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978-1-107-63490-9 - Entrepreneurs and Parasites: The Struggle for Indigenous Capitalism in Zaire

Janet Macgaffey

Excerpt

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Introduction

In 1979 reports on the drastic decline of Zaire's economy and the situation of appalling hardship for ordinary people made the prospect of ten months in Kisangani a grim one. But the reality turned out to be that in an apparently impossible situation not only were people surviving but some were doing very well for themselves. The city, previously known as Stanleyville, is a thriving business centre; all sorts of people are running successful and substantial enterprises, despite the shortages of goods, the deterioration of infrastructure and the rampant bribery and corruption so amply documented in the social science literature and the local press. In the midst of irrationality and unpredictability some things work in an organized and efficient way and some individuals engage in rational enterprise. Zaire's failures are amply documented; its successful elements are less well known.

Previous writers have generally dismissed the possibility of the development of any local productive capitalism and the rise of a true indigenous bourgeoisie in Zaire. They have stressed the country's economic dependence on the developed West, its exploitation by metropolitan capitalism, and the ruin of its economy by the predatory, pillaging activities of its state-based class. However, a close look at Kisangani, one of Zaire's principal cities, shows the emergence of some local capitalists without position in the state. These entrepreneurs, both men and women, are investing in productive enterprise for the local market, managing and expanding their businesses in rational capitalist fashion, and reproducing themselves as a class. The aim of this study is to show how it has been possible for this nascent bourgeoisie to form despite conditions that appear so inimical for its development.

Arguments surge back and forth to explain the root causes of the underdevelopment of countries such as Zaire. One view explains underdevelopment in terms of the global capitalist system, in which the developed countries further their own industrial growth by creating and maintaining the underdevelopment of the rest; this process is carried out in collaboration with the state-based class of the underdeveloped countries. The

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opposing view holds that the global approach cannot account for observed variation in the economies of underdeveloped countries, and explains differences in terms of internal class structures. Recent discussion has centred on the question of the emergence of indigenous capitalism in Africa, with lively debates on whether it exists in Kenya and the Ivory Coast. The emphasis has shifted from the significance of the state and of foreign domination to that of internal class struggle and the part played by the development of local indigenous capitalism in the process of class formation.

In keeping with this shift, this book focuses on struggle between Africans in post-independence Zaire. Foreign domination and Zaire's place in the world economy are significant factors in this struggle, but the data from Kisangani predominantly reveals the effects of historical, political and socio-economic factors within Zaire. Analysis of this situation raises several issues currently hotly debated in African studies: the nature of African capitalism, the effect of the persistence of non-capitalist systems of production and the political and economic consequences of the weakening of the post-independence state.

A striking feature of Zaire is the extent of the second, or parallel, economy, consisting of unmeasured and unrecorded economic activity that evades taxation or in other ways deprives the state of revenue. Its implications for class formation in Zaire and elsewhere are profound but have as yet received little attention. The enormous expansion of this sector of the economy in the 1970s and 1980s, and the failure of state control of the economy that this reflects, indicate that the state is no longer the principal means of class formation that it has been held to be since independence.

The major themes of this book are the emergence of a true capitalist class, investing in production for local consumption not just in distribution; the role of capital accumulation from second economy activities in this process; and the effects of the weakening of the post-independence state and the incomplete penetration of capitalism. Historical factors, particularly Zaire's colonial experience, affected the development of the economy and the nature of the dominant class that emerged after independence. Other factors to be examined include the role of individual initiative, innovation and skill, and the significance of gender and ethnicity, in class formation.

Because the Belgian colonists controlled economic surplus to a greater extent than most African colonists, it is not possible in Zaire to trace social differentiation resulting from surplus accumulation and investment by Africans over an extended period of time, as in Kenya and Nigeria (Kitching 1980; Cowen 1981; Berry 1985). The most intriguing feature of Zaire is that an indigenous capitalist class could emerge at all.

Chapter 1 reviews theories of underdevelopment; it assesses different approaches to peripheral economies and to the articulation of capitalist

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and non-capitalist modes of production. In Africa, the difficulty of extending capitalist relations of production and the weakness of the administrative apparatus permit workers and petty producers to challenge both the state and capital, as the expansion of the second economy testifies. Scholars dispute the degree of autonomy of petty producers, however; argument centres on mechanisms for their control by capital. Nevertheless, in Zaire the accumulation possible outside the state for individuals in a wide range of class positions has affected the process of class formation: this situation confounds the reasoning that foreign domination and the interests of Western capital are a monolithic cause of underdevelopment, and leads to a focus on the struggles among Africans. The background necessary for understanding the historical and socio-political factors influencing the nature of Zaire's post-independent state, its dominant class and the kind of economy that has developed is briefly outlined in Chapter 2.

Chapter 3 documents the emergence of the small local capitalist class outside the state that is the focus of the study, and gives an account of the lifestyle and culture of the entrepreneurs making up this class. Details of the kinds of business engaged in by other class sectors provide the context for the emergence of this new sector; they show that members of the state-based class have acquired vast holdings that they pillage, instead of expanding and managing them in rationalist capitalist fashion, and that the size of multinational firms and the cooperative networks of the foreign commercial class pose formidable competition for local capitalists. The interests of foreign and indigenous capital both converge and conflict. The chapter concludes with a look at the effect of ethnicity and patron-clientage on class formation.

A number of personal histories of men and women who have achieved success in business and accumulated capital are given in Chapter 4. Opportunities to acquire business arose from the indigenization of foreign assets abandoned in the violence of the sixties or handed over in Zairianization; some individuals were able to accumulate capital through trade between rural and urban areas. These histories include the social background of the entrepreneurs, their sources of venture capital and details of their relations with family and kin. They reveal the process of class formation as it takes place in the actual experiences of individuals.

Another source of capital accumulation for these entrepreneurs is the second economy. Its scale and extensiveness, organization, and significance for class formation are explored in Chapter 5. Since it is unrepresented in official figures it is left out of assessments of economic development; the chapter ends with a discussion of the implications of this misrepresentation.

The next two chapters deal with two categories in the population who have particularly benefited from accumulation in the second economy. Nande traders from North Kivu, Zaire's easternmost region, described in

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Chapter 6, furnish a particularly striking instance of social mobility outside the state and of the role of the second economy in this process. A number of Nande are prominent in commerce in Kisangani, shipping vegetables from Kivu to Kisangani and thence down river to Kinshasa. They lack political influence and connections but have participated extensively in the illegal gold trade and coffee smuggling to East Africa. Making use of ethnic ties, investing their wealth in productive enterprise and in trade, some of them have moved up into the new class of local capitalists.

The various means of upward mobility are gender specific: Chapter 7 shows that women in Kisangani have made their way into the new capitalist class in different ways from men. Zaire is a male dominated society, imposing social and legal disadvantages on women and making it difficult for them to enter politics or the professions. Some women, however, have found opportunities to become wealthy and successful in business, establishing themselves as members in their own right of the emergent commercial class. In particular they have developed profitable trade in the second economy, taking advantage of diminishing male control to the weakening of the administrative apparatus.

Chapter 8 follows up the significance of the weakening of the state apparatus for class formation. State policies and regulations to organize labour and structure production cannot be implemented because of declining administrative efficiency. This situation, combined with the existence of alternatives to wage labour in non-capitalist modes of production and in the second economy, allows resistance to the state and provides opportunities for capital accumulation. Examples of this process from other parts of Zaire put the emergence of the new class in Kisangani into the wider context of class formation and class struggle throughout the nation.

Before proceeding, it is appropriate to give some details on methodology, given the difficulty, in Zaire's political climate, of research on activities that may be clandestine. The introduction concludes with a brief sketch of the physical setting of the study: the city of Kisangani and its hinterland.

RESEARCH METHODS, RESEARCH CONTEXT AND THE NATURE OF INFORMATION

This is an anthropological study, an attempt at an ethnography of class formation, but it draws on economics, history, sociology and political science as well. Its particularly anthropological contribution lies in its holistic approach and its method of intensive fieldwork, using the techniques of direct observation, participation and personal contact. The particular advantage anthropology brings to development studies is its empirical and personal base; in this it contrasts with studies relying heavily on quantitative data, which often tell us little about what is really going on.

Sample surveys and other quantitative techniques are not possible for a

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study of businesses in a situation such as Kisangani's where, as one Asian wholesaler put it, '90 per cent of wholesalers operate by means of personal connections and business is unofficial from the top to the bottom levels'. Evasion of government regulations and taxes is widespread and makes people wary and unwilling to talk. In this situation, informal interviewing, direct participation and observation, and personal rapport make it possible to acquire information denied to researchers relying on formal questionnaires and official figures.

The business owners who were the principal subject of my study were dispersed throughout the city: they lived in one area and worked in another; there was no 'community' in which to participate and belong. I participated, nevertheless, in the general life of the town, September 1979 to June 1980, attending public and private events, taking part in daily existence and leisure activities and gathering information through observation and casual conversation. I conducted informal interviews, often on repeated visits, and compiled personal histories. In addition to participant observation and interviewing. I made use of published sources, especially the newspapers and government archives.

The paucity of quantifiable data and the need to rely on personal contacts and observation made the research more like the classical anthropological village study than is usual in urban research. The struggle to resolve discrepancies between different official lists of businesses seemed very similar to the classic anthropological task of resolving conflicting genealogies.

The context in which research is carried out powerfully affects the nature of the information collected and merits discussion. Marc Abélès emphasizes the importance of analysing the 'ethnological relationship', the sociological dimension of the anthropologist's presence, to find out 'who is participating and in what?' The nature of the interference of the anthropologist's presence is an important component of the context in which research is carried out; Abélès calls for an account of the local conflicts into which the anthropologist is drawn and of informants' motives, social standing and relationship to the researcher (Abélès 1976:192–208).

My research in Kisangani was not focused on a community so I did not find myself drawn into local conflicts. In my relations with informants, my position conspicuously lacked any authoritative backing. I had no car, one of the most important local prestige symbols, but rode a bicycle; I was a woman in a society in which men dominate; and I was white, a foreigner and new to the town. From the point of view of business entrepreneurs I was a non-threatening figure, unlikely to represent the interference from the government they feared. As a result I felt that some of them talked more freely than they might otherwise have done. University affiliation, a necessary official authorization for research, gave me the social status of the educated and the respect that went with it. One busy government official, reluctant to grant an interview, relented at once when I mentioned this

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connection: 'Ah! Moi, je suis aussi intellectuel.' Althabe has pointed out that in ways such as these the structures of the wider society operate between the researcher and the people who are the subject of research (Althabe 1977: 71). They are essentially class structures: the researcher is given a class position and accorded appropriate behaviour.

Like Abélès I found that informants tended to be either dominant or marginal in society (Abélès 1976: 207). High officials, protected by their status, were willing to talk, as were those well established in business; those whose success was more precarious tended to be reluctant and would often give me only the most obvious and public information. The informants who talked the most freely were the disaffected, who saw themselves as oppressed, or were fed up with the country and wished they could leave. Some were marginal, not making it, people who had little to lose; some hoped I could influence the authorities on their behalf for their businesses, others that I could channel some of America's abundant wealth to them (in the form, for example, of a second-hand truck) or put pressure through the embassy on the American government to do something about situations that made their daily lives so difficult.

The political and economic situation in Zaire makes it a stressful place for research. The political climate is one of extreme uncertainty and insecurity; the suspicion, accusations and disillusionment prevailing among the population, as well as the economic hardships with which they struggle, made Kisangani a painful place to observe. It also made systematic data gathering very difficult. This political and economic situation affected the nature of information in various ways.

President Mobutu prevents the build-up of local political power bases by appointing administrators to regions other than their own and by rotating them frequently to different areas. The government is thus always perceived as alien, repression as coming from other regions. Who 'they' (the oppressors) are depends on the level in question at a specific moment, but this policy successfully divides the population against itself. The broadest division is between east and west Zaire, with regions grouped roughly on the basis of language, the dividing line varying according to the particular situation: at one level Lingala speakers constitute a western block, consisting of people from Lower Zaire, Equateur, Bandundu and Kinshasa; Swahili speakers plus the Tshiluba speakers of Kasai make up the east, consisting of Upper Zaire, Kivu, Kasai (East and West) and Shaba. Within these blocks people divide on regional, and within them on ethnic, lines. Relations between people take place in an atmosphere of mutual suspicion, hostility and even outright violence. In the general atmosphere of fear and uncertainty people suspect one another of being informers for the secret police on very flimsy grounds; no one gets credit for being honest whether he or she deserves it or not. In such circumstances people's statements about one another proved to be highly unreliable. They assumed that all officials were irresponsible and corrupt, traders

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dishonest, women in business sexually promiscuous and foreigners exploitative. After several apparently well-substantiated accusations against particular individuals proved to be completely false, it was clear that such allegations reflected the political climate rather than fact.

This general situation also affected the nature of documentary sources. In a city such as Kisangani, an administrative centre with a university, one would expect to have an important source of research material in government archives and university research reports and publications. To an extent this was true but the nature of these resources was somewhat unexpected.

In 1977 a conference held at Lubumbashi issued a report deploring the systematic depletion of the national archives which were simply being looted by those who came to consult them. The author of this report quotes one culprit as saying: 'I took them to read the history of my ancestors which I did not know very well' (Ndaywel 1978: 209). In Kisangani, reports that one would normally expect to be part of the archives no longer existed. The annual economic reports for the region of Upper Zaire for 1972, 1973 and 1975 had disappeared from each of the government offices that were supposed to have copies. Several of my sources are secondary ones because primary sources used in student theses written only a few years before no longer existed.

Not only are government records fugitive but their production is dwindling. In 1970 the annual economic report for the region was a substantial paper-bound volume of 122 pages, of which 32 pages consisted of tables of statistics. The same report for 1976 consisted of only thirty-six pages in all, of mimeographed sheets stapled together. No report at all appeared in 1978. In successive reports complaints appear regularly that firms and departments have not turned in their figures for the year; in some, pages of tables appear but have blank spaces instead of figures. Statistics that do appear are not always consistent or reliable; the population figures provided by the Town Hall disagree in several instances with those given in annual reports. One report states flatly that 'statistics on employment are fantasies and do not reflect reality' (*Rapport Annuel des Affaires Politiques, Région de Haut Zaire* 1971).

The difficulties of carrying out systematic documentary research, however, were in themselves data. The inadequacies of government reports and archives reinforced the statement that most business was unofficial. When business transactions are unofficial or illegal no formal records are given to the authorities and no reports turned in. The archival situation supports the conclusion that in Zaire it is the second economy, which lacks official records, rather than the official economy, that flourishes. The confusion engendered by the breakdown of record keeping and report writing is a smokescreen deliberately put out to cover the other activities in the very offices in question, carried out by the personnel of those offices themselves. In this situation, one can place very little reliance

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on official figures and statistics; they can be used only to indicate trends and give rough approximations.

Given the shortcomings of archives and libraries, one of the best sources of written data is Kisangani's daily newspaper, *Boyoma*, a local name for the city. Written in French, this local paper continues to appear, in the face of great difficulties, not every day but several times a week. It accurately portrays a wide range of the details of life in Kisangani and in general is more informative about what really goes on than are reports and statistics.

The businessmen and women who are the principal focus of this study own substantial businesses in Kisangani; we will turn now to some details of the city and rural areas in which these entrepreneurs conduct their affairs.

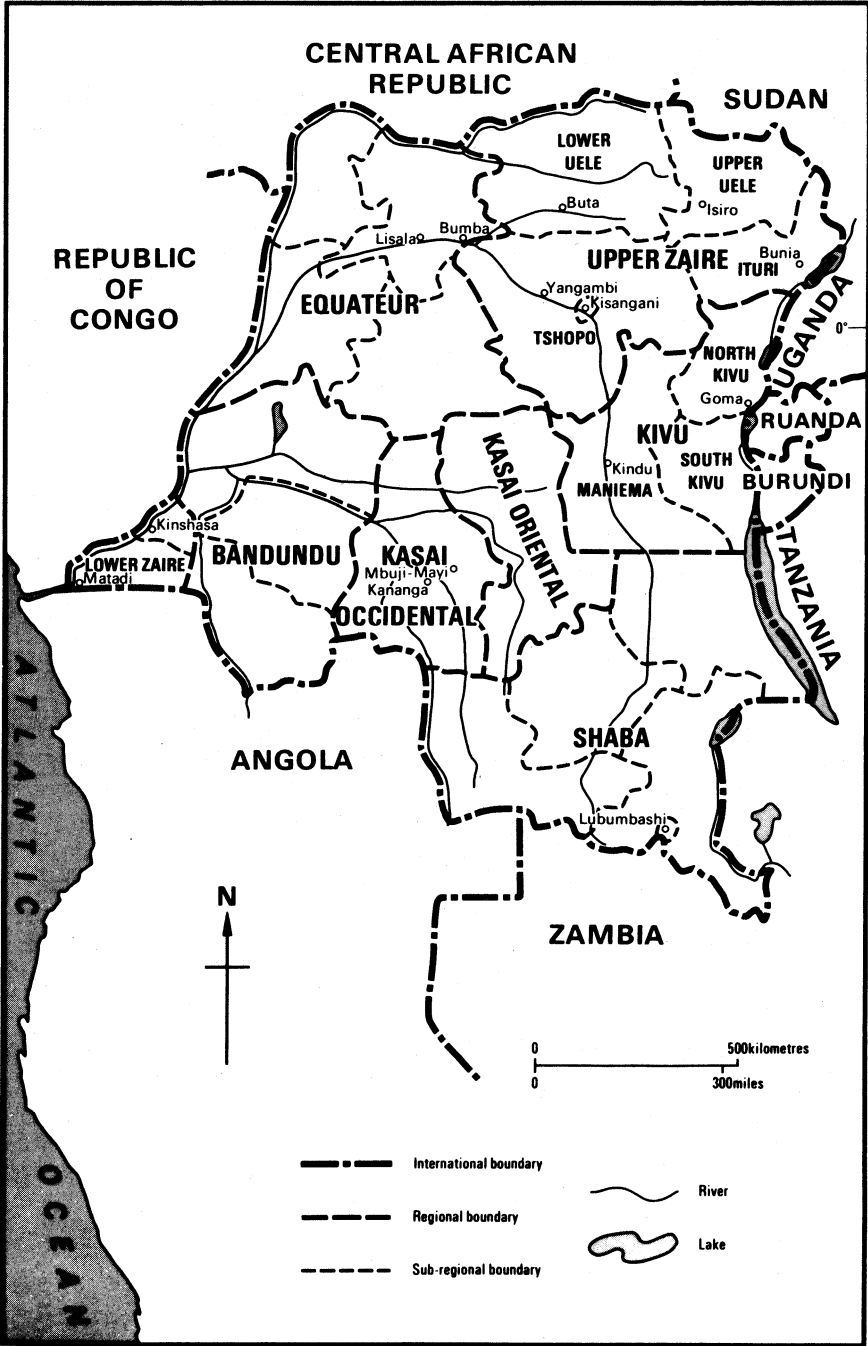
THE CITY OF KISANGANI AND ITS HINTERLAND

Directions in downtown Kisangani are always given with reference to business establishments rather than to the revolutionary and authentically Zairian names of streets and boulevards: 'Turn right by Magasin Kajilos, then left at Etablissements Kana and there it is, opposite the Renault garage.' This mapping of the town in terms of its business enterprises reflects their importance in its life. Kisangani, one of Zaire's three principal cities, is a major commercial as well as an administrative and transportation centre. Strategically situated at the head of navigation up from Kinshasa on the Zaire River, it distributes imported manufactured goods to a hinterland rich in natural resources, and affords extraordinary opportunities for making money, now as in the past. Such opportunities to accumulate wealth make the city a particularly suitable place in which to look for the emergence of local capitalism and to study class relations and class formation.

Kisangani is the major city of northeast Zaire. It is the seat of government of Upper Zaire, one of the country's nine regions (see Map 1), and it is itself an urban sub-region. A road network and railway connect the city to its hinterland and it also has one of Zaire's major airports. Agricultural products from the fertile regions of Upper Zaire and Kivu are exported down river through Kisangani. Manufactured goods, foodstuffs, fuel and construction materials are imported in turn for the city and interior from Kinshasa, about 1,000 miles down river. The city has some light industry, forty wholesale firms, a large central market and many retail stores.

The climate shows little seasonal variation, since Kisangani is half a degree north of the equator in the forest zone and less than 500 metres above sea level. The average annual rainfall varies between 1400 and 1800 mm (55–70 inches) and it is always hot and humid. Darkness falls by 7 p.m. year round, often after spectacularly beautiful sunsets.

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Map 1. Republic of Zaire: administrative divisions

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The city is built on both banks of the Zaire River. A ferry for cars and trucks and several fifty-foot motorized canoes make the half-mile crossing against a formidable current. The six zones, units of local government within the urban sub-region, are Makiso (the commercial, administrative and upper class residential area), Tshopo, Kabondo, Kisangani and Mangobo on the right bank; Lubunga, the poorest zone, on the left bank.

Kisangani is remarkable for its ethnic diversity and unusual among African cities because its population is not dominated by any one ethnic group. Figures specifying ethnic origin do not exist but the records of the mental hospital alone show that eighty-six different languages are spoken in the city. Two *linguae francae* are spoken, Swahili and Lingala, in addition to French, Zaire's official language. The majority of the population of 280,000 originates among the surrounding forest peoples but also includes people from other regions of Zaire and a variety of foreigners, many of whom come because they perceive Kisangani as a place in which to make money quickly. Relations with the Belgian colonizers affected the incorporation of the different groups into the city and are reflected today in the different class positions of the members of these groups. The population has increased two and a half times since independence, according to the approximate figures supplied by the Town Hall (see Appendix).

The buildings and layout of the city reflect the social and historical forces that have shaped its growth: 'Le plan urbain est donc un langage qu'il faut décoder' (Verhaegen 1975: 20). The zone of Makiso was formerly the Belgian colonial town, separated by a greenbelt from the African residential areas. It is the centre of town and extends back from the port facilities and the imposing Catholic cathedral on the river bank. The oldest buildings, along the river, are built in pseudo-Arab style with elaborate arched façades. Some of the administration buildings are old colonial showpieces, with dark, wood-panelled walls and high rooms cooled by ceiling fans. Many of these buildings are crumbling with age and the tropical climate; ferns and other plants sprout not only from trees but from old rooftops. Besides these monuments to the colonial past, downtown Kisangani has multi-storied buildings of air-conditioned offices or of large stores with apartments above them, and luxurious villas with ornamental gardens of exotic flowers and shrubs. The wide streets are paved and lined with trees. Out towards the big market, the warehouses of the wholesalers take up whole blocks and shops are small and crowded together. Out here the intense tropical sunlight reflects in a blinding glare from pastel buildings and ochre-yellow dirt roads, whose surfaces alternate between thick dust and the mud and puddles left by the frequent heavy rains. Further out still, the residential zones, formerly the 'African quarters' of the city, extend in three directions. Houses are concrete block and tin-roofed or mud brick and thatch, and are interspersed with tress and patches of cultivation. Some areas are neatly swept, some overgrown and