

Formalities of Poverty: Thinking about Social Assistance in Neoliberal South Africa

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Abstract: In *Marginal Gains* (2004), Jane Guyer traces the logic of African socio-economic practices that have long confounded attempts by modern states to impose what she terms “formalization.” Nowhere is the tension between pragmatically “informal” economic life and putatively “formal” state structures more evident than in the domain of poverty interventions, which typically aim to bring state institutional power to bear precisely on those who are most excluded from the “formal sector.” This article offers a preliminary analysis of some new rationalities of poverty alleviation observable in recent South African political and policy discourse. I will argue that new sorts of programmatic thinking about poverty represent a new development within (and not simply against) neoliberalism, and that they seek, by abandoning the regulatory and normalizing functions usually associated with social assistance, to bring the formal and the informal into a new sort of relation.

African Studies Review, Volume 50, Number 2 (September 2007), pp. 71–86

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JANE GUYER'S *Marginal Gains* (2004) is a generous book—as works of truly lasting value so often are. It offers us not only conclusions about empirical work already completed, but also a host of promising directions for research and thinking yet to be done. Of the many such leads the book opens up, I will here pursue just one: the suggestion (developed most explicitly in chapter 9) that modern African history can be illuminated by exploring the tension between attempts at “formalization” (especially in the form of “fixing” social and economic arrangements through documents and conventional quantitative measures) and a vernacular logic of practice that undermines and mistrusts such reduction and fixity. While colonial and postcolonial planners and scholars often supposed that a “modern” system rooted in the formal logic of the document would naturally replace what they imagined as Africa’s “traditional” indocility and disorder, history has presented us with a more complex result: islands of “formalization” (what Guyer calls “formalities” in the plural) amidst what continue to be extremely vital logics of “informal” negotiation, conversion, and manipulation of value.

This line of thinking sheds considerable light on some contemporary developments in thinking about poverty, where the question of the relation between the formal and the informal has lately been at the center of much thought and debate. After reviewing some of the ways that informality has recently been revalued in international poverty discourse, I will review what seem to me to be some new modes of reasoning about poverty and social assistance in South Africa, specifically within the arguments that have recently been made for what is called a “Basic Income Grant” (BIG). I will argue that such new sorts of programmatic thinking about poverty represent a new development within (and not simply against) neoliberalism, and that they seek, by abandoning the regulatory and normalizing functions usually associated with social assistance, to bring the formal and the informal into a new sort of relation.

The Changing Fortunes of the Informal

All across the colonial world, unauthorized urbanization was seen as both disorderly and dangerous. Where modernist urban planning sought to establish ordered, gridlike spaces of hygiene and political order, it inevitably encountered actual urban realities that included spontaneously constructed and often illegal zones of shacks, slums, shanties, and “squatters.” Finding in such spaces both a troubling lack of “legibility” (Scott 1998) and a necessary “other” to Western modernist constructions of self (Mitchell 1988:80–82), planners and officials treated the unruly “native quarters” of their cities with disdain, mistrust, and even loathing. While they could never, in the nature of things, eliminate such “unacceptable” forms of urban life, they could and did engage in more or less systematic

programs of harassment and violence toward them, ranging from piecemeal attempts to outlaw such forms of livelihood as street hawking to full-scale violent “clearances” of whole neighborhoods.

In South Africa, modernist hostility toward “unauthorized” urbanization took a notoriously extreme turn in the form of the massive forced removals of the apartheid years. “Informal” settlements that grew up (naturally enough) nearby places of employment in what apartheid’s racist design deemed to be “white” cities were, throughout the 1960s, 1970s, and 1980s, systematically “removed.” Hundreds of thousands of people saw their neighborhoods bulldozed, as shanty towns were leveled and their residents bussed off to the rural “homelands” where it was imagined they belonged. Those who were “authorized” to remain (i.e., those in “proper” employment) were (at least in theory) rehoused in new townships notable for their wide streets laid out on rectilinear grids. The “removals” reached their highest level of international visibility with the 1983 clearance of the Crossroads settlement outside of Cape Town, where police were filmed using teargas, rubber bullets, attack dogs, and baton charges to drive people out of their homes. Afterward, the police followed up by confiscating the sorry sheets of plastic that the newly homeless victims tried to use for shelter, and even the clothing of mothers and babies, in order to force residents to leave the destroyed neighborhood (Platzky & Walker 1985:58).

Suspicion of Africa’s disorderly urbanization has a long pedigree among scholars, as well. The “detrribalized Africans” who quickly filled colonial urban centers were often represented, even by what we usually think of as sympathetic and careful observers, as a kind of frightening, pathological monstrosity. Such perceptions were often rooted in the fact that “out of category” urban “natives,” especially when not in formal employment, confused and confounded the orderly divisions between traditional and modern, native and Western, and rural and urban on which both colonial planning and social scientific theory were founded. South Africa, as the most urbanized and “modern” part of Africa, was where the alarms were sounded earliest, and loudest. Karl Polanyi, for instance, famously theorized the “Great Transformation” from traditional to modern economic organization; less well remembered is the frightening and dehumanizing portrait he painted of those caught between the “traditional” and the “modern,” of which he took the “detrribalized” blacks of South Africa as exemplary: “The Kaffir of South Africa, a noble savage, than whom none felt socially more secure in his native kraal, has been transformed into a human variety of half-domesticated animal dressed in the ‘unrelated, the filthy, the unsightly rags that not the most degenerated white man would wear,’ a nondescript being, without self-respect or standards, veritable human refuse” (2001:165).¹

Bronislaw Malinowski’s sympathetic portrayal of the Trobriand Islanders was long considered the very model of anthropological empathy and tolerance for “the native.” Yet after visiting Africa in the mid-1930s,

Malinowski could only recoil at the urban blacks of South Africa. The “detrribalized household” of the “urban location,” he lamented, had left behind the functional arrangements of the “tribal household” without achieving the material requirements and hygienic standards of the properly “European” one. The result was malnutrition, “insufficient training” for children, and “overwork in additional pursuits, often illegal,” by women and children—all of which led to “conditions which are sociologically unsound” (1945:159). Indeed, Malinowski compared the culture of Johannesburg’s “notorious slum yards” to the “appallingly noxious” illegal alcohol prepared and sold there under the name of *skokian*—a cultural innovation both “symptomatic and symbolic of culture change” that had replaced the “entirely innocuous” native beer with a lethal substitute that toxically mimicked a European example (Malinowski 1945:24).

Urban black South Africans, then, have long been understood as dangerous in Mary Douglas’s (1966) sense—matter out of place, betwixt and between those “proper” social categories which their very existence seems to threaten. Unfortunately, such understandings are not only a matter of history, but continue to have considerable force in the contemporary world. This much is depressingly evident in the Zimbabwean government’s recent campaign to clear, with brutal force, hundreds of thousands of people from what it terms “illegal informal settlements”—a campaign officially named “Operation *Marambatsvina*” (“Operation Take Out the Trash”).

Across much of the rest of Africa, however, and in many other places as well, periurban disorder has in recent years taken on a new and much more positive glow. Neoliberal motifs of “empowerment” restyle the unemployed as “micro-entrepreneurs,” who, perhaps with the aid of a little “micro-credit,” might use their inventive creativity to power a new kind of economic development strategy (Elyachar 2005). A burst of “new thinking” about urban poverty sees in “the informal economy” not a pool of unemployed or underemployed workers, but a promising site of economic growth and dynamism which “creates jobs” (as they say) at a rate far exceeding that of which the formal sector is capable.² For Hernando De Soto (2000), to mention only one of the most widely discussed of these authors, the poor are natural entrepreneurs, and all that prevents capitalism from creating prosperity in their midst (as it has done in the so-called First World) is their lack of capital. Yet, De Soto insists, the very shacks that slum-dwellers live in, far from being mere symbols of poverty, are themselves valuable capital, if only they could be properly titled and registered. Simple reforms in property law, he imagines, have the potential to almost magically bridge the gap between capitalist rich and poor by making even the “poorest of the poor” into capitalists themselves.

A similarly optimistic revaluation of the informal has been elaborated by architect Rem Koolhaas and the participants in his Harvard Project on the City, who have recently argued that Nigeria’s capital of Lagos, with its sprawling shacks and decaying infrastructure, should be understood not as

a pathological disaster of urban planning, but rather as the city of the future. “The operation of the Lagos megalopolis,” they argue, “illustrates the large-scale efficiency of systems and agents considered marginal, liminal, informal, or illegal according to traditional understandings of the city. . . . Lagos is not catching up with us. Rather, we may be catching up with Lagos” (Koolhaas et al. 2001: 652–53).³

As these examples illustrate, “informalities” that not long ago were automatically identified as symptoms, problems, or monstrosities are today increasingly likely to be reinterpreted as assets, capacities, or opportunities. That which, for twentieth-century modernist urban planning, simply “spoiled pattern” (as Douglas [1966:95] put it) is now recognized as “the material of pattern,” an emerging potentiality, charismatically endowed with the symbolic power that is always latent in disorder’s danger.

The changing representational fortunes of the slum are especially visible in South Africa, whose deprived and disorderly periurban “townships” and “locations” became world-famous during the apartheid years as icons of poverty, oppression, and despair. Widely circulated representations of black urban life in those years were predominantly aimed at documenting the appalling suffering caused by the organized racial cruelty that was apartheid. Photographs of the apartheid township were typically in grainy black and white, showing dreary, falling-down shacks, hungry children, and demoralized alcohol-addicted men on dusty streets. Textual accounts were not very different, as social scientists critical of apartheid cataloged (as so many accusations hurled at the system) the broken families, acute poverty, and assorted miseries and deprivations of everyday life in the townships.

The “New South Africa” has not done away with townships, shanties, or extreme poverty. Indeed, while a prosperous new black middle class is growing, the plight of the urban poor has by many measures actually worsened under the ANC’s neoliberal regime and the mass unemployment that has come with it (Terreblanche 2003; Bond 2005; Seekings & Nattrass 2005). But if widespread urban poverty endures, the *image* of South Africa’s poorest urban areas, and especially of the vast periurban shanty towns, has changed radically. No longer a scandal or a horror demanding to be exposed and denounced, the poorest sorts of informal housing are now actively celebrated in a clutch of new, glossy coffee table books with titles like *Shack Chic*, whose vivid, colorful images and cheerful text document the creativity, ingenuity, and aesthetic flair of those who build and decorate these makeshift shelters. Upbeat “cultural tours” of Soweto and the Cape Flats are now popular among visitors to South Africa. Tour guides offer appreciative accounts of the energy and vitality of these lively communities, along with inspiring examples of enterprising residents who, in spite of difficult circumstances, are succeeding in “empowering” themselves. The same rows of tiny cinderblock houses and rusted shacks that formerly stood as proof of apartheid’s bankruptcy are now increasingly understood as places of hope and possibility—sites of development, not proof of development’s failure.

In the midst of these changing understandings of urban “disorder,” a significant revolution is under way in thinking about social payments, and the question of welfare provision. Neoliberalism, we are accustomed to thinking, is a political-economic model dedicated to the untrammelled rule of markets and to the dismantling or elimination of the “welfare state.” But such common sense is confounded by the continued existence and importance of social payments within many regimes around the world that are ideologically committed to small states and “market discipline.” If we move beyond ideological representations of the neoliberal “model,” and look instead at the actual policies of specific neoliberal regimes, we find that social payments often play a large, important, and in some ways growing role.

South Africa, as I will discuss, in spite of an undoubted commitment to a rather extreme set of neoliberal macroeconomic policies, has a large and apparently expanding system of social assistance, anchored by a state-supplied old-age pension. The same is true of Brazil and a number of other low- and middle-income countries. Even Chile, whose “privatized” pension system is taken as the very paradigm of the neoliberal model, requires a more careful look. Nearly half of all Chilean workers (the poor half, many in the informal economy) are not included in the “model” system, and instead fall under a state-financed general system (the so-called first pillar of a “multi-pillar” system). The World Bank, as reported in *The Economist*, has recently recognized that the private system will never become general, and has called for a very substantial expansion of the state-funded “first pillar” (“Oversold” 2004).

It is also perhaps worth noting that the neoliberal era is one in which humanitarian “social payments” are necessary to the survival of millions of people in the many countries where economic collapse and state “failure” have created widespread destitution. Obviously this applies to many countries in Africa, but not only there; most of the population of Iraq, for instance, is currently dependent on food aid (IRIN 2006) and likely to remain so for many years to come. This is certainly not traditional “welfare,” but it doesn’t look much like “the market,” either. It may be that there is more, not less, of this sort of transnational welfarism under “neoliberalism” than ever before.

Such considerations are especially important to the understanding of urban Africa, where the majority of the population is often composed of people who are neither wage laborers (they do not have jobs in the usual sense) nor peasant farmers (they do not own land, and often do not have access to it). How are these people bound to the institutions of the wider state and society? We know them by a series of unilluminating names (the informal sector, the lumpen, the youth), but we have only a very weak sense of how to engage with them, either analytically or politically.

How are such categories of people to be addressed and, one hopes, served by the state? What would count as a politically progressive program for developing new modalities of government and participation focused on

people who have been invisible, or worse, to most existing political paradigms? I find it useful to think about these questions in the context of a specific case: the “Basic Income Grant” campaign in South Africa. Let me note before discussing the case that this is a very preliminary treatment of material that I hope to analyze more thoroughly in the future. My presentation here is deliberately schematic, leaving out a great deal of nuance and detail with the aim of providing a broad-brush account of some of the major issues that I think the BIG campaign raises.

The Basic Income Grant Campaign

Apartheid, as we know, was notoriously illiberal. One consequence of this, less remarked upon than some others, was a highly developed (though obviously highly racialized) sense of state responsibility for the social. For this reason, the ANC government inherited a quite well-developed system of social pensions, dating from 1928 for whites and 1944 for black “Africans” (Sagner 2000). The deracialization of the pension system in the years leading up to the 1994 transition yielded a substantial raise in black pensions. At the time of the transition, the standard old age pension, payable to women 60 years of age and over and to men 65 years and over, was the approximate equivalent of a domestic worker’s wage (Møller & Ferreira 2003:1). Other state transfers currently include a disability grant (paid to persons over 18 years of age who are medically certified as disabled), a foster care grant (for parents of foster children), a care dependency grant (for parents of a disabled child), and a child support grant paid to the primary caregiver for children under 7 years of age (Møller & Ferreira 2003:2). As of 2005, more than ten million people were receiving grants, at an annual cost of R48 billion (more than \$7 billion). This is a huge increase from the 1994 figures of 2.6 million beneficiaries and R10 billion expenditures (Burger 2006:543). Much of the increase is due to the fact that the child support grant program has been expanded several times, to include children under 9 years of age in 2003, children under 11 years of age in 2004, and children under 14 years of age in 2005. Ultimately, some seven million children are projected to benefit from the grant (Stober & Ludman 2004:199).

The pension and grant system has turned out to be especially important because, despite the gains of political democracy, the poor majority of black South Africans have in some ways become worse off since the end of apartheid. This is due largely to the massive shedding of jobs under the neoliberal “Growth with Employment and Redistribution” (GEAR) policy—especially the low-skilled, low-tech jobs most often held by the poor. The number of unemployed has more than doubled (from 2.2 million in 1994–96 to 4.5 million in 2003), with the official rate of unemployment (widely recognized as a gross underestimate) at 26.7 percent of the eco-

nomically active population (RSA 2005:iv). In this climate, access to pensions and grants has often proved to be the only thing keeping poor households and communities on their feet, as the pension-receiving grandmother has replaced the wage-earning man as the economic center of gravity in many poor households.

The ANC government appears to realize how important social grants have been in holding together what might otherwise be an explosive situation. But planners have been bothered by the patchy and arbitrary spread of the coverage. Aid is nominally targeted to individuals (based on age, disability, or parental status), but it is widely recognized that it ends up supporting not individuals, but rather large, multigenerational households. The result is an arbitrary divide between the poorest households, which have no state support at all, and the otherwise very similar households that receive comparatively generous support simply because they are “lucky” enough to include grant-eligible children, elderly, or disabled persons. Both government planners and their critics regard the current system as overly complex, in that it involves several different pension programs for different targeted groups, and flawed, in that it fails to provide support to many of the most needy, many of whom do not apply or fail to manage the complex requirements of paperwork and documentation. Meanwhile, the significant economic gap between the grant-receiving and non-grant-receiving poor creates “perverse incentives” (such that a healthy poor person might reasonably hope to become disabled, and thus eligible for a pension). There is also widespread concern that the current system rests on an inefficient and costly process of sorting the qualified from the unqualified, a process that often fails to detect fraud while wrongly excluding potential beneficiaries whose papers are not in order.

In this context, the government appointed, in 2000, a Committee of Inquiry (the Taylor Committee) to recommend measures to rationalize the system of social assistance. When the Taylor Committee issued its report in 2002, it surprised many by calling for a far-reaching new comprehensive system of income support, anchored by a “basic income grant” (BIG) to be paid to all South Africans (Department of Social Development 2002). (This idea had first been raised by COSATU in 1998 at the Presidential Jobs Summit, and had been promoted from 2001 on by a formal coalition of church groups and labor, the BIG Coalition).⁴

The proposal was for a modest payment of about R100 (about \$16) per person per month, to be paid to all South Africans, irrespective of age or income. (The amount may seem so small as to be of little use, but the theory was that the sum of many per-person payments would put a larger household on a footing similar to that of a household with a member receiving a pension under the current system). The commission argued that such a universal system of direct payments was the most efficient way to direct assistance to all poor South Africans. Better off South Africans would also receive the grant, but the funds they received (and then some)

would be recuperated through the tax system. Since South Africa, according to BIG advocates (e.g., Sansom et al. 2003), currently has both effective mechanisms of taxation and comparatively low tax rates (as a percentage of GDP), the measure could be funded through increases in either the income tax or the VAT, as well as by savings created by rationalizing the existing system of pensions. The proposal has been endorsed as fiscally viable by some reputable economists, and promoted in recent years by a wide-ranging alliance of backers, including church groups, NGOs, and the powerful Congress of South African Trade Unions (COSATU); and a watered-down version has even been endorsed by the main (and historically white) opposition party, the Democratic Alliance. It appears to enjoy support from some significant forces within the ANC, but has been emphatically rejected by the top leadership.

My interest in the campaign is not driven by a strong sense of personal support for or opposition to it. As a piece of public policy, I find it both very attractive and potentially problematic; and I don't assume that it will be implemented (indeed, I would guess that it probably will not be). I am interested, rather, in the logic of argument that is deployed in its advocacy—a way of thinking about persistent poverty, the “informal sector,” the market, and the state. In the simplest terms, it strikes me that many of the arguments in favor of the BIG are *both* pro-poor and neoliberal. It is the strangeness of this conjunction that is of interest here, and thinking it through may help show us something about the possibilities and dangers of the contemporary politics of poverty, and about some emerging new ways of imagining and governing urban informality.

The word *neoliberal* has become something of a term of abuse in progressive circles in recent years, but I wish to use the term here in a more descriptive and evaluatively neutral sense. By that, I mean that I wish to be able to think about arguments as neoliberal without automatically and immediately identifying them as “bad.” On the contrary, if I seek to identify certain points of commonality between pro-BIG arguments and the familiar neoliberal themes of human capital, risk-taking, entrepreneurship, and so on, it is not to discredit the BIG arguments by labeling them as neoliberal, but to suggest that there may be some surprising, and perhaps promising, sorts of politics springing up in the current moment that are obscured by the received opposition between the progressive and the neoliberal.

Such an approach builds on neo-Foucauldian analyses of neoliberalism as a form of governmental rationality that operates via the application of market and “enterprise” mechanisms to the problem of government (e.g., Barry, Osborne, & Rose 1996; Rose 1999; Cruikshank 1999). The term *neoliberal*, in this sense, does not refer to a unified political project (as it does, for instance, in the work of David Harvey [2006]), which is why it retains a certain political indeterminacy (rather than simply being a malevolent force to be opposed).⁵ Yet as helpful as the neo-Foucauldian turn is in

identifying this political indeterminacy, I would emphasize that I do *not* see the arguments around the BIG as embodying a single logic or rationality (as analyses in this tradition often seem to do). Instead, I suggest that there is a recognizably “neoliberal” set of “moves” (much like the moves one might make in a game) that are made in arguments for the BIG that do rely on specific forms of reasoning (or “rationalities”), but that these moves can be combined with other “moves” in a variety of different ways, and deployed in pursuit of a surprisingly wide range of different political ends.

The arguments that have been made in favor of the BIG, that is, have been many-sided and complex, and they are not reducible to a single logic or rationality (neoliberal or otherwise). These arguments do include recognizably neoliberal elements (as I will emphasize below). But BIG proponents certainly do not all, or always, make a radical or unconditional break with the older language of social democracy. On the contrary, a reading of pro-BIG documents shows that traditional welfare-state arguments are regularly deployed. These include themes of social solidarity and moral obligation; the advantages of social cohesion and dangers of class war; Keynesian arguments about stimulating demand; and labor-rights arguments about giving workers the security to say no to dangerous and demeaning work.⁶ Yet these lines of argument lie side by side with others, which are markedly different from social democratic reasoning, and surprisingly similar to the neoliberal reasoning that we usually associate with antiwelfare discourses. The intermingling of these different themes speaks to the complex political struggles around the BIG, which have been discussed, for example, by Matisonn and Seekings (2003) and Barchiesi (2006). But my interest here is not in analyzing these politics, but in identifying some surprising ways in which certain discursive “moves” that we can readily identify as neoliberal are being put to work in the service of pro-poor and pro-welfare political arguments. To make this process visible, it is useful to pull some of these neoliberal “moves” out of the broader mix of BIG arguments so that we can see the work that they are doing.

Consider the following distinct arguments that are presented in pro-BIG discourse:

First, perhaps unsurprisingly (in these times), the social democratic theme of social obligation is largely replaced in BIG rhetoric by the theme of “investment in human capital.” The poor individual is explicitly conceptualized as a microenterprise. The BIG (as the coalition Web site claims) would “enable working families to invest more of their incomes in nutrition, education and health care—with corresponding productivity gains” (Tilton 2005). So, hungry people, for instance, might appear to need to eat, but really what they need is “to invest more of their income in nutrition” in order to build up their “human capital,” with “corresponding productivity gains.” Pro-BIG arguments are generously seeded with this sort of language that recasts social spending as “investing” in a kind of “capital” (see Fine 2000 for a useful critique of “social capital” theory).

A second theme is a critique of dependency (one that neatly reverses the usual right-wing arguments *against* social payments). It is the *existing* “safety-net,” argue the BIG promoters, that breeds dependency. Today, any economically productive poor person is surrounded by dependents who must be supported. This dependency constitutes a “tax” on the productivity of the poor, which both creates a disincentive to work and degrades human capital. The “dependency” of absolute poverty is a drag on productivity, and it makes workers unable to be economically active, to search for better jobs, and so on. What’s more, insecurity breeds passivity, and inhibits entrepreneurship and “risk-taking behaviors.” Under present circumstances a poor South African thinking of starting a small business, for instance, must consider the terrible risk of falling into destitution and hunger in the event of failure. The same person with a monthly BIG payment would be empowered to be much bolder. Providing basic income security for all, it is claimed, will enable the poor to behave as proper neoliberal subjects (i.e., as entrepreneurs and risk-takers); the status quo prevents this, and promotes “dependency.”

As the report of the Taylor Committee put it, “by providing... a minimum level of income support people will be empowered to take the risks needed to break out of the poverty cycle. Rather than serving as a disincentive to engage in higher return activities, such a minimum (and irrevocable) grant could encourage risk taking and self-reliance. Such an income grant could thus become a springboard for development” (Department of Social Development 2002:61). In this way, the BIG would provide not a “safety net” (the circus image of old-style welfare as protection against hazard), but a “springboard”—a facilitator of risky (but presumably empowering) neoliberal flight.

Third, BIG arguments also borrow from established neoliberal critiques of welfare paternalism (such as the old Thatcherite complaint about the “nanny state” that tries to run everybody’s life in the name of the needs of “society”). The existing social assistance system, BIG advocates point out, makes moralizing judgments about “the deserving poor.” It also requires surveillance, normalization, and so on, which are both objectionable in themselves, and expensive and inefficient. What’s more, recipients are publicly labeled as such, and thus set apart from the general population; in this way, they may be subtly stigmatized. The BIG, on the other hand, would be paid to everyone; citizens would access their funds (in the ideal scheme) by simply swiping their national identity cards in an ATM. They would use the funds (as good rational actors) in the way they saw best. There would be no policing of conduct, no stigmatizing labels, no social workers coming into homes—and no costly bureaucracy to sort out who does or does not qualify. Through the radical step of eliminating means testing (and, in some versions, replacing documents with biometric technology [Breckenridge 2005]), it is proposed that the “formalities” of social assistance might be streamlined in a way that might make social payments catalytic of, rather

than contrary to, the vital economic logic of informality. The state is here imagined as both universally engaged (as a kind of direct provider for each and every citizen) and maximally disengaged (taking no real interest in shaping the conduct of those under its care, who are seen as knowing their own needs better than the state does).

The “formal” measure of providing a monthly payment to each individual, in this vision, is not part of a whole enveloping apparatus of modernist social control. It is rather, as Guyer has suggested may be true of African formalities in general, a “separate formality,” articulated not with “a systematic logic already in place,” but instead with a host of informalities. State policy in Africa, as Guyer notes, has often suffered this fate, creating not the single formal “system” that was often dreamed of, but instead a “coral reef of separate formalities that coexist with—and shade into—conversionary modes of exchange.” What seems novel in the Basic Income Grant campaign is a governmental rationality that seeks such a result by design, rather than falling into it by accident.

Perhaps the most striking (and in some ways, disturbing) change from traditional social democracy is the fourth argument, the explicit rejection of formal employment as the “normal” frame of reference for social policy (let alone as an entitlement to which all have rights). The Taylor Committee Report notes that “high unemployment, including the massive net loss of formal sector jobs, and a growing shift towards so-called ‘atypical’ work, has reduced the incomes of the poor” (Department of Social Development 2002:32). And it sees no prospect for an end to this shift away from formal employment. Indeed, the report goes on: “In developing countries, where stable full-time waged formal sector labour was never the norm, it is increasingly unlikely that it will become the norm. . . . The reality is that in the developing world formal sector employment may *never* become the norm that it is in Europe” (2002:38, 154 [emphasis added]). The need for assistance, then, is not about being “between jobs” or correcting for dips in the business cycle. Formal employment is not (and never will be!) the normal state of affairs. Social assistance is here radically decoupled from expectations of employment, and, indeed, from “insurance” rationality altogether. Instead, the Taylor Report reconfigures the condition of unemployment not as a hazard, but as the *normal* condition (most people, most of the time will, for the foreseeable future, live that way), and seeks not to prevent that condition, but to make it *productive*.

A fifth argument presented in pro-BIG discourse has to do with making unemployment productive. Here, the “informal sector” appears in a newly central role, appearing not as it did through most of the twentieth century as a problem to be solved, but instead as the solution itself. To be economically productive, BIG advocates point out, does not require formal sector employment; social payments are most significant not as temporary substitutes for employment, but as a way of promoting greater productivity, enterprise, and risk-taking in the “informal” domain within which more

and more South Africans are expected to earn their living. BIG payments, then, are understood neither as temporary relief nor as charity, but as a means of enhancing production by enabling both job-seeking and, crucially, entrepreneurial activity.

There is a history dating back to at least the late 1970s, of course, of plans to “develop” what Keith Hart originally termed “the informal sector,” based on the realization that “informal” economic activities were both productive and capable of supporting large portions of the population where formal employment was scarce (for a lucid review, see van der Waal and Sharp [1988]). But the vision in this older literature was still broadly developmental. The “informal” was seen as a point of entry into larger scale enterprise, which would eventually provide pathways into the “formal sector”; the “informal sector” was in this way understood, as van der Waal and Sharp have put it, “as the formal sector in the making” (1988:143). What is new in the more recent representations of informality is the acceptance, even celebration, of informality itself. For in the scenario envisioned by at least some of the BIG’s most effective champions, the informal economy is not to be overcome or incorporated, but enhanced and expanded.

This is a striking vision of the future, in which the informal economy is the new, exciting growth sector, and broad formal sector employment a receding, twentieth-century relic. As two leading advocates of the BIG (Guy Standing and Michael Sampson) note, this neatly reverses the temporal vision of the great mid-twentieth-century development economist, Arthur Lewis, who saw the heart of economic development as a transfer of surplus labor from “the traditional, informal sector” to the “modern, formal sector.” Instead, in South Africa and elsewhere, Standing and Sampson argue, “economic informalization is growing” and “the proportion of people working in informal activities is rising.” Under such circumstances, the very notion of an “unemployment rate” is archaic—“a mid-20th century indicator that is inappropriate for a 21st century economy and society” (2003:2).

Conclusion

The special interest of this case is that it forces us to question conventional oppositions (e.g., neoliberal reasoning versus the interests of the poor; or ideologies of entrepreneurial risk-taking versus the security of state-guaranteed social payments) and conventional associations (e.g. the association of entrepreneurship with indifference to the poor; or of the advocacy of state-funded social payments with ideologies of social democracy and “safety nets”). It also suggests several challenging questions for political strategy.

When activists, trade unionists, and others opt to seek concrete economic improvements for the poor by adapting to the reality of neoliberalism and speaking its language, are they simply falling into a trap by allowing issues of power and policy to be framed within a grotesque liberal vision

of society that reduces all human activity to the pursuit of capital by (more and less impoverished) “entrepreneurs”? Or are they using the space that democratization has opened up to create new and potentially promising forms of political struggle—not acquiescing in an overarching (and anti-poor) neoliberal design for society, but rather taking up and creatively redeploying neoliberal concepts and discursive moves in the service of a fundamentally different political end?

We might also ask what new forms of government and new means of binding citizen to state are implied by the rationalities I have identified here. The informal urban economy, long understood as intrinsically resistant to, if not completely outside of, a state power conceived of as essentially regulatory, is here imagined in a very different relation to a very different state. Having recognized the charismatic power of the dynamic, bustling netherworld of the shanty, reformers now envisage harnessing it, and bringing it into a new relation both with the national economy and with the project of government. To make sense of such political projects, we will need good ethnographies both of the often opaque “informalities” that appear as their targets, and of the practices and rationalities of those who seek to implement them. We will also need a fresh analytic approach that is not trapped within the tired “neoliberalism versus welfare state” frame that has until now obscured many of the key issues from view.

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Notes

1. Polanyi footnotes this quotation as follows: "Millin, Mrs. S. G., *The South Africans*, 1926."
2. There is of course, a rich anthropological literature on the "informal economy" which tends to be a great deal more subtle than the programmatic policy literature which I have in mind here. For a recent overview, see Hansen and Vaa (2004).
3. There tends to be a slippage in such discussions between the "informal" of "informal housing" and the "informal" of "the informal economy." This can be misleading, since "informal" activities can operate out of legal and regularized houses, just as formal sector workers often live in "informal" shacks and shanties. I am grateful to Mark Hunter for pointing this out to me.
4. Barchesi (2006) gives a detailed and illuminating account of the origins of the BIG campaign and the Taylor Committee report.
5. I am grateful to Patrick Bond for his comments that pushed me toward some greater clarity on this point.
6. As Franco Barchiesi has noted (2006), some more conservative formulations of the BIG have also made the contrary argument, that it would help move unemployed people into very low wage jobs. He also points out another important theme that I do not explore here: the implicit or explicit moralism of much of the discussion around "the social question" in South Africa.