the Zimbabwean economy. This understanding of indigenisation is well stated by Adedeji when he said, “To merely equate indigenization with Africanization is to trivialize it. The

primary purpose of indigenisation is economic decolonization, the reduction of economic dependence and the achievement of an increasing measure of self-reliance through internally located and self-sustaining growth” (Adedeji 1981: 32). Here again, the emphasis is put on indigenisation as a socio-economic policy technique aimed at contextualizing modern capitalistic modes of production or the appropriation of capitalism in post-colonial Africa.

In BEE/indigenisation policies and discourses there is a strong presumption that capitalistic economic development will only come about as a result of a creation of African indigenous capitalists. Some scholars see the participation of indigenous capitalists has a practice that is found in many countries all over the world. Thus one finds Colin Leys asserting that,

So for capitalist development to occur, there must also be local, domestic, internal, ‘national’ (and, perhaps, ‘indigenous’) capitalists; and these vary greatly in their individual and collective capacities – the scale of the capital they dispose of, the technical and organisational skills they command, the social cohesiveness they exhibit, the political power they wield, the ideological influence they enjoy, and so on. In the absence of any practicable alternative to capitalist development, therefore, it becomes very important to understand what determines the relative strengths and weaknesses of each underdeveloped country’s internal or domestic capitalist class (Leys 1994: 11).

In the light of the above quotation, the existence of indigenous capitalists is an indispensable requirement for capitalist development within a given post-colonial African country. On the final analysis we can also say that the performance of indigenous capitalists becomes a determining factor to the appropriation of modern capitalistic modes of development in post-Colonial Africa. However, in this way of thinking one can also argue that the BEE/Indigenisation socio-economic policy is partly aimed at creating a class of African capitalists, an idea which resonates very well with the modern theory of economic development. As Leys puts it, “The general theme of modernisation literature was that [African] business elites were essential to development and that factors characteristic of traditional society, especially ‘traditional values’, inhibited the emergence of such elites (Leys 1994: 16). As we have seen in Chapter, 4 the above argument was integral some scholars

who argued that African traditional values were inhibitive to the appropriation of the spirit of capitalism in post-colonial Africa. The thesis which is being advanced by Leys is that indigenous capitalism or the existence of indigenous capitalists can lead to successful capitalist development. Thus he writes,

Indigenous African capitalism, which had existed here and there before colonialism, was overwhelmed by competition from advanced capital in the metropolises, backed up by colonial rule. Indigenous capitalism reemerged under colonialism, in agriculture (primarily through a gradual process of differentiation among smallholders engaged in export commodity production), in trade, and finally in industry (Leys 1994: 22).

The insights of Leys as stated above have been echoed by the historian John Iliffe in his account of the contribution of Christianity in Africa towards the emergence of capitalism. Leys' main insight here is that a class of indigenous capitalists is indispensable to post-colonial Africa's economic development. In other words the salient presumption is that if post-colonial Africa has to realise capitalist development, then the existence of a class of African indigenous capitalists is a pre-requisite to any authentic appropriation of modern capitalism.

Whilst Leys does not explicitly discuss about BEE, we can easily infer from this type of thinking that this type of thinking as part of the rationale which we have seen in the preceding sections of this chapter as part and parcel of the rational justification for BEE/indigenisation. Thus one finds this same type of argument being proffered by John Rapley (1994: 39-45) in his study called, "The Ivoirien Bourgeoisie" which he said was a class of indigenous capitalists in Ivory Coast which has become so powerful economically such that it is currently controlling the state in post-colonial Ivory Coast. The reason which is given by Rapley as to why the Ivoirien bourgeoisie has become so powerful is because of its ability to adapt itself to the indigenous economic conditions of the Ivoirien society. As he puts it, "[T]he Ivoirien bourgeoisie seems to have been quite effective at assimilating and adapting imported technology to local conditions". Whilst foreign owned companies "tend to import technology and production processes unaltered", one finds

that “Ivoirien capitalists, on the other hand, arguably have a long history of adjusting technology and production processes to local conditions, dating back to the early plantations when they used smaller plots than the European settlers [who] scattered them throughout the forest as opposed to concentrating them on one plantation...”. In other words, the ability of indigenous Ivoirien capitalists to adapt the imported technology and production processes to the local condition gives them an economic advantage over foreign capitalists in the Ivory Coast. It their ability to adapt to the contextual economic realities of the African society which makes indigenous Ivoirien capitalists special agents for the appropriation of capitalism in Ivory Coast.

However, post-colonial African governments responded differently to the whole idea of promoting African indigenous capitalists who would act as agents of national economic development. As we have seen previously, some post-colonial governments toiled with the idea of promoting African socialism instead of promoting the emergence of African capitalists. For example, in Tanzania, Nyerere believed that the role of the government was to determine the economic ideological direction of African socialism instead of promoting African indigenous capitalists as future agents of economic development. Thus one finds that Nyerere was wholly hostile to the idea of indigenous entrepreneurship in as much as he was hostile to the idea of foreign direct investment. He writes,

...I do not think there is any free state in Africa where there is sufficient local capital, or a sufficient number of local entrepreneurs, for locally based capitalism to dominate the economy. Private investment in Africa means overwhelming foreign private investment. A capitalistic economy means a foreign dominated economy. These are the facts of Africa’s situation. The only way in which national control of the economy can be achieved is through the economic institutions of socialism (Nyerere 1968: 264).

The idea of indigenous Tanzanian capitalists with a role in the economic development Tanzania was just repugnant to Nyerere because indigenous Tanzanians were traditionally socialists and modern capitalism was an economic system that was wholly dominated by foreigners. On the basis of

such reasoning, Nyerere's main concern was about the national control of the economy. This national control of the economy was only feasible through 'institutions of socialism'. From the outset, Nyerere ruled out the existence of indigenous Tanzanian capitalists who had a role in post-colonial Tanzanian economic development. Nyerere's ideological outlook was shared by many African nationalists during the cold war era. The Soviet Union in particular has always encouraged those African countries that it helped during the struggle and against colonialism to transcend "the national *petite-bourgeoisie*, and embark on a non-capitalist path of development, capable of leading to socialism" (Thiam, Mulira and Wondji 1999: 808). In this way of thinking, it is apparently clear that a class of indigenous African capitalists was regarded as important to the development of the new independent African states. According to this type of reasoning, such a class was undesirable in a state which had defined its economic developmental vision in terms of socialism. The appropriation of capitalism was an antithesis of attaining a post-colonial African state that pursues the objectives of socialistic economic developmental goals as the primary national objective.

In the case of Zimbabwe, upon the attainment of independence the focus of the new government of the independent Zimbabwe was not about promoting socio-economic policies that would create a class of indigenous Zimbabwean capitalists who would promote the appropriation of capitalism for the development of the country. Some scholars have argued that the government of Robert Mugabe was rather hostile towards capitalistic development. In this vein, Sheila Nicholas made the following observation,

In the period immediately following independence, the Mugabe government's emphasis was on controlling the economy and investment so that it could engineer a major redistribution of wealth from the rich whites to poor Africans, especially in the rural areas, where a political commitment was made during the liberation struggle. The Mugabe government also pursued a broader policy of increasing the government's control over the direction of development and ownership of the economy. In seeking extensive control of the economic processes in Zimbabwe, the government saw itself as the primary indigenous 'entrepreneur'. As a result of these factors, the ZANU-PF government, unlike most postcolonial African regimes, did not support the African business sector against settler or Asian capital, although the

government's regulation of foreign investment went some way to protecting local investment in general. Privileged access to credit, licenses, and markets was not granted to African nationals (Nicholas 1994: 102).

In other words, the Mugabe government of the newly independent Zimbabwe was not concerned with promoting the emergence of indigenous entrepreneurs or indigenous capitalists who were going to act as agents of economic development within a modern capitalistic ideological framework. On the contrary, this government maintained the colonial capitalistic status quo which it inherited from the Rhodesian colonial settler government. The primary focus of the Mugabe's government was to redistribute wealth from urban centres to rural areas. Through the government Small Enterprises Development Corporation (SEDCO), the government of Zimbabwe committed itself to promoting small businesses by giving them loans. As Nicholas (1994: 102-103) puts it, "the main thrust of SEDCO's policy was to promote the development of commercial and industrial enterprises in the rural areas to help redistribute wealth away from the urban centres. There was also a mandate to promote cooperative ownership of these enterprises, as opposed to individual ownership". The socialistic orientation of the Zimbabwean government in the early 1980s did not make things ease for the emergence of a class of indigenous capitalists because this government's focus was more on promoting socialist policies which were deemed suitable for "state ownership" instead of "private ownership".

The idea of promulgating policies that were to promote the emergence of a class of indigenous capitalists was not appealing to the new Zimbabwean government. The new government of Zimbabwe is alleged to have had a good relationship with some multinational companies and the settler bourgeoisie. According to Nicholas, "Thus, in the first ten years of independence, the indigenous bourgeoisie, while not hindered, was not encouraged. Any development it achieved was accomplished in spite of its weak and peripheral position vis-à-vis the government and the settler bourgeoisie" (Nicholas 1994: 103). In other words, ten years after the attainment of independence, the government of Zimbabwe's main focus was not in the

indigenisation or the creation of indigenous capitalists, rather its focus was more on welfarism, with specific focus on developing rural areas.

Nicholas' argument that the early 1980s government of Zimbabwe should have assisted in the ascendancy of a class of indigenous bourgeoisie is based on the salient presumption that such a class was indispensable for the appropriation of capitalism and the economic development of the country. However, the weakness inherent in such an argument is that there is no empirical evidence to support the claim that government assistance towards the ascendancy of a class of indigenous bourgeoisie can give rise to the appropriation of capitalism and economic development. As we have seen previously, even though the Zimbabwean government has promulgated "Indigenisation and Economic Empowerment Act" in 2007, there is no evidence that this Act has resulted in the creation of a class of indigenous bourgeoisie who have contributed positively to the appropriation of capitalism and national economic development.

Some scholars have argued that the 2007 Zimbabwean Indigenisation and Empowerment Act in Zimbabwe has contributed to some of the contemporary economic underdevelopment problems in Zimbabwe. For example, the idea that fifty one *per centum* of a foreign company or any business enterprise that is contacted in Zimbabwe should be owned by indigenous Zimbabweans was critiqued by scholars and policy makers as anti-spirit of capitalism, and that it actually bared any form of foreign investment into the country. This Indigenisation Act was a disincentive to foreign investment because no business person can invest into a country in which s/he is required to relinquish fifty one *per centum* to someone else who does not own that fifty one *per centum*. Since the promulgation of this indigenisation policy, there is no foreign owned business or enterprise which has ceded fifty one *per centum* to indigenous Zimbabweans. A Zimbabwean newspaper, *The Zimbabwe Independent* said that the United Nations Conference on Trade and Development World Investment Report 2015 showed that Zimbabwe received a meagre share of Foreign Direct Investment (FDI) in the SADC region. "Zimbabwe's 2014 FDI inflows of US\$545 million

paled in comparison to neighbouring countries in the SADC region such as Mozambique, which received US\$4,9 billion, almost nine times more, South Africa (US\$5,7 billion) and Zambia (US\$2,4 billion). Zimbabwean chairperson Oswell Binha noted that the indigenisation policy remains “a millstone around the neck of the economy” (Kuwaza 2016). In the light of the above observation from the popular media, it appears that the Zimbabwean Indigenisation Act was economically not benefiting the majority of indigenous Zimbabweans because in the absence of FDI the economy will remain stagnant without any economic growth and job creation.

Some scholars have argued that the Indigenisation and Economic Empowerment Act was economically unintelligible and unconstitutional. John Robertson observed that,

Evidence that the [Indigenisation and Economic Empowerment Act] law is unworkable has accumulated fairly quickly and most of it can be placed into two separate folders: the evidence that almost everybody realises it will do nothing whatever to empower the population at large, and the evidence that the demands of the legislation are in conflict with many other established and much more important laws. In particular, it is in conflict with Companies Act, with the Constitutional rights of citizens and with the obligations of the State to foreign investors, especially those from countries with which Zimbabwe has signed a Bilateral Investment Promotion and Protection Agreement. Parts of the Indigenisation and Economic Empowerment Act are even in conflict with other parts of the same Act, and also with clauses in the Statutory Instruments that are supposed to give effect to the Act. However, a third folder has been filling up with a different kind of evidence. ...this evidence suggests that from the start, the whole purpose of the legislation has been slow, if not prevent the recovery of the Zimbabwe economy (Robertson 2012).

What is implied in the above quotation is that the Zimbabwean indigenisation policy was a piece of legislation which has prevented Zimbabwe from economic recovery after many years of economic stagnation or underdevelopment. The Zimbabwe indigenisation law did not empower the majority of the Zimbabwe population. According to Robertson, the indigenisation law violated constitutional rights of citizens (to enter into business relations with whomever they choose and to freely enter into business partnership of their own choice) and also other investment bilateral laws which Zimbabwe is a signatory to. In a nutshell, the gist of Robertson's

argument is that the Indigenisation and Economic Empowerment Act was detrimental to economic development in Zimbabwe. In the same vein, Amos Munzara (2015: 55) discussed the implications of the Zimbabwe Indigenisation and Economic Empowerment Act with special focus on the banking sector in Zimbabwe. He argued that whilst the Zimbabwean government's intention was to increase the participation of indigenous people in the banking sector which is deemed strategic to the national economy, "there are concerns regarding the high local ownership threshold which effectively robs foreign investors of controlling interests in any venture established in Zimbabwe". The negative consequences of implementing indigenisation according to Munzara are as follows,

*Loss of Customer Confidence* - The Reserve Bank of Zimbabwe estimates that over US\$3 billion is currently circulating outside the banking system. *Loss of Lines of Credit* - Indigenisation of foreign banks would lead to loss of access to external lines of credit. Foreign banks are arguably better placed to mobilise international financial resources compared to local banks. Lines of credit and financial support from donor organisations and International financiers such as the IMF and World Bank are usually channelled into recipient countries through international banks. ... *Investment Phobia* - The Indigenisation and Economic Empowerment Act offers disincentives to foreign financial firms to invest in the local banking sector with the unfortunate result that the indigenised banks will fail to attract foreign capital. ... *Investor Flight* - The implementation of the indigenisation programme may result in capital flight as foreign shareholders disinvest their holdings in the indigenised banks. ... The foreign banks will simply close shop and their workers will be retrenched further worsening the unemployment problem in the country. ... *Attracting Sanctions* - ... there is a danger of needlessly attracting crippling sanctions on our financial sector if the indigenisation programme is implemented by force. Under sanctions, local banks would not be able to import or repatriate cash (Munzara 2015: 55-57).

Munzara's observations as stated above show that the implementation of Indigenisation and Economic Empowerment Act to the banking sector would have catastrophic consequences to the banking sector and the country's economic system as a whole. In other words, regulating ownership in a way that favours those Indigenous people who are not majority shareholder could only result in the systematic ruining of the banking sector. Such a scenario will generate into a national economic meltdown which will have

adverse effects in the long run to the majority of the Indigenous Zimbabweans which the Act purportedly wanted to empower. However, it is no wonder that the post Mugabe Zimbabwean government of Emmerson Mnangagwa has amended the Indigenisation and Economic Empowerment Act with the aim of opening up the economy to foreign investment. According to the amendments to the Indigenisation Act. Previous the Indigenisation Act stipulated that companies operating in Zimbabwe should cede fifty one *per centum* to indigenous Zimbabweans. However, the amendment to this Act which was gazetted on 14 March 2018 brought about some significant changes when it amended the old Indigenisation act as follows,

(b) by the insertion after section 2 of the following section -

**2 A Application of Act**

For the avoidance of doubt it is declared that the Act shall not apply to any business in the national economy other than those specified in section 3(1) and those in the reserved sector of the economy, and that accordingly any person is free to invest in, form, operate, and acquire the ownership or control of any business not included in section 3(1) or in the reserved sector of the economy.

(c) by the repeal of section 3 and the substitution of the following sections -  
3. Objectives and measures in pursuance of indigenisation and economic empowerment

(1) The State shall, by this Act, or through regulations under this Act or any other law, secure that at least fifty-one *per centum* of the shares or other ownership interest of every designated extractive business, that is to say a company, entity or business involved in the extraction of - (a) diamonds, or (b) platinum shall be owned through an appropriate designated entity (with or without the participation of a community share ownership scheme or employee share ownership scheme or trust, or both)

In the light of the above amendment of “Indigenisation and Economic Empowerment” Act 14/2007, the fifty-one *per centum* that was reserved for indigenous Zimbabweans in all business institutions in the country has now been removed in such a way that any person can invest, acquire business and fully own it without any restriction. The fifty-one *per centum* is reserved specifically to designated extractive areas such as diamond and platinum. These minerals, according to this amendment, are reserved to designated entities such as the Zimbabwe Mining Development Corporation, the

Zimbabwe Consolidated Diamond Company and the National Indigenisation and Economic Empowerment Fund. Celia Becker observed that according to the 2018 amendments of Zimbabwe's indigenisation laws,

In respect of reserved sectors, only a business owned by a Zimbabwean citizen may operate in such sectors. Twelve sectors have been identified as 'reserved sectors', including passenger transportation, retail and wholesale trade, grain milling, tobacco grading and packaging and advertising agencies. Previously, these sectors were reserved for 'indigenous locals' instead of Zimbabwean citizens. Accordingly, under the amended Act, anyone of any race may qualify, provided they hold Zimbabwean citizenship" (Becker 2018).

These amendments to Indigenisation and Economic Empowerment Act demonstrated a radical change towards indigenisation in the sense that the current amendment shows that an indigenous person is any person who has a Zimbabwean citizenship. In this regard, the amendment has done away with Indigenisation Act which has been perceived by many scholars as hostile to Foreign Direct Investment (FDI). In this amendment, there is a realisation from the new Zimbabwean government that the pursuit of indigenisation of the economy was not serving any constructive purpose with regards to economic growth and neither was it helping towards the appropriation of modern capitalism. The Zimbabwean experience of indigenisation led to rapid deterioration in economic growth as well as investment flight.

However, the problems that is related to indigenisation/BEE of the economy is post-colonial Africa which are identified in this study with some ethical implications are as follows: (i) there is no empirical evidence that demonstrates that such a socio-economic policy has led to a successful appropriation of modern capitalism that can be proved with national economic growth as a result of a particular post-colonial African state's implementation of indigenisation/BEE, (ii) the socio-economic policy of indigenisation creates a class of African capitalists who end up emulating the predatory economic behaviour of the yester colonial bourgeoisie class and (iii) sometimes this socio-economic policy has promoted the practice of fronting as those who are excluded from benefiting from the

indigenisation/BEE socio-economic policy end up colluding with the indigenous beneficiaries of indigenisation/BEE. As we shall see in the following chapter, these problems constitute some of the ethical challenges that emanate from indigenisation/BEE.

#### **5.4 Conclusion**

In this chapter I provided a critical analysis of indigenisation/BEE with specific reference to post-colonial Africa's quest for the appropriation of modern capitalism. The implementation of indigenisation/BEE was mainly motivated by what African politicians regarded as the need to redress the economic inequalities that have been perpetuated by colonialism and apartheid in the case of South Africa. Proponents of indigenisation have argued that capitalism can only be appropriated through the active participation of the majority of the African population in the mainstream of the economy. It is further argued that political power without economic power amounts to the perpetuation of colonialism. The main idea behind BEE/indigenisation is not to come up with a new form of economic ideology, but to create an environment through legislation that will enable black people to have a control of the economy

This chapter started by problematizing the concept of indigenisation after which it was shown that the word indigenisation is an adjective that is derived from the noun - indigenous. The word indigenous means someone who is native to the land or who originated from the land. I argued that a problematic issue that arises in the concept of indigenous is related to other peoples who are not African but are born and raised in Africa and their ancestors were born and buried in Africa. Some scholars have argued that in different epochs all over the world indigenisation was integral to the evolution of modern capitalism. In post-colonial and post-apartheid Africa, is used as an economic policy that is aimed at transferring economic power from the hands of the white minority into the hands of the majority of black people who were previously disadvantaged. Specific countries that were discussed in greater detail with regards to economic indigenisation are Zimbabwe and South Africa. In its *Indigenisation and Economic*

*Empowerment Act*, the Zimbabwean government defined Indigenous Zimbabwean as referring to someone who was subjected to discrimination on the basis of race. The act was intended to make such people the main beneficiaries of all the economic activities that take place in Zimbabwe by stipulating that fifty-one *per centum* of the shares of every public company and any other business was to be given to indigenous Zimbabweans. The South African government refers to indigenisation as Black Economic Empowerment - implying all those population groups that were previously discriminated against by the apartheid government. The spirit of BEE policy is aimed at equitably transferring ownership and management of South Africa's resources to the majority of the South African citizens. In this regard, indigenisation is aimed at promoting economic nationalism.

Indigenisation has been envisaged as a plausible economic policy that can help post-colonial African countries to exercise some degree of economic independence. A situation of economic independence from yester colonisers and imperialists is deemed plausible on the grounds that post-colonial Africa must create a class of indigenous capitalists. These indigenous capitalists are to adapt the imported technology and production processes to the local condition as compared to foreign capitalists. The ability to adapt foreign technology to local conditions implies that indigenous capitalists enjoy an advantageous comparative position for the appropriation of capitalism. I have shown in this chapter that some scholars have argued that indigenisation has not succeeded in bringing about some economic independence, rather, this socio-economic policy has created a situation of economic dependence and underdevelopment. It was argued in this chapter that there is no evidence that indigenisation/BEE has successfully created a class of indigenous bourgeoisie who have succeeded in contributing positively to the appropriation of capitalism. Indigenisation policies were critiqued for being an impediment to the accruing of Foreign Direct Investment. The negative economic consequences of economic indigenisation outweigh the benefits. For this reason, it was argued that

indigenisation/BEE socio-economic policy is mitigating against the appropriation of modern capitalism

## CHAPTER SIX: ETHICAL PROBLEMS ARISING FROM INDIGENISATION/BEE

### 6.1 Introduction

In Chapter 5, I have discussed how BEE/indigenisation as a socio-economic policy has been conceptualised with specific reference to the appropriation of modern capitalism in post-colonial and post-apartheid Africa. The main belief among the political advocates of the BEE socio-economic policy is based on the idea that indigenous black Africans who were previously disadvantaged should be given the opportunity to participate in the mainstream of the economy as capitalists. To achieve this economic developmental objective, indigenisation or BEE legislations have been enacted with the aim of making sure that government institutions and companies do ultimately comply with BEE/indigenisation regulations. The socio-economic policy of BEE/indigenisation is thus related with the issue economic reparation or restitution on the economic wrongs that were committed by colonialism and apartheid to the majority of black people who were excluded from participating in the mainstream of the economy.

However, many scholars do acknowledge the imperative of black people participating in the mainstream of the national economy as capitalists but do question the way how this socio-economic policy has been formulated and implemented in post-colonial and post-apartheid Africa. A few of those individuals who are politically connected have benefited from BEE/indigenisation socio-economic policy at the expense of the majority of the citizens who were also previously disadvantaged. Whilst it is claimed that the economic policy of BEE/indigenisation was aimed at creating a class of African capitalists who would eventually give rise to the appropriation of modern capitalism, there is no empirical evidence that this socio-economic policy has achieved this objective. Some scholars have argued that BEE/indigenisation has had some adverse effects to national economic development because the implementation of this socio-economic policy did not result in the appropriation of modern capitalism, rather it created a

small class of parasitic individuals who thrived on crony capitalism which thrived in the awarding of tenders.

BEE/indigenisation has entrenched a culture of dependency which the advocates of this policy had purported to want to overcome. Those who got rich from BEE/indigenisation have remained the same beneficiaries of government tenders, thus creating a new elite which is always empowered at the expense of the majority of the citizens. It is for this reason that some scholars have argued that such a policy can hardly be ethically defended. Some of the ethical issues that are raised in this chapter are that BEE/indigenisation is susceptible to corruption which is usually facilitated through preferential procurement of tenders. Another ethical issue that has been raised by scholars is that of the susceptibility of BEE/indigenisation socio-economic policy to business fronting.

This chapter has been structured around four sections. The first section discusses whether indigenisation/BEE is an appropriate socio-economic policy for national economic development. In the second section it is argued that BEE/indigenisation is unethical because it benefits small class of political elites at the expense of the majority of the citizens. The third section discusses some of the unethical practices such as business fronting and tenders and corruption that arise from indigenisation/BEE socio-economic policy. Lastly, the fourth section will argue that indigenisation/BEE does not advance the cause of welfarism for the majority of those who were previously disadvantaged because the implementation of this policy violates the ethical requirements for the promotion of the common good.

## **6.2 Indigenisation as a Panacea to Economic Development**

In chapter 4 we have seen that many African nationalists had advocated the socio-economic policy of indigenisation in the form of African socialism as a way of ensuring that political freedom was authenticated in economic freedom through national control of the means of production. In this regard, Adebayo Adedeji puts it well when he said,

It can at least be claimed that all independent African states are involved in indigenisation measures with the aim of achieving ultimate economic independence. As a policy, however, one gets the impression that the approach to its development and application has been rather *ad hoc*, piecemeal and lacking in internal consistency. It has been a product of circumstances, and at times mainly of politicians reacting to unfavourable economic situations and the demands of small groups of indigenous businessmen who felt that the prevailing economic conditions put them in an unfair position *vis-à-vis* their foreign competitors. It was hardly the original work of development planners, although their involvement became inevitable after political decisions have been made. Just as the articulation of a policy of indigenisation came about in a piece-meal fashion, so the measure for its realisation was equally *ad hoc* and unplanned. Writers, in appraising indigenisation in retrospect, might tend to see clear interrelationships between legislative measures and institutional facilities for fostering indigenisation objectives. In practice, administrative measures and institutional facilities...were not always established and designed to fulfil indigenisation policies (Adedeji 1981: 45).

What is implied by Adedeji in the above quotation is that the post-colonial socio-economic policy of indigenisation was not a planned governmental economic intervention aimed at promoting economic development, rather it was a policy that was adopted as something fashionable in post-colonial Africa. There has not been administrative efforts and institutional measures that were put in place to support national policies of indigenisation. One finds that in these post-colonial African states, the approach to indigenisation/BEE has taken various forms depending on the inherited colonial institutions (Adedeji 1981: 46). A comparative study on how the indigenisation policy has been implemented in many post-colonial African countries shows that this policies has been implemented in a chaotic fashion. In his analysis of indigenisation in Kenya, Claude Ake (1981: 200-202) identified some common factors that are shared by all African countries are that the implementation of indigenisation policies have contributed to social “inequality and even to class formation”. Secondly, these indigenisation policies “do not appear to be making any significant contribution to the indigenisation of control and the reduction of economic dependence”. These two factors makes the whole socio-economic policy drive towards indigenisation highly ethically questionable. As a policy,

indigenisation does not promote general social welfare but enrichment of a few.

Indigenisation has not alleviated the post-colonial perennial economic state of dependence. This dependence comes in two forms. Firstly, indigenisation creates dependence among on international capitalism, As Ake puts it, “the dependence of Africa is the root of the disarticulation of African economics, the reduction of African economics to the monocultural export type, the relation of unequal exchange between the economies of African and the West, and the comprador character of the African bourgeoisie” (Ake 1981: 34). Sometimes this dependence is reinforced as a result of post-colonial African policies of indigenisation’s failure to effect competitiveness through productivity and innovation.

The second type of dependence is that most of the beneficiaries of indigenisation/BEE usually rely government tenders where they enjoy preferential procurement deals. Sometimes these tenders are gained on the basis of one’s proximity to political power. Thus one finds other African scholars being very critical towards the practice of promoting indigenisation through tenders on the grounds that it has not created genuine capitalists or business persons who accumulate their wealth through an ethic of hard work and frugality. The beneficiaries of BEE/indigenisation who are in most cases the political elite wholly depend on this socio-economic policy for accumulating wealth.

### **6.3 Indigenisation and the Political Elite**

Beneficiaries of BEE tenders have remained the same people and sometimes this socio-economic policy makes it difficult for others to participate in this system. The socio-economic policy is ethically problematic with regards to its inherent tendency to empower the same beneficiaries. Jack and Harris raised this ethical problem of beneficiaries remaining the same individuals to the exclusion of the majority of the previously disadvantaged black people which the policy has originally purported to help. This new BEE elite is being empowered at the expense of the majority of the citizens. This

raises the question of whether their participation is indispensable to the company's activities or whether it is just political cronyism. As we have seen previously, the stated objective of BEE is to enable many of those people who were previously disadvantaged to participate in the mainstream of the economy. In most cases when politicians decide to go into business they are followed by business people who want to use their political connections for monetary gains. The more the politician delivers, the more he or she gates more BEE deals from companies. It is on the basis of this rationale that Jack and Harris found a plausible explanation to the question of why BEE benefitted the same individuals. As they put it,

There are concerns around creating the 'new elite' who are constantly empowered at the expense of the masses. The question is specifically whether their involvement in the investment is intrinsic to the operations of the company, or whether their involvement is tantamount to capital cronyism. This is a valid concern, as the objective is to integrate volumes of people into the mainstream economy. It is interesting to note how the trend has evolved. When influential politicians change careers from politics to business, a flurry of suitors flood them with opportunities for the perceived access to political networks. The deliverable in this dance is having access to, and use of, those networks to result in tangible business for the suitors. The more influential the politician, the greater the attraction the suitors have for him or her. Furthermore, the more deals the former politician can conclude, the more bankable he or she becomes as a deal-maker and the stakes get higher. ...If the trend of awarding deals to the same individuals continues, we will have a situation of exclusion, no longer on the grounds of race but name (reputation or popularity) (Jack and Harris 2007: 60).

The above observation shows numerous ethical problems that arise from indigenisation/BEE. A socio-economic system that empowers a few individuals at the expense of the majority of the citizens can hardly be defended. If that is the case, it becomes justifiable for one to conclude that the indigenisation/BEE socio-economic policy does not promote the common good as claimed in most of the indigenisation/BEE Acts in post-colonial Africa. Getting rich through indigenisation/BEE policies through political connectivity is tantamount to condoning corruption. Already, this BEE socio-economic policy shows that is imbued in an intractable vicious situation of conflict of interest. A politician who resigns from politics and go on to acquire indigenisation/BEE deals as a result of a legislation on BEE which he

spearheaded or participated in the passing of such a legislation previously in parliament becomes conflicted when he ends up enriching himself through BEE deals. To use one's political networks as a way of enriching oneself implies being corrupt. In this instance, one uses an indigenisation/BEE legislation to enrich oneself. Thus one finds that those who have managed to get rich through BEE deals or tenders are euphemistically referred to as 'tenderpreneurs' - implying that they are not real entrepreneurs or capitalists who happened to get rich through hard work. Moeletsi Mbeki is hyper critical towards indigenisation/BEE beneficiaries. He writes,

Black Economic Empowerment (BEE) has not, however, proved to be the fatal blow to South Africa's oligarchs that Nelson Mandela and black nationalists of his era once envisioned. In fact, it strikes a fatal blow against the emergence of black entrepreneurship by creating a small class of unproductive but wealthy black crony capitalists made up of ANC politicians, some retired and others not, who have become strong allies of the economic oligarchy that is, ironically, the caretaker of South Africa's deindustrialisation (Mbeki 2009: 61).

For Mbeki BEE is actually a socio-economic policy that is the antithesis of the capitalist spirit of entrepreneurship because this policy has managed to create a group of indigenous African capitalists who are in actual fact not real capitalists in the Weberian sense as we have seen in chapter 4. In the light of the above quotation, these BEE beneficiaries are parasitic to a few rich individuals who have been in control of the economy since the times of apartheid. These oligarchs are said to be the ones who actually initiated BEE in South Africa prior to ANC's assumption of political power. They managed to coopt the elite within the ANC with the aim of controlling this elite. As Mbeki puts it,

BEE was, in fact, invented by South Africa's economic oligarchs, that handful of white businessmen and their families who control the commanding heights of the country's economy, that is, mining and its associated chemical and engineering industries and finance. The flagship BEE company, New Africa Investments Limited (Nail), started operating in 1992, two years before the ANC came to power. It was created by the second-largest South African insurance company, Sanlam, with the support of the National Party government-controlled Industrial Development Corporation (IDC), a state-owned industrial investment bank created in 1940. The Formation of Nail was soon followed by the creation of Real African Investment Limited (Rail),

sponsored by mining giant Anglo American Corporation through its financial services subsidiary Southern Life. The object of BEE was to co-opt leaders of the black resistance movement by literally buying them off with what looked like a transfer to them of massive assets at no cost. To the oligarchs, of course, these assets were small change (Mbeki 2009: 66-67).

According to Moeletsi Mbeki, BEE was a brainchild of the white dominated South African oligarchy companies. In other words, BEE was a strategy that was used by these South African oligarchy companies to silence prominent African nationalists by buying them off. If one recalls the Freedom Charter, the South African Black Nationalism was based on the idea of nationalisation of mines and the resources of the country for the common good. By buying off these prominent nationalists, the South African oligarchs managed to steer these nationalists off from implementing the objectives of the Freedom Charter. In other words, the primary aim of these apartheid oligarchs was not to empower Africans to become genuine entrepreneurial capitalists, but to silence them or to buy them off. For Mbeki, BEE has helped the oligarchs to find protection from those politicians against the majority of black South Africans who are most likely to clamour for reparation as a result of the atrocities of apartheid. Thus the protection of the South African oligarchs became the thrust of the post-apartheid South African constitution whereby “the creation of a category of citizens, apparently 91 per cent of the population, [was] to be known as Previously Disadvantaged Individuals (PDIs)” (Mbeki 2009: 68). Whilst 91 per cent was categorised as previously disadvantaged, Mbeki argued that the way how BEE unfolded by benefiting a few has made a mockery of 91 per cent as previously disadvantaged. He writes,

The ingenious legal notion of previously disadvantaged individuals created the impression that all black South Africans could or would benefit from BEE. This legitimised the co-option payment to the black political elite by dangling before the black masses the possibility that one day they, too, would receive reparations for the wrongs done to them during the apartheid era. BEE and its subsidiaries - affirmative action and affirmative procurement - which started off as defensive instruments created by the economic oligarchs to protect their assets, have metamorphosed. They have become both the core ideology of the black political elite and, simultaneously, the driving material and

enrichment agenda which is to be achieved by maximising the proceeds of reparations that accrue to the political elite (Mbeki 2009: 68-69).

Mbeki's main argument as stated above is that BEE in South Africa is only benefiting a few of the political elite through affirmative action and affirmative procurement are the subsidiary policies that are used in acquiring wealth. Also, it is important to note that for Mbeki the term Previously Disadvantaged Individuals (PDIs) is deceptively used because it implies that all the majority of black South Africans who were disadvantaged by apartheid were the beneficiaries of BEE. The PDIs have, in actual fact remained the political elite who are beneficiaries of BEE, not the majority of the PDIs. This has been the main argument against BEE/indigenisation in many parts of Africa where this socio-economic policy has been implemented. These political elites who are apparently the main beneficiaries of BEE by virtue of their status as PDIs, have an understanding of reparation as to imply a policy opportunity for them to maximise wealth. According to Mbeki, the political elite's understanding of reparation in the following logic,

1. In order for the wrongdoer to be able to pay reparations, the wrongdoer has to maintain a privileged position. This is the principle of fattening the goose that lays the golden egg. What this means is that the corporations that were allegedly responsible for victimizing the PDIs must not be transformed beyond putting a few black individuals in their upper echelons.
2. For the victim to continue to draw reparations it is critical that he or she remains perceived as a victim and as weak. This means that the former freedom fighter must be transformed from a hero who liberated South Africa into an underlying. The payment of reparations to the black elite thus achieves the opposite of what it is claimed it was designed to do, that is, make its members leading players in the economy. In reality, it makes members of the black elite perpetual junior support players to white controlled corporations.
3. One of the most destructive consequences of the reparations ideology is the black elite's relationship with, and attitude to, the South African state. As the state is said to have been party to the disadvantaging of the PDIs it is therefore also perceived to owe them something. By way of reparations the state must therefore provide PDIs with high-paying jobs.
4. The ideology of reparations traps members of the black elite into seeing themselves as the beneficiaries of the

production of other social groups and therefore primarily as consumers. To facilitate their role as consumers the black elite sees the state essentially as distributive rather than developmental. Most importantly, the black elite don't see themselves as entrepreneurs who can initiate and manage new enterprises. ...This is the most striking difference between the black elite of South Africa and the elites of Asia, where the driving ideology is entrepreneurship (Mbeki 2009: 69-72).

The above logic which Mbeki sees as prevalent among the political elite in post-apartheid South Africa debunks the claims of the advocates of BEE as an indispensable socio-economic policy for the economic advancement of black people in general. The beneficiaries of BEE are thus more interested in maintaining the status of quo of or the privileged economic status of the oligarchy because they benefit from these oligarchs. For this political elite to continue to benefit from BEE, they have to remain as victims of apartheid who are in a perennial state for reparation. The post-colonial or post-apartheid government is perceived by these political elites as owing them, and the government should always acknowledge its debt to these political elites by providing them with high paying jobs. As these political elites see themselves primarily as by right the sole beneficiaries BEE socio-economic policy, they are trapped in a mentality where they cannot imagine themselves as entrepreneurs.

For Mbeki, entrepreneurship is the main casualty of BEE socio-economic policies in post-apartheid South Africa. Evidence to the absence of the spirit of entrepreneurship in post-apartheid South Africa is the reality of the demise of the manufacturing sector of the economy. As he puts it, "In a society where entrepreneurship is considered an unnecessary distraction, and is even discouraged in favour of consumption funded through state redistribution policies, as is the case in South Africa (and indeed, with a few exceptions, in all of Africa), it follows that the general well-being and advancement of the mass of the population becomes problematic" (Mbeki 2009: 96). It is in such critiques of BEE/indigenisation that one can easily conclude that this socio-economic policy remains a setback towards the appropriation of modern capitalism in post-colonial Africa. The spirit of

entrepreneurship remains pivotal to capitalistic development and the appropriation of capitalism. In his *An Introduction to Positive Economics*, Richard Lipsey says that, “The entrepreneur is the one who takes risks by introducing both new ways of making old products and wholly new products. Thus he is one who organises the other factors of production and directs them along new lines” (Lipsey 1974: 50). Entrepreneurship entails active participation in the economy as a producer of new and old products. In this way, entrepreneurs are people who take risks in investing in the creation of new products with the hope that they will make some financial gain for their effort. We can say that entrepreneurs do not rely on government legislation that favours them, rather they undertake individual initiatives regardless of the fact that they might incur losses in the process and end up bankrupt.

BEE/indigenisation has failed to promote the emergence of African entrepreneurs because this socio-economic policy does create a class of African bourgeoisie who are on the final analysis not capitalists at all. They exist as parasites to the state by virtue of their proximity to political power within the ruling party. Popular media euphemistically refers to such people as ‘tenderpreneurs’ – implying that they are not real entrepreneurs in the traditional sense of the word, but individuals who understand entrepreneurship solely in terms of acquiring tenders. South African minister Bonginkosi Nzimande observed that,

Tenderpreneurs, found in both public and private sectors, and often the two colluding, are those who corruptly capture government tenders using their political positions or connections. In fact ‘tenderpreneurs’ pose the single biggest threat to genuine entrepreneurs, as the latter often do not have inside information or the necessary political connections to get government or even tenders in the private sector. Tenderpreneurship expresses the worst in the intersection between holding of political position and business interests (Nzimande 2010: 2).

According Nzimande, tenderpreneurs are a biggest threat to a genuine spirit of entrepreneurship in the sense that they use their political connections to get tenders in both government and private sector. Tenderpreneurship is a practice that also thrives on corruption within the government as business

position and business interest are conflated. Thus the practice of tenders violates ethical business practises because the element of corruption that goes hand in hand with it. The practice of tenders being administered through preferential procurement has failed to create capitalists, but unscrupulous corrupt individuals. The former ANC Secretary General, Gwede Mantashe gave a critique of preferential procurement of tenders when he said, “The thing of having a bottle of water that you can get for R7 procured by the government for R27 because you want to create a middle class person who must have a business is not on...It must stop” (Cited in Jeffrey 2013). Those who get their wealth through preferential procurement of tenders can hardly qualify to be called genuine entrepreneurs or business people who get their wealth through their own individual initiative. As we have seen previously, tenderpreneurs are a good example of what entrepreneurship is not about. In other words, tenderpreneurs are not real entrepreneurs because their entrepreneurship relies on government tenders. Without these government tenders they cannot undertake works of entrepreneurship.

The existence of tenderpreneurs is in itself a classic example of post-colonial African governments’ socio-economic development failure. It appears as if post-colonial governments have failed to predict the economic consequence of the implementation of BEE/indigenisation towards the overall national economic development. Ray Matikinye critiqued BEE/indigenisation in Zimbabwe on the grounds that it was not a practical socio-economic policy that can promote national economic development. Thus he writes,

On paper an indigenisation programme covering all aspects of black economic empowerment (BEE) to create employment and reduce poverty among Zimbabwe’s indigenous people looks comprehensive enough to impress. But the demands on government for its successful implementation also seem too hard an act to follow. Government is yet to fully adopt indigenisation as a policy to redress the imbalances of the past. Until recently the programme was without a clear policy framework and operational guidelines (Mitikinye 2006).

The implication of the above quotation is that whilst BEE can be theoretically impressive with regards to its spirit of welfare, what makes it problematic is the issue of practical implementation of this socio-economic policy. Here we

have a discrepancy between policy formulation which cannot be implemented for its realisation. As it has been the case all over Africa with socio-economic policy of BEE/indigenisation, there has been a general lack of framework to guide its practical implementation. In the case of Zimbabwe, Matikinye went on to argue that BEE/indigenisation did not create entrepreneurs, but a class of parasitic individuals who thrived on their political connectivity to amass wealth for themselves without regard for critical economic issues such as those of national economic development. For Matikinye BEE/indigenisation socio-economic policy was doing more harm to the economy than good. Those who have gained from indigenisation were not genuine business people but individuals who simply thrived on crony capitalism and political patronage. It is for this reason that people who complained about indigenisation have argued that this socio-economic policy has benefited the same individuals. The policy of BEE/indigenisation has killed the private sector and a culture of accountability in such a way that this policy had done more harm than good to the economy. As Matikinye puts it,

At first attempt at indigenisation succeeded in creating a legion of briefcase businessmen and petty traders. It also created a small clique of *nouveaux riches*, largely thriving on crony capitalism and feeding on an intricate patronage system. ...Major complaints revolve round the repeated appearance of the same beneficiaries in different deals and guises. ...most of the board members in Zimbabwe's statutory bodies are the same charmed circle. Even when legislation regarding BEE comes into force, the Zimbabwean policy framework for indigenisation goes out the window. Black empowerment can only succeed in an environment of economic growth buttressed by a vibrant private sector with full accountability all the way down the line. However, policy inconsistencies over the years have led to disinvestment and gradual de-industrialisation by major international conglomerates due to the hostile economic environment (Matikinye 2006).

According to Matikenyi, BEE in Zimbabwe did not promote entrepreneurship, but rather it undermined the spirit of entrepreneurship by creating a small group of people who amassed a lot of wealth and were ostentatious in their life styles because of the newly acquired BEE riches. Such people do not have any vision about national development besides prodigious spending of the newly acquired BEE riches. If spending money is one of the chief

characteristic of these BEE beneficiaries, it becomes illogical to expect these beneficiaries to contribute to the development of the nation as a result of their becoming rich through BEE. In a way, a small clique of *nouveaux riches* are not entrepreneurs because their wealth is derived from crony capitalism and a political culture of patronage. Political patronage is a practice whereby individuals get BEE riches on the basis of whom they know within the ruling party. Such a practice undermines the way how modern capitalism has worked throughout the world. Other scholars have argued that post-colonial African economic prosperity lies in adopting the ways of the working of capitalism. In this vein, one finds Chanda Chisala arguing against indigenisation/BEE as follows,

The only way is to change our environment and this will start by changing our attitude to the whole idea of capitalism. Capitalism simply means allowing the environment to be as free as possible. We destroy the environment when we start intervening in it in order to force our ideas of who should own what: how much should what he bought... (Chisala 2007).

BEE/indigenisation does not help any country to appropriate the spirit of capitalism in the sense that these policies manipulate the capitalistic economic environment for reasons that are sometimes anti spirit of capitalism because such socio-economic policies have been promulgated without proper planning. Sometimes these policies have been amended only after irreparable harm has been done to the economy. For example, as we have seen previously, the Zimbabwean Indigenisation Act stifled economic growth throughout the era of Robert Mugabe's presidency. This act actually scared potential foreign investors away and consequently the Zimbabwean economy failed to attract foreign direct investment (FDI) into the country. Equally, in the case of South Africa, some scholars such as Acemoglu, Gelb and Robinson have advanced three arguments in support of the idea that this socio-economic policy needs to be amended. Firstly, BEE has not resulted in economic growth, secondly, that this socio-economic policy should de-emphasise ownership and increase productivity, and thirdly, this socio-economic policy is too open ended and no evaluation is given to any outcomes because government has not given any terminal date (Acemoglu,

Gelb and Robinson 2007: 2). All the above arguments that are being raised by these authors do show that the South African government did not give enough attention to proper planning prior to the implementation of the BEE/indigenisation socio-economic policy.

The argument about lack of planning in the implementation of BEE/indigenisation socio-economic policy was also echoed by Jack and Harris when they argued that there is no time limit to individual participation in BEE as a beneficiary. As they put it,

A few people have already progressed beyond being a BEE beneficiary, the most notable of which is Mzi Khumalo, one of South Africa's best-known businessmen. He notified the public that he was no longer available for BEE deals. Apart from Mzi's personal reasons for removing himself from the BEE people, his graduation makes room for new candidates (Jack and Harris 2007: 59).

What is implied by Jack and Harris is that there is no sunset clause on when individuals who have been beneficiaries of BEE policy should stop participating as BEE beneficiaries. It depends on the individual beneficiary when to stop participating as a BEE beneficiary. The way how BEE policy has been formulated leaves the door open for the individual to remain a BEE beneficiary as long as he or she wants to. Since there is no sunset clause on when individuals should stop being beneficiaries, it all depends entirely on the individual beneficiary's discretion. For this reason, Jack and Harris went on to say, "The principle of graduation is simple - if no one graduates, the school will soon become too full and all the students will suffer. It should be interesting to see how many people follow the example of Mzi Khumalo. The graduation from BEE will most commonly be based on wealth levels, which government cannot set. Individuals must determine their own graduation level" (Jack and Harris 2007: 60). What is implied is that there relates to the inherent problem of determining what is enough from the wealth accumulated through BEE deals is. Without government policy, on the final analysis it all depends on individual BEE beneficiary to determine on his own whether s/he has accumulated enough wealth from BEE deals to his or her own satisfaction. According to Murove, the problem inherent in giving one person (Mzi Khumalo) as an example of a graduate of BEE overlooks the fact

that, “graduation by essence is marked by a completion of a certain set of requirements that are known and accepted by everyone”. Contrary to this popular understanding of graduation, Jack and Harris postulated that, “graduation is by self-determination informed by self-satisfaction of accumulation of limitless wealth” (Murove 2010: 61). Here again, the problem which confronts us has to do with having common understanding on the amount of wealth which should determine that the individual has graduated from BEE.

Another problem with BEE is that it is difficult to quantify the effect of BEE socio-economic policy to national economic wellbeing. Anthea Jeffery argued that BEE was not good for the overall functioning of the economy. Thus she argues,

In the mining sector, vague BEE rules and their often arbitrary interpretation by bureaucrats have cast doubt over the certainty of mining titles and deterred investment, growth and jobs in a sector vital to the success of the economy. ...In addition, a vast amount of scarce capital has now been spent on BEE deals. The value of these transactions is hard to quantify, because those involving private companies are not made public. However, figures in the public domain put the value of such deals between R550 billion and R600 billion in the decade from 1998 to 2008 alone. This investment has primarily been non-productive and its benefits have gone largely to a small group (Jeffery 2013).

According to Jeffery, the indigenisation drive in the mining sector in contemporary South Africa has been pursued in a way that has compromised productivity in the mines. Whilst other countries in the world are experiencing economic boom in the mining sector, a lot of money which otherwise would have been used for the recapitalisation of the mining sector has been diverted to BEE deals. The investment in these deals did not show any productivity and the money was spend on a small group who are the beneficiaries of BEE. In such a critique one is left wondering as to what is the rationale of disrupting a nationally lucrative sector within the economy inorder to benefit a few BEE elite. BEE is also regarded by Jeffery has responsible for a low percentage of economic growth. As he puts it,

What the poor need most of all are jobs, backed by good schooling, and the growth rate needs to reach 7% a year to bring increasing prosperity to all. ...But BEE, and other forms of redistribution, help to tether the growth rate to about 3% a year and make it hard to break through that level. Instead of trying to 'reform' BEE with a raft of further unrealistic requirements, the government should recognise that BEE is fatally flawed and cannot be made to work. ...The government also needs to shift its 'big idea'. For 18 years, the ANC has emphasised redistribution instead of promoting economic growth. But dividing up the existing economic pie without expanding it will never be enough to meet the needs of a growing population (Jeffery 2013).

In the light of the above quotation, BEE is not helping the majority of the South African population which is poor. Government socio-economic policy should shift from enriching a few through BEE and focus on growing the economy. In other words, it does not make sense to want to redistribute from what is meagre instead of focusing on redistribution through economic growth. Jeffery's critique is not only relevant to the South African context, rather it is a common problem in all of post-colonial African states where BEE/indigenisation policy has been implemented. Those who have legislated such an economic policy are in most cases the beneficiaries of it. In this regard it is this small group of politicians and their relatives who are the only ones who have been previously disadvantaged by Colonialism and Apartheid. The implementation of a policy such as BEE/indigenisation has actually made the majority of the previously disadvantaged worse off than what they were prior to independence. This situation is contrary to the usual main reason that is given in the official government justification of BEE/indigenisation - to enable the majority of the previously disadvantaged people to participate in the mainstream of the economy. The majority of the people who have been previously disadvantaged by colonialism and apartheid are still not participating in the mainstream of the economy. It is for this reason that BEE/indigenisation socio-economic policies do not promote the common good or welfarism. In the light of the above criticisms of BEE/indigenisation socio-economic policy, the question that arises is: Can BEE/indigenisation beneficiaries promote the common good?

### 6.3.1 BEE Beneficiaries and the Culture of Emulation

As we have seen previously some African critics of BEE/indigenisation such as Claude Ake and Moeletsi Mbeki argued that the interests of the small class of beneficiaries of BEE/indigenisation policies converge with the interests of international capitalism. The reason is that their conspicuous accumulation of wealth sets them apart from the rest of the multitude of the previously disadvantaged. They share some common traits with international capitalists. For example, the first trait which was identified by Thorstein Veblen is what he called economic predation which is found mainly among the leisure class or those who are super rich or in the case of BEE beneficiaries in Africa, they are a small class of *nouveaux riches* whose accumulation of wealth is traced to a culture of political patronage instead of being rich through entrepreneurship. According to Veblen, “The predatory instinct and the consequent approbation of predatory efficiency are deeply ingrained in the habits of thought of those who have passed under the discipline of a protracted predatory culture” (Veblen 1931: 30). On the basis of the arguments that have been levelled by the critics of BEE against the beneficiaries of this socio-economic policy, one cannot help but to come to the conclusion that the beneficiaries of BEE are wholly immersed in ‘a protracted predatory culture’. The idea that the beneficiaries of BEE socio-economic policy have remained the same individuals implies that their quest for wealth remains insatiable.

Because of a continuous feeling of insatiability, the impulse to acquire more becomes a permanent trait amongst BEE beneficiaries. They end up behaving as if they are addicted to wealth. As Veblen puts it,

The tendency in any case is constantly to make the present pecuniary standard the point of departure for a fresh increase of wealth; and this in turn gives rise to a new standard of sufficiency and a new pecuniary classification of one's self as compared with one's neighbours. So far as concerns the present question, the end sought by accumulation is to rank high in comparison with the rest of the community in point of pecuniary strength (Veblen 1931: 31).

The phrase 'pecuniary standard' which is used by Veblen in the above quotation implies acquiring wealth in such a way that the present acquisition remains a point of departure for further acquisitions. To a certain extent this gives us the logical explanation why the beneficiaries of BEE remain the same individuals who are the beneficiaries of this socio-economic system. These small BEE elite are competing in acquiring pecuniary strength within the same circle. This competition in pecuniary strength ends up excluding of the majority of people from benefiting from BEE. According to Veblen, the psychology of accumulation of wealth which is dominant among capitalists as a social class is that this class tends to compete among themselves in terms of accumulation of wealth. This accumulation of wealth is not aimed at benefiting the majority of the previously disadvantaged individuals (PDIs). Individuals who have been BEE beneficiaries for a long time are mostly preferred by companies when they are seeking black business partners. Previously Jack and Harris said that, "Companies seeking black ownership credentials frequently choose the same individuals and do not cast their nets wider in search of other Black people to partner with" (Jack and Harris 2007: 60). The main reason why companies prefer to do BEE deals with the same individuals instead of new ones is that these companies can easily identify with these individuals' pecuniary standards and their behavioural tendency towards conspicuous consumption. Companies and BEE beneficiaries do share the same trait of pursuing their own business interests at the expense of the community in general. Thus Veblen writes, "Their office is of a parasitic character, and their interest is to divert what substance they may to their own use, and to retain whatever is under their hand. The conventions of the business world have grown up under the selective surveillance of this principle of predation or parasitism" (Veblen 1931: 39).

Both BEE beneficiaries and companies that invite them for partnership do share the same principle of predation or parasitism on the wealth of the country. As we have seen previously, these BEE beneficiaries are only acquiring wealth for themselves and not for the promotion of the national

common good. For this reason, critics of BEE/indigenisation have sometimes called this socio-economic policy as the indigenisation of privatisation, thus implying that the policy itself has nothing to do with the promotion of the common good or enabling the majority of the PDI participate in the mainstream of the economy as is claimed most of the indigenisation acts. Another unethical practice that is rampant among BEE beneficiaries and old private national companies and multinational companies is that of business fronting.

#### **6.4 The Susceptibility of Indigenisation/BEE to Corruption**

Business fronting is a fraudulent practice whereby foreign companies use indigenous individuals as defined in the Indigenisation Act as BEE partners without which those companies would not qualify. Corruption has been defined as a tendency whereby one uses his or her privileged office or position in society or organisation to further one's own personal interest to the detriment of the common good. The standard definition of corruption has been that of acting in such a way that one compromises the general wellbeing of the public by making sure that what one does in the office is mainly beneficial to him or her. John Mbaku observed that in Africa corruption is usually seen "in more practical terms" which in some instances is regarded as "prostitution of one's public office in an effort to generate extra-legal income; capricious and selective enforcement of state laws and statutes in an effort to generate benefits for the office holder; and differential treatment of private business enterprises in the expectation of an illegal payment from the business owner whose enterprise is granted favourable treatment" (Mbau 2000: 12). This perception of corruption has been rampant in the implementation of the indigenisation/BEE socio-economic policy. As we have seen in the preceding discussion, a few who are well connected politically have benefited from indigenisation/BEE policy. As we shall see in the following subsections, business fronting and the awarding of tenders have remained the manifestations of the most popular corrupt practices in the implementation of indigenisation/BEE policies.

#### 6.4.1 Business Fronting as Corruption

In fronting, a BEE partner is used as a puppet for a company. According to Jack and Harris, “Fronting is the practice of making unsubstantial broad-based BEE claims, where the Black person has no real right to commensurate benefits claimed to have been given by the measured entity” (Jack and Harris 2007: 470). In other words, a black person is used as a puppet in order for a company which previously benefited from apartheid or colonial economic injustice to gain BEE credibility and the benefits that are accrued from BEE. Jack and Harris went on to make the observation to the effect that, “Fronting takes two parties. It cannot be done by a white company alone; it needs a Black counter-party. The reason why Black people engage in fronting practices is the windfall of about 5-10% that accrues to them without much sweat on their part. The money involved can be substantial for the Black partner, making it attractive to front”. In other words, in fronting a black person is used not as a legitimate BEE partner, but as puppet to circumvent BEE requirements as stipulated in the South African Broad-Based Black Economic Empowerment (BBBEE) Act, (2003). Through fronting, a black person is thus paid substantial amounts of money for doing nothing. What prompts white owned companies to resort to fronting is the fact that the new post-apartheid South African government has made it mandatory that these companies should be rated on the basis of their achievements in implementing the equity legal requirements. Whilst I will not go into a detailed analysis of all types of fronting that can be found in the BEE/indigenisation socio-economic policy, my main concern in this chapter is that it is a corrupt practice which is resorted to by companies in order to circumvent the legal requirements of BEE compliance.

Business fronting in BEE/indigenisation socio-economic policy cannot be seen exclusively as the practice of companies in their effort to circumvent this policy, the way how this policy has been formulated presence a fertile ground for fronting. Tapiwa Warikandwa and Patrick Osode identified several factors that give rise to business fronting in Zimbabwe. Some of those factors are:

- a) disgruntled foreign investors who use corrupt and greedy well-connected business elites to retain the investments they lost and/or stand to lose in the face off the aggressive indigenization policy in Zimbabwe;
- b) unscrupulous and well-connected elites who seek to maximize their returns from the spoils of the haphazard indigenization programme;
- c) ordinary people who benefited from indigenization programme on merit, accidentally or through political patronage, and have realized that the indigenization programme lacks the necessary implementation-related financial support and is simply being used to score political points (Warikandwa and Osode 2017: 13).

Among all those factors identified by Warikandwa and Osade, one can easily deduce that the BEE/indigenisation socio-economic policy is susceptible to corruption. Also, as we have seen previously from the critics of BEE, there is no moral justification for enacting a socio-economic policy that tends to benefit a few PDIs whilst the majority of the PDIs are living under deplorable conditions of excruciating poverty. Business fronting becomes an acceptable practice to both parties involved because BEE beneficiaries know that they are being made rich by their government in ways that are unethical and the business entity involved in fronting feels that the BEE Act which requires it to comply with equity is rather fraudulent. Warikanda and Osode went on to say that ordinary people realised that indigenisation has been used by politicians for populist purposes without tangible practical implementation on the part of the government. Thus they write, “This realisation has made the ordinary citizens who are beneficiaries of the indigenisation programme comfortable with fronting for foreign business persons in return for huge sums of money which the government cannot offer them” (Warikandwa and Osode 2017: 133). In business fronting, the indigene person as defined in the Indigenisation Act uses the national indigenisation policy for private gain. In business fronting there is no genuine transfer of wealth into the hands of the majority who have been historically disadvantaged.

In business fronting, the individual who gets financial benefits is not usually supposed to get those benefits because such financial benefits are supposed to be accrued for the whole nation. Other scholars such as Elly Twineyo-

Kamugisha argued that “corruption hinders economic growth and development by discouraging investment and diverting funds meant for infrastructure and other things (Twineyo-Kamugisha 2012: 74). If these are some of the effects of corruption, business fronting contributes to corruption as this practice corners that which is supposed to promote the public good for individual pecuniary gain. Jack and Harris observed that,

The major risk of fronting is that it sets the BEE process up to be another bubble in a stream of failures to integrate Black people into the mainstream of the economy. With fronting, Black people receive no substantive skills development. Fronting diverts the need for operational involvement of Black people in the strategic implementation of contracts that have been won on the back of Black participation. If fronting practices persist, Black people will be denied the opportunity to be involved in the technical and core aspects of the industry. Instead, it forces them to remain in the support functions or peripheral parts of that industry (Jack and Harris 2007: 481).

According to Jack and Harris, those who suffer the most from business fronting in BEE are black people who end up remaining outside the mainstream of the economy because the practice inevitably deprives them of critical skills that are required for a meaningful participation in the economy. Business fronting supports the status quo of the inherited apartheid exclusive economic system. In this way, this practice is another form of corruption that compromises the objectives of BEE which is to enable the majority of the PDIs to participate in the mainstream of the economy. This also implies that business fronting defeats the purpose of indigenisation because in this practice it becomes only the individual who benefits from fronting. What is left out in the above implications of fronting is that it is corrupt practice. The South African Broad Based Black Economic Empowerment Amendment Act defined fronting as follows, ‘**Fronting practice**’ means a transaction arrangement or the act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of this Act or the implementation of any of the provisions of this Act, including but not limited to practices in connection with a B-BBEE initiative –

- (a) in terms of which black persons who are appointed to an enterprise are discouraged or inhibited from substantially participating in the core activities of that enterprise;
- (b) in terms of which the economic benefits received as a result of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ration specified in the relevant legal documentation;
- (c) involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person; or
- (d) involving the conclusion of an agreement with another enterprise in order to achieve or enhance broad-based black economic empowerment status in circumstance in which -
  - (i) there are significant limitations, whether implicit or explicit, on the identity of suppliers, service providers, clients or customers;
  - (ii) the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available;
  - (iii) the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis...(No 46, 2013).

However, this amendment of BBEEE Act on fronting practice is vague about the active role of black people in fronting, because the main culprits in the practice of fronting are companies. Whilst this definition of fronting does not explicitly characterise the practice as corruption there is an implication in this definition that fronting is a fraudulent practice that undermines the goals of equity as envisaged in BEE. There is a strong implication in this definition of fronting that black people are used as tokens for business opportunistic purposes. But it is not black people who are used as tokens unwillingly, they also avail themselves to be used because they get something from this practice - thus fronting becomes lucrative for these black people because they end up reaping financial benefits for doing absolutely nothing. Like other acts of corruption, one gets financial or material benefits which in normal circumstances she or he is not supposed to get. Another conduit for corruption in BEE/indigenisation policy is the tender system which is supposedly aimed at enabling the majority of the

historically disadvantaged black people to participate in the mainstream of the economy.

#### 6.4.2 A Symbiotic Relationship between Tenders and Corruption

The main strategy or the most popular strategy which has been used by governments in post-colonial Africa to implement the policy of BEE/indigenisation is through the procurement of tenders. The awarding of tenders to the PDIs is aimed at enabling black people to participate in the mainstream of the economy. In *The Constitution of the Republic of South Africa* the state has the right to legislate policies that favour the Previously Disadvantaged Individuals through procurement process. Thus Section 217 of this constitution states that:

- (1) When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.
- (2) Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –
  - a. categories of preference in the allocation of contracts; and
  - b. the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.
- (3) National legislation must prescribe a framework within which the policy referred to in subsection (2) may be implemented.

The Constitution of South Africa stipulates that the state should provide national legislation which will provide a framework for procurement national policy that will favour ‘persons or categories of persons’ that were previously excluded by discriminatory legislations of apartheid. The South African government came up with policies on how government officials are supposed to award contracts and tenders. PPPFA provides minimum BEE requirements that are expected from companies if they are to be awarded with contracts from government. As Jack and Harris put it, “If companies do not contribute to BEE they need to live with the possibility of not being awarded any contracts by the organs of the state. The question of fairness

and equitability in excluding those who do not contribute to BEE in any form is not something over which we should lose sleep at night” (Jack and Harris 2007: 19-20). The need to be awarded with government tenders becomes the goal of any company to make sure that it fulfils the BEE requirements. In order to get these government tenders, the rules of procurement have been subverted by companies and BEE beneficiaries. Tembinkosi Zondi argued that corruption occurs in BEE through what he called the manipulation of tenders. He writes,

The manipulation of the practice of state tenders is not only a moral problem but it could frustrate the achievement of BEE through the use of procurement by State organs. The failure (or the apparent lack) of political will to ensure that the issuing of tenders is conducted in a manner that is fair, transparent, competitive, above board and targets the intended beneficiaries will not only perpetuate the growing socio-economic gap but it also has a potential of entrenching a culture of ‘me-first and everybody-else-later’ (Zondi 2012: 65-66).

According to Zondi, tenders enable individuals to use BEE benefits for their own personal interest and not necessary with the intention of furthering national economic development. Recipients of tenders and those who administer those tenders on behalf of government regulations do end up being using this tender system for corrupt purposes. Twineyo-Kamugisha narrated a story that shows how tenders have become a source of corruption in post-colonial Africa as follows,

A story has been told of an official in an East African country who demanded from a contractor a bribe equivalent to the value of two layers of road tarmac in order to win the tender for constructing a road. The road should have been built with no fewer than four layers. Financially constrained, the contractor was forced to construct the road with only two layers. The effects of this kind of corruption are various. First, you will have poor-quality roads, which have to be replaced after a short period. It also means limiting the carriage of goods on trucks transported on this road to the markets; loss of lives and goods; and a bigger medical bill. None of these deterred the official from obtaining the kickback he wanted (Twineyo-Kamugisha 2012: 75).

This type of behaviour from a government official who was supposed to administer the government tender system had catastrophic economic consequences for the whole country in the sense that his demand for a bribe

from the would-be tender beneficiary resulted in the construction of a poor road since half of the funds that were allocated for the construction of a four layer tarmac road were given to the government official as a kickback for the received tender. Through corruption the nation is economically destroyed because the effects of corruption have tentacles that affect all the sectors of the economy. Through corruption, tenders have become costly to many post-colonial African economies. In this regard, corruption through tenders does not promote economic growth or empower the supposedly beneficiaries of indigenisation. The practice of kickbacks which has fanned corruption in the tender system has given rise to a situation whereby the socio-economic policy of indigenisation/ BEE has benefited a few who are politically connected and have the knowledge of how the tender system works.

Sometimes what has made the tender system susceptible to corruption is the primacy that is given to the prestige motive in African cultures. Murove observed that in African culture there is a strong belief that one must always reciprocate a favour that has been received. As he puts it, “In Zulu one proverbs that one proverb exists which says, *Izandla ziyagezana* (hands wash each other). This proverb implies that one must always reciprocate in kind whenever a gift or a favour has been given” (Murove 2018: 149). The practice of kickbacks which is common in tenders might have its origins in this African culture which emphasises the need to reciprocate what has been received. The prestige motive in African culture can also imply that those in public office are most likely to offer tenders to their kith and kin as a way of demonstrating their good standing with their own relatives and friends. Popular media is full of stories of people who have been given tenders for construction of government law cost houses without any expertise in construction and civil engineering. Sometimes the recipient of such a tender end up subcontract another company which has the expertise in construction and civil engineering. Thus the beneficiary of such a tender ends up pocketing a lot of money for practically doing nothing. Sometimes the one who was awarded a tender gets 20% of the money which was

awarded for the project whilst the subcontracted company gets 80% for doing the job. It for this reason that corruption the practice of corruption which go hand-in-hand with tenders within the implementation of BEE/indigenisation impoverishes the majority of the previously disadvantaged people. The prevalence of corruption in the implementation of BEE/indigenisation socio-economic policy goes against welfarism or the promotion of the common good.

### **6.5 BEE/Indigenisation and the Common Good**

Despite the problems of BEE/indigenisation, it is evident that the spirit of this socio-economic policy was to promote the common good. As a policy that was intended to redress the economic colonial and apartheid injustices of the past where the majority of the black people were discriminated against from participating in the mainstream of the economy, BEE/indigenisation was envisaged as a socio-economic policy that would bring about an era where the majority of the previously disadvantaged can also participate in the capitalist economic system and contribute positively towards the appropriation of capitalism. However, the question that arises is whether capitalism and its inner logic and presumption about a human being as shown in Chapters 2 and 3 is compatible with the common good?

There is no doubt the BEE/indigenisation socio-economic policy is based on the presumption that economic development and the general social welfare of post-colonial and post-apartheid African society can be fulfilled under the modern capitalist economic paradigm instead of the economic ideology of African socialism. The logic of modern capitalism which has been embraced in the by the post-colonial and post-apartheid Africa has an inherent tendency of excluding the poor from the mainstream of the economy. Modern capitalism “does not entertain any other human values besides the ideal of money-making and excludes any other values which might be the main source of social cohesion and identity” (Murove 2008: 137; also see Capra 2002: 123). In BEE/indigenisation socio-economic policy, there is also the belief that redistributive justice and the common realised by using the same modern capitalistic economic system in a way that benefits the

majority of the citizens who have been previously deprived by the injustice of the past - colonialism and apartheid. The South African government promulgated a macro-economic policy which was called Growth, Employment and Redistribution (GEAR). The belief behind this policy was that “a globally competitive and fast-growing economy will lead to a redistribution of wealth in favour of the poor” (Murove 2008: 138). The main presumption was that “when wealth has been accumulated, it will eventually trickle down to the poor ([www.polity.org.za/html/govdocs/policy/growth.html](http://www.polity.org.za/html/govdocs/policy/growth.html)). However, the belief that when wealth has been accumulated by a few elite it will eventually trickle down to the poor as some form of the promotion of the common good has come under heavy criticism because the majority of black people have remained poor. Diana Sanchez observed that BEE has not resulted in flourishing of the common good in post-apartheid South Africa because, as she puts it,

...the South African economy has hindered the transfer of ownership. Indeed, as the economy is greatly dominated by large corporates, change of ownership requires massive amounts of capital, which, given the history of economic discrimination, are not available for the great majority of the black population. Furthermore, even when capital has been made available (with the support of government institutions or private finance), the usual result has been the inclusion of only a handful of individuals or groups (usually politically connected) into major established businesses with the majority remaining marginalised ([www.hsrc.ac.za/en/research-data/ktree-doc/8470](http://www.hsrc.ac.za/en/research-data/ktree-doc/8470)).

In the light of the above observation, BEE has not led to the empowerment of the majority of the black South African population that was historically disadvantaged. This type of argument is also based on the salient presumption that by its own nature capitalism has never been a distributive economic system. As we have seen in chapter 2, modern capitalism thrives on the understanding that individuals will always relate to each other on the basis of pursuing their own self-interest or which economic theory regards as utility maximisation. For this reason, Charles Wilber observed that,

Economic theory attempts to provide a rigorous demonstration that rational individuals, left free to engage in voluntary exchange, will construct competitive market institutions that yield optimal levels of individual freedom and material welfare. In the absence of market failures this economic theory of individual rationality indicates that intervention by public authorities lowers efficiency and thus the level of output (Wilber 1987: 245).

If individuals are solely self-interested, it means any government intervention which favours certain individuals will not necessarily lead to the redistribution of wealth in a way that will promote welfare. Those individuals who are favoured by government policy will use that opportunity to further their own individual interests and not the welfare of the community or the common good. By nature, capitalism is not distributive. Rather, it is accumulative in a way that impoverishes the majority of the citizens. Philip Wicksteed stated it pragmatically that capitalism was not an economic system which can be used to redress the injustices of the past. Thus he writes, "...the economic forces and relations have no inherent tendency to redress social wrongs or ally themselves with any ideal system of distributive justice. ...The economic relation, then, or business nexus, is necessarily alike for carrying on the life of the peasant and the prince, the saint and the sinner, of the apostle and the shepherd, of the most altruistic and the most egoistic of men" (Wicksteed 169-171). In this way of thinking, Wicksteed is telling us that capitalism is not an economic system which one should expect to redress historical distributive injustices because this economic system is not built on the foundations of morality. In this way of thinking one can deduce that it is rather preposterous to expect a socio-economic policy such as that of indigenisation/BEE which is based on capitalistic foundations to redress the economic historical injustices of colonialism and apartheid in post-colonial Africa. In this capitalistic way of thinking, post-colonial governments should not interfere with the functioning of the economy with the aim of creating a class of African capitalists who will help in the economic development for the good of the country. A real capitalist according to capitalistic rationale will always act in a way that maximises his or her self-interest.

Rahel Jaeggi proffered a moral critique of capitalism by focusing on the consequences which capitalism has on society in general. These consequences, according to Jaeggi, show that modern capitalism cannot promote the common good. Thus his critique of capitalism runs as follows,

The **moral or justice-oriented argumentation**, as I said, protests that **capitalism is premised upon injustice**, accordingly producing and reproducing an unjust societal structure. In seeking out such a dimension of the critique of capitalism, it is obviously bound up with the theorem of **exploitation**. ...According to this critique, capitalism thus exploits human beings by depriving them of the fruits of their own labour in an unfair and unjust way, and they are forced, as if by extortion, into enslavement by a system that in a variety of ways defrauds them of that to which they are entitled [his emphasis] (<https://www.philosophic.hu-berlin.de/de/lehrbereiche>).

According to Jaeggi, capitalism was about the exploitation of human beings by other human beings. Thus in this way of thinking there is no way capitalists can be benefactors of society. Their relations with the rest of society is exploitative or parasitic. The same argument was raised by Moeletsi Mbeki in chapter 4 when he referred to BEE beneficiaries as parasitic and not contributing anything significant to the nation's economic development. What makes capitalism morally deplorable is that it thrives in a situation of abject poverty for the majority whilst a few of those who are filthy rich enjoy obscene luxurious life styles.

Other scholars have proffered a theory of positive externalities as a plausible theory that can help us to account for the common good within a capitalistic economic system. In other words, positive externalities are the good things which can be enjoyed by society from an economic system which is originally unethical. The creation of good things which can be enjoyed by society at large is something that occurs even though it was not intended by the individual capitalist. This type of thinking is derived from the economic writings of Bernard de Mandeville and Adam Smith. Bernard de Mandeville already poeticised the modern capitalistic rationale behind the theory of positive externalities when he poeticised the working of the liberal capitalistic economy as follows,

Fraud, Luxury and Pride must live  
While we the Benefits receive  
Do we not owe the Growth of Wine  
To the dry shabby crooked Vine? (Mandeville 1924: 36).

In the light of the above stanza, we might condemn capitalistic economic activities as unethical but, Mandeville reminded us that society actually derives good benefits from this immoral economic system. Whilst a capitalistic person might be only interested in enriching himself, his pursuit for self-enrichment actually ends benefiting the whole of society. Human vices such as fraud, luxury and pride do end up generating some benefits for society. It those benefits which were not originally intended by a capitalist person that modern economic theory regard as positive externalities – they are not the primary intended outcomes of the capitalist's intentions. The same allusion to the modern capitalistic theory of positive externalities was also made by Adam Smith in his most quoted passage in *Wealth of Nations* when he said,

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities, but of their advantages. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens (Smith 1976: 27).

In the above quotation Smith is saying that whilst the butcher and the baker are only self-interested in undertaking their daily business activities, society ends up benefiting from these self-interested activities. Society does not benefit from the generosity of the butcher and the baker, but from the pursuit of their self-interest. When we talk to them, we should not appeal to their humanity and our own need to be helped, but on the basis of what they are going to gain. Whilst the butcher and the baker are solely self-interested in their businesses, the products we get from them such as meat and bread are positive externalities in as far as our consumption of these products results in the nourishment of our bodies. The nourishment to our bodies which we derive from our consumption of their products is something

external to their primary intention which is about making profits from selling meat and bread.

Positive externalities that promote the common good from the point of view of market economists are things such as education and health which should be subsidized by government. The commodities benefit the whole of society because it is to the good of society to have educated and healthy citizens (Wilber 1987: 250-251). Those who protested that BEE/indigenisation policies were only benefiting a few individuals who are politically connected are more interested in seeing the majority of the previously disadvantaged black people benefiting from the policies of transformation. This was the main argument that was advanced by the critics of indigenisation. A policy that benefits a few to the exclusion of the majority is detrimental to the common good. The common good presupposes an understanding of the individual as originally social by nature and that his or her ultimate wellbeing is inseparable from the wellbeing of society as a whole. In this regard, the role of government is not to promulgate policies that enrich a group of individuals to the exclusion of the majority of the other members of society or the community. However, as we have seen in chapter 4, there were other African nationalists who argued that African traditional values were collectivist, hence the common good in post-colonial Africa could only be realised through what they called African socialism. We have also seen that the implementation of African socialism in many of the post-colonial African states have resulted into a situation of chronic economic underdevelopment. For this reason many African states have abandoned the African socialism experiment and opted for the indigenisation of capitalism - promoting the common good through the capitalistic modes of production. This is what most of the post-colonial African states have devoted themselves to achieve. However, there is no empirical evidence that BEE/indigenisation socio-economic policy will ultimately lead to the appropriation of capitalism for the advancement of the common good.

## 6.5 Conclusion

In this chapter I continued discussing some of the problems that are related to the implementation of BEE/indigenisation as a socio-economic policy for the appropriation of modern capitalism in post-colonial and post-apartheid Africa. Some of the problems related to the implementation of indigenisation policy is that it create social inequality within society and that the policy of indigenisation does not reduce economic dependence. The problem of dependence is reinforced by the fact that post-colonial policies of economic indigenisation have failed to bring about effective competitiveness through productivity and innovation. Internal dependence is also perpetuated by the fact that through the preferential awarding of tenders, the policy of indigenisation has failed to create genuine capitalists as business persons who got their because of hard work and frugality. The beneficiaries of indigenisation have remained the same individuals who are well politically connected.

The socio-economic policy of indigenisation militates against the spirit of entrepreneurship. To use one's political networks as a way of enriching oneself implies being corrupt. In this instance, one uses an indigenisation/BEE legislation to enrich oneself. Thus one finds that those who have managed to get rich through BEE deals or tenders are euphemistically referred to as 'tenderpreneurs' - implying that they are not real entrepreneurs or capitalists who happened to get rich through hard word. It is important to note that for Mbeki the term Previously Disadvantaged Individuals is deceptively used because it implies that all the majority of black South Africans who were disadvantaged by apartheid were the beneficiaries of BEE. The PDI have, in actual fact remained the political elite who are benefiting from BEE, not the majority of the PDI. This has been the main argument against BEE/indigenisation in many parts of Africa where this socio-economic policy has been implemented.

It is in such critiques of BEE/indigenisation that one can easily conclude that this socio-economic policy remains a setback towards the appropriation of capitalism. The spirit of entrepreneurship remains pivotal to capitalistic

development and the appropriation of capitalism. Here we have a discrepancy between policy formulation which cannot be implemented for its realisation. As it has been the case all over Africa with socio-economic policy of BEE/indigenisation, there has been a general lack of framework to guide its practical implementation. In the case of Zimbabwe, Matikinye went on to argue that BEE/indigenisation did not create entrepreneurs, but a class of parasitic individuals who thrived on their political connectivity to amass wealth for themselves without regard for critical economic issues such as those of national economic development.

It is in such critiques of BEE/indigenisation that one can easily conclude that this socio-economic policy remains a setback towards the appropriation of capitalism. The spirit of entrepreneurship remains pivotal to capitalistic development and the appropriation of capitalism. Here we have a discrepancy between policy formulation which cannot be implemented for its realisation. As it has been the case all over Africa with socio-economic policy of BEE/indigenisation, there has been a general lack of framework to guide its practical implementation. In the case of Zimbabwe, Matikinye went on to argue that BEE/indigenisation did not create entrepreneurs, but a class of parasitic individuals who thrived on their political connectivity to amass wealth for themselves without regard for critical economic issues such as those of national economic development.

The way how BEE policy has been formulated leaves the door open for the individual to remain a BEE beneficiary as long as he or she wants to. Since there is no sunset clause on when individuals should stop being beneficiaries, it all depends entirely on the individual beneficiary's discretion. The main reason why companies prefer to do BEE deals with the same individuals instead of new ones is that these companies can easily identify with these individuals' pecuniary standards and their behavioural tendency towards conspicuous consumption. Companies and BEE beneficiaries do share the same trait of pursuing their own business interest at the expense of the community in general. Another unethical practice that is rampant among BEE beneficiaries and old private national companies and

multinational companies is that of business fronting. Business fronting is a fraudulent practice whereby foreign companies use indigenous individuals as defined in the indigenisation act as BEE partners without which those companies would not qualify. In fronting, a BEE partner is used as a puppet for a company. Business fronting is synonymous with corruption. Business fronting in BEE/indigenisation socio-economic policy cannot be seen exclusively as the practice of companies in their effort to circumvent this policy, the way how this policy has been formulated presents a fertile ground for fronting. Apart from the contribution of business fronting to corruption in the indigenisation/BEE policy, another conduit for corruption in this policy is the tender system which is supposedly aimed at enabling the majority of the historically disadvantaged to participate in the mainstream of the economy.

The need to be awarded with government tenders becomes the goal of any company to make sure that it fulfils the BEE requirements. In order to get these government tenders, the rules of procurement have been subverted by companies and BEE beneficiaries. The practice of kickbacks which has fanned corruption in the tender system has given rise to a situation whereby the socio-economic policy of indigenisation/ BEE has benefited a few who are politically connected and have the knowledge of how the tender system works. The prevalence of corruption in the implementation of BEE/indigenisation socio-economic policy goes against welfarism or the promotion of the common good. Among capitalistic liberal economists the common good is regarded as a positive externality in the sense that though a capitalist person is only concerned with the pursuit of his or her own interest, he ends up promoting certain essential societal services such as education and health. However, in this study I have argued that capitalism has never been good in promoting the common good. The common good presupposes an understanding of the individual as originally social by nature and that his or her ultimate wellbeing is inseparable from the wellbeing of society as a whole. In this regard, the role of government is not

to promulgate policies that enrich a group of individuals to the exclusion of the other members of society or the community.

## CHAPTER SEVEN: GENERAL CONCLUSION AND RECOMMENDATIONS

### 7. 1 General Conclusion

This chapter provides a conclusion and recommendations that are extracted from the study as a whole as it is a synthetic view of all the conclusions and observations that have been made in the preceding chapters of the study. It should be understood as a summary of the whole study and the recommendations that follow theretofore. The problem that was identified in this study is that whilst BEE/indigenisation has been chosen as a socio-economic policy for the appropriation of capitalism, there is no empirical evidence that support this claim, on the contrary the indigenisation/BEE socio-economic policy is actually hurting the post-colonial African economy because such a policy is susceptible to the institutionalisation of corruption.

Those few Africans who have become rich through indigenisation/BEE socio-economic policy cannot be seen as entrepreneurs because as beneficiaries of indigenisation/BEE socio-economic policy, they got their wealth through political connectivity and as a result indigenisation/BEE has not benefited the majority of the population that also suffered the brand of apartheid or colonial economic exclusion. This raised the issue of whether indigenisation can promote the common good. For an authentic treatment of the topic under investigation, the study provided an historical analysis of indigenisation with specific reference to the quest of for the appropriation of the spirit of capitalism in post-colonial Africa. To achieve this objective, the study gave attention to the critical voices of indigenisation or capitalism on one hand and the voices of those who see indigenisation as the most viable socio-economic policy for the appropriation of capitalism in post-apartheid and post-colonial Africa.

The discourse of indigenisation/BEE as a socio-economic policy is regarded as integral to African business ethics. An issue of ethical concern is that indigenisation/BEE as a socio-economic policy does not promote the common good because of its susceptibility to corruption and the inherent

tendency to benefit a few individuals at the expense of the majority. To put it succinctly, the study was a critique of indigenisation/BEE as a socio-economic policy for the appropriation of modern capitalism in post-colonial and post-apartheid Africa. Since the study is partly an historical analysis of capitalism in Africa, in chapter 2 my concern was to make a comparative investigation between modern capitalistic Western and North American values that were considered to be indispensable to the evolution of capitalism in those parts of world. The chapter started by arguing that there was a symbiotic relationship between modern capitalism as it was mediated to Africa from the West and colonialism. Because of this symbiotic relationship between modern capitalism and colonialism, I have argued that one the argument that was proffered by African nationalists was that African traditional values of collectivism were incompatible with modern capitalism, hence an economic system that was based on socialism was more commensurate with African traditional values of collectivism. I have also observed that the argument of African socialism can be seen as an attempt by African nationalist to indigenise capitalism or to make it relevant in the context of post-colonial Africa through the argument that was made by most of the African nationalists that pre-colonial African society was collectivist.

However, I went on to discuss modern capitalist values which some Western sociologists such as Marx Weber have identified as the explanatory reason for the ascendancy of modern capitalism in Western societies and North America. Weber identified these historical modern capitalist values as thrift, hard work and frugality. I went to argue that the argument that was proffered by scholars is that in post-colonial Africa colonialists did not pursue their economic activities on the basis of these Weberian values since capitalism within the colonial African context was mainly about expropriating African people of their natural resources and labour. In the light of the above observations, I discussed whether modern capitalist values as their originated from the West and North America were commensurate with African traditional values. In this regard it was observed that the modern capitalist values that evolved from the West and North America were

mainly based on an individualistic ontology of society. This individualistic ontology of society differed sharply with the African communitarian ontology of society on the grounds that in Africa the individual's wellbeing was indispensable from the wellbeing of the community. This claim was authenticated in my discussion of the individual ontology that is embedded in the ethic of *Unhu/Ubuntu*. The Southern African concept of *Unhu/Ubuntu* has been integral to the post-colonial Southern African discourse on indigenisation and the appropriation of capitalism in that part of Africa.

In chapter 3 I went on to discuss the African ethic of *Ubuntu* and the appropriation of modern capitalism as this discourse was partly integral to the efficacy of African collectivist values to contemporary African economic realities. Other scholars have wrote about the African ethic of *Ubuntu* with specific reference to its relevance to modern capitalism within post-colonial Africa. Other scholars have maintained that the ethic of *Ubuntu* has some relevance within the global modern neo-liberal capitalist economic system. It was observed that some African scholars such as Mogobe Ramose believed that the global neo-liberal capitalism cannot be appropriated, rather *Ubuntu* remains the main ethical resource for resistance against the contemporary neo-liberal economic system. This resistance towards neo-liberal capitalism is deemed to be self-evident in the implied human solidaristic social existence that is embedded in the African ethic of *Ubuntu*. On the other hand it was shown that other scholars such as Wim van Binsbergen being sceptical towards the efficacy of *Ubuntu* and the appropriation of modern capitalism. This scepticism came out succinctly when he euphemistically characterised the whole discourse on *Ubuntu* as '*Ubuntu* industry' - thus implying that those who see the ethic of *Ubuntu* as suitable for the appropriation of modern capitalism are doing is for business purposes that are contrary to the real ontological meaning of the ethic of *Ubuntu*.

Regardless of the sceptical voices against the efficacy of the African ethic of *Ubuntu* and the appropriation of modern capitalism, the current discourse on the appropriation of modern capitalism in modern Africa has been related to economic indigenisation discourse and the post-colonial

government economic policy efforts. The idea that the individual's identity is communal by nature played a central role in the African post-colonial discourses and policies of indigenisation as a way of appropriating modern capitalism. Chapter 4 discussed some of the critical issues that have been central to the discourse of appropriation of capitalism in post-colonial sub-Saharan Africa. In this chapter I have argued that what has been found problematic in the quest for the appropriation of modern capitalism is that this economic system is weaved around an understanding of a person as individualistic and selfish whose actions are solely motivated by utility maximisation. On the basis of this presumption, modern capitalism theory postulates that the individual quest for material possessions is insatiable.

On the basis of a succinct summary of modern capitalistic understanding a human being and his or her economic relations, I went on to discuss the problem of incommensurability between African traditional values and modern capitalism. The argument of the incommensurability between African traditional values and modern capitalism gave rise to post-colonial African socialism experiment. African nationalists such as Kwame Nkrumah, Julius Nyerere, Leopold Senghor, Tom Mboya, Kenneth Kaunda and Canaan Banana, just to mention a few argued in their various ways that socialism was indigenous to African values. On the basis of this presumption, the economic developmental orientation became that of indigenising socialism instead of capitalism. Thus capitalism was to be rejected mainly on the grounds that it was based on values of individualism which these African nationalists considered to be foreign to African indigenous values.

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was indigenous to African values. On the basis of this presumption, the economic developmental orientation became that of indigenising socialism instead of capitalism. Thus capitalism was to be rejected mainly on the grounds that it was based on values of individualism which these African nationalists considered to be foreign to African indigenous values.

It was also argued in this chapter that the African socialism economic discourse in postcolonial Africa was not about the appropriation of capitalism, but the outright rejection of capitalism as it was deemed to be incommensurate with African indigenous values. The African socialism argument was not so much about economic development, rather it was politically motivated in the sense that the salient aim was to rebel against capitalism because of its historical symbiotic relationship with colonialism. In support of the above argument, there are other post-colonial African scholars who argued that the African socialism experiment ruined the economies of all those states in which it was implemented as a national developmental economic policy.

This chapter also raised the argument of the appropriation of capitalism in post-colonial Africa. The argument about the appropriation of capitalism in post-colonial Africa was discussed in relationship with Weberian theory of the Protestant ethic and its causal influence to the rise of modern capitalism in Western societies. Some scholars argued that Christianity and Islam facilitated the appropriation of capitalism in colonial Africa. These religions are regarded to have promoted the capitalistic ethic of individualism by emphasising the idea of individual responsibility as well as dissociation of individuals from communal obligations - thus focusing solely on their entrepreneurial activities. These foreign religions are regarded to have taught Africans capitalistic values such as thrift, frugality, discipline and hard work. In this regard, we found that these scholars who have adopted the Weberian Protestant ethic theory tend to forge some convergence of thought on the idea that African traditional or indigenous religion was incompatible with the spirit of modern capitalism.

Finally, in chapter 4 I have shown that there are some anthropologists who have maintained that African traditional society cannot be regarded as a culturally suitable foundation for the appropriation of capitalism. In support of this argument some scholars maintained that capitalistic entrepreneurial practices have often been associated with witchcraft in the sense that a successful entrepreneur is suspected of practising witchcraft against the community. Another argument that was made against the appropriation of the spirit of capitalism was that the African economic outlook was rather based on subsistence instead of thriving for endless accumulation of wealth as it is the case in modern capitalism. It is for this reason, the scholars who proffered this argument deduced that the prominence that is given to morality in indigenous African cultures had a retarding effect towards the appropriation of modern capitalism in post-colonial Africa as well as the conceptual association of capitalism with colonialism and imperialism. In Chapter 5 my aim is to discuss how the quest for the appropriation of capitalism in post-colonial Africa has led to the contemporary discourse of economic indigenisation or Black Economic Empowerment (BEE) policies.

Chapter 5 provided a critical analysis of indigenisation/BEE with specific reference to post-colonial Africa's quest for the appropriation of modern capitalism. The implementation of indigenisation/BEE was mainly motivated by what African politicians regarded as the need to redress the economic inequalities that have been perpetuated by colonialism and apartheid in the case of South Africa. Proponents of indigenisation have argued that capitalism can only be appropriated through the active participation of the majority of the African population in the mainstream of the economy. It is further argued that political power without economic power amounts to the perpetuation of colonialism. The main idea behind BEE/indigenisation is not to come up with a new form of economic ideology, but to create an environment through legislation that will enable black people to have a control of the economy

This chapter started by problematizing the concept of indigenisation after which it was shown that the word indigenisation is an adjective that is derived from the noun - indigenous. The word indigenous means someone who is native to the land or who originated from the land. I argued that a problematic issue that arises in the concept of indigenous is related to other peoples who are not African but are born and raised in Africa and their ancestors were born and buried in Africa. Some scholars have argued that in different epochs all over the world indigenisation was integral to the evolution of modern capitalism. In post-colonial and post-apartheid Africa, is used as an economic policy that is aimed at transferring economic power from the hands of the white minority into the hands of the majority of black people who were previously disadvantaged. Specific countries that were discussed in greater detail with regards to economic indigenisation are Zimbabwe and South Africa. In its *Indigenisation and Economic Empowerment Act*, the Zimbabwean government defined Indigenous Zimbabwean as referring to someone who was subjected to discrimination on the basis of race. The act was intended to make such people the main beneficiaries of all the economic activities that take place in Zimbabwe by stipulating that fifty-one *per centum* of the shares of every public company and any other business was to be given to indigenous Zimbabweans. The South African government refers to indigenisation as Black Economic Empowerment - implying all those population groups that were previously discriminated against by the apartheid government. The spirit of BEE policy is aimed at equitably transferring ownership and management of South Africa's resources to the majority of the South African citizens. In this regard, indigenisation is aimed at promoting economic nationalism.

Indigenisation has been envisaged as a plausible economic policy that can help post-colonial African countries to exercise some degree of economic independence. A situation of economic independence from yester colonisers and imperialists is deemed plausible on the grounds that post-colonial Africa must create a class of indigenous capitalists. These indigenous capitalists are to adapt the imported technology and production processes

to the local condition as compared to foreign capitalists. The ability to adapt foreign technology to local conditions implies that indigenous capitalists enjoy an advantageous comparative position for the appropriation of capitalism. I have shown in this chapter that some scholars have argued that indigenisation has not succeeded in bringing about some economic independence, rather, this socio-economic policy has created a situation of economic dependence and underdevelopment. It was argued in this chapter that there is no evidence that indigenisation/BEE has successfully created a class of indigenous bourgeoisie who have succeeded in contributing positively to the appropriation of capitalism. Indigenisation policies were critiqued for being an impediment to the accruing of Foreign Direct Investment. The negative economic consequences of economic indigenisation outweigh the benefits. For this reason, it was argued that indigenisation/BEE socio-economic policy is mitigating against the appropriation of modern capitalism.

Chapter 6 continued discussing some of the problems that are related to the implementation of indigenisation as a socio-economic policy for the appropriation of modern capitalism. Some of the problems related to the implementation of indigenisation policy is that it create social inequality within society and that the policy of indigenisation does not reduce economic dependence. The problem of dependence is reinforced by the fact that post-colonial policies of economic indigenisation have failed to bring about effective competitiveness through productivity and innovation. Internal dependence is also perpetuated by the fact that through the preferential awarding of tenders, the policy of indigenisation has failed to create genuine capitalists as business persons who got their because of hard work and frugality. The beneficiaries of indigenisation have remained the same individuals who are well politically connected. The socio-economic policy of indigenisation militates against the spirit of entrepreneurship. To use one's political networks as a way of enriching oneself implies being corrupt. In this instance, one uses an indigenisation/BEE legislation to enrich oneself. Thus one finds that those who have managed to get rich through

BEE deals or tenders are euphemistically referred to as 'tenderpreneurs' – implying that they are not real entrepreneurs or capitalists who happened to get rich through hard work. It is important to note that for Mbeki the term Previously Disadvantaged Individuals is deceptively used because it implies that all the majority of black South Africans who were disadvantaged by apartheid were the beneficiaries of BEE. The PDI have, in actual fact remained the political elite who are benefiting from BEE, not the majority of the PDI. This has been the main argument against BEE/indigenisation in many parts of Africa where this socio-economic policy has been implemented.

It is in such critiques of BEE/indigenisation that one can easily conclude that this socio-economic policy remains a setback towards the appropriation of capitalism. The spirit of entrepreneurship remains pivotal to capitalistic development and the appropriation of capitalism. Here we have a discrepancy between policy formulation which cannot be implemented for its realisation. As it has been the case all over Africa with socio-economic policy of BEE/indigenisation, there has been a general lack of framework to guide its practical implementation. In the case of Zimbabwe, Matikinye went on to argue that BEE/indigenisation did not create entrepreneurs, but a class of parasitic individuals who thrived on their political connectivity to amass wealth for themselves without regard for critical economic issues such as those of national economic development. The way how BEE policy has been formulated leaves the door open for the individual to remain a BEE beneficiary as long as he or she wants to. Since there is no sunset clause on when individuals should stop being beneficiaries, it all depends entirely on the individual beneficiary's discretion. The main reason why companies prefer to do BEE deals with the same individuals instead of new ones is that these companies can easily identify with these individuals' pecuniary standards and their behavioural tendency towards conspicuous consumption. Companies and BEE beneficiaries do share the same trait of pursuing their own business interest at the expense of the community in general.

Another unethical practice that is rampant among BEE beneficiaries and old private national companies and multinational companies is that of business fronting. Business fronting is a fraudulent practice whereby foreign companies use indigenous individuals as defined in the indigenisation act as BEE partners without which those companies would not qualify. In fronting, a BEE partner is used as a puppet for a company. Business fronting is synonymous with corruption. Business fronting in BEE/indigenisation socio-economic policy cannot be seen exclusively as the practice of companies in their effort to circumvent this policy, the way how this policy has been formulated presence a fertile ground for business fronting.

It was argued that business fronting is a fraudulent practice in which foreign companies use indigenous individuals as defined in the indigenisation act as BEE partners without which those companies would not qualify. In fronting, a BEE partner is used as a puppet for a company. Business fronting is synonymous with corruption. Business fronting in BEE/indigenisation socio-economic policy cannot be seen exclusively as the practice of companies in their effort to circumvent this policy, the way how this policy has been formulated presence a fertile ground for fronting. Apart from the contribution of business fronting to corruption in the indigenisation/BEE policy, another conduit for corruption in this policy is the tender system which is supposedly aimed at enabling the majority of the historically disadvantaged to participate in the mainstream of the economy.

The need to be awarded with government tenders becomes the goal of any company to make sure that it fulfils the BEE requirements. In order to get these government tenders, the rules of procurement have been subverted by companies and BEE beneficiaries. The practice of kickbacks which has fanned corruption in the tender system has given rise to a situation whereby the socio-economic policy of indigenisation/ BEE has benefited a few who are politically connected and have the knowledge of how the tender system works. The prevalence of corruption in the implementation of

BEE/indigenisation socio-economic policy goes against welfarism or the promotion of the common good. Among capitalistic liberal economists the common good is regarded as a positive externality in the sense that though a capitalist person is only concerned with the pursuit of his or her own interest, he ends up promoting certain essential societal services such as education and health. However, in this study I have argued that capitalism has never been good in promoting the common good. The common good presupposes an understanding of the individual as originally social by nature and that his or her ultimate wellbeing is inseparable from the wellbeing of society as a whole. In this regard, the role of government is not to promulgate policies that enrich a group of individuals to the exclusion of the other members of society or the community.

### **7. 3 Recommendations**

In this study I have argued that the post-colonial quest for BEE/indigenisation of modern capitalism has been implemented in many post-colonial African states in their attempt to appropriate the spirit of capitalism. Since the implementation of this economic policy has not shown any positive results in the appropriation of modern capitalism in post-colonial Africa, this policy should be abandoned. Since there is no empirical evidence that indigenisation/black economic empowerment has benefited the majority of those who were previously marginalised economically under colonialism or apartheid, economic empowerment should be pursued from the grassroots going upwards instead of a trickle down approach towards indigenisation which tends to benefit a few of those who are well connected politically. In this study it was shown that indigenisation/black economic empowerment policy has not led to national economic growth. There is a need to adopt an economic policy that opens up the whole of post-colonial African economy to economic growth by removing protectionist policies because a genuine capitalistic economic system is characterised by a spirit of competition in the creation and allocation of the national resources.

In this chapter some critics of indigenisation/black economic empowerment policy have argued strongly that such a policy has not helped to cultivate a

culture of entrepreneurship which is indispensable to the appropriation of modern capitalism. If this socio-economic policy is ever going to cultivate a culture of entrepreneurship among those who are beneficiaries, there is imperative that participation in BEE business opportunities should be availed on the precondition that BEE participants do provide a detailed future entrepreneurial business plans. The future participation in BEE business opportunities should be made conditional on one's business achievements as a result of participating in BEE programmes. In other words, beneficiaries of BEE should be made to understand it as an opportunity for empowerment to start their own businesses that will survive without any further government assistance.

Another argument that was advanced by the critics of BEE is that it benefits the same individuals to the exclusion of the majority of those who were previously disadvantaged by colonial and apartheid policies of racial inequality. Companies should be recognised as having fulfilled their BEE legal requirements when they undertake activities that economically empower the majority of people in rural areas instead of enriching a few individuals. The provision of schools, hospitals and other projects that promote self-reliance in poor communities should be legally recognised by government as a company's fulfilment of its BEE obligation. BEE/indigenisation policies should be subjected to continuous review so that an objective view of the efficacy of these policies towards the appropriation of modern capitalism can be ascertained without prejudice.

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## APPENDICES