Redistributive Pressures in Sub-Saharan Africa: Causes, Consequences, and Coping Strategies

by

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1. Introduction

During the last decades, there has been a surge of economic writings examining the social and political conditions that must prevail for the effective functioning of a market economy (North, 1990; Hayami and Kawagoe, 1993; Sened, 1997; Platteau, 2000; Aoki, 2001; Bates, 2001; Acemoglu, Johnson, and Robinson, 2001, 2005; Fafchamps, 2004; Greif, 2006). This literature typically emphasises two main sets of institutions and associated norms: property rights and governance or contract-enforcement mechanisms. Much of the discussion has centered on the question of the relative importance of these two institutional sets, and the role of their most relevant components in explaining long-term economic growth performances. Moreover, the tricky issue is addressed as to whether and to what extent market-supporting institutions may evolve from the very process of market development rather than having to be established before that process starts.

The dominant lesson that emerges from an important strand of the new economic literature devoted to the analysis of institutions can be summarised as follows: institutions evolve endogenously in a largely informal manner but, beyond a point, they need to be relayed by formal institutions based on third-party enforcement mechanisms. In order to be effective, these mechanisms should embody, crystallise, uniformise and complement informal rules and social norms instead of counteracting them whenever they exist. Thus, under the influence of population pressure and market integration which impart higher values on land, tenure rules gradually adapt in the direction of increasing individualisation leading eventually to freehold tenure and complete ownership rights involving the rights to freely alienate one’s land (Platteau, 2000: Chaps. 3-4, 2004). There is nevertheless a point above which the benefits resulting from the formalisation of land rights through centralised registration and titling exceed the costs, and full-fledged, state-protected private property rights can then be established. Recently, Guirkinger and Platteau (2010) have shown that individualisation of farm and family structures can be explained by the same forces which drive the individualisation of land tenure rules.

Regarding contract-enforcement institutions, the idea is that reputation mechanisms based on personalised relationships that allow for good circulation of information and sanctioning of rule-breakers, are set in place when rising market opportunities create new incentives to engage in
economic deals. These spontaneous market order institutions conceived as self-enforcing equilibria of repeated games become more sophisticated when information is imperfect and there is a need for the intervention of a third party who can play the role of an arbiter, information collector and dispute adjudicator. The same holds true of institutions required to discipline foreign rulers. To overcome the inherent limitations of voluntary institutions, since their effectiveness actually depend on the realisation of a number of restrictive assumptions, the third party enforcement of legal provisions by a centralised state becomes necessary. Ultimately, because of the prohibitively high transaction costs of a purely voluntary system of third-party enforcement, complex exchange can be sustained only if institutions are available that can enforce agreements by the threat of coercion (North, 1990, p. 58). It is therefore not surprising that “historically the growth of economies has occurred within the institutional framework of well-developed coercive polities” (p. 14). As attested by the experience of Western Europe, rather than depend for punishment upon the decentralised behaviour of economic agents or business networks, recourse to the state authority when nations exercised extensive geographic control enabled the seizure of the property, or the imprisonment, of individuals who resisted paying judgments (p. 21).

The key question that arises in the wake of the above analysis is admittedly one of the most perplexing and difficult to answer for the development scholar: what assurances do we have that the right kind of state will emerge in due time to consolidate and complement the informal institutions born of the endogenous transformation of societies exposed to the stimulus of attractive trade opportunities? Yet, this is not the only tricky issue that needs to be resolved. In particular, how do we reconcile the statement that personalised relationships and social networks are called to play an important role in the spontaneous evolution of contract enforcement institutions with the well-known Weberian/Marxian thesis that the development of market societies is based on the rising autonomy of the individual and his (her) emancipation from the matrix of erstwhile social agencies? There are several aspects to this question. Thus, it can be argued that although personalised relationships allow a good circulation of information, they do not necessarily create the best conditions for the effective and impartial meting out of sanctions against rule violators. If traditional codes of honour prevail, even the informational advantage of personalised relationships can be disputed: thus, a lot of secrecy surrounds economic transactions if, in the event of rule breaking (think of loan delinquency), people are wary of not bringing shame on resident families with whom they are in continuous interaction, or if they are eager to conceal
acts of malfeasance of which they have been the victims because such a revelation would undermine their reputation as strong persons.

The way out of the above sort of difficulties, if at all they are present, is rather evident: kinship or place of origin should play little or no role in the formation of business networks. This is what Arne Bigsten and his colleagues (Bigsten et al., 2000) actually found in their survey of indigenous trading and manufacturing firms located in a number of African countries. Another barrier arising from personalised relationships may not be overcome so easily, however: under the form of norms of generosity, sociability, and hospitality, redistributive pressures are brought to bear upon prosperous individuals so that they share the fruits of their success within the kin-based network. Such norms may not only exacerbate moral hazard problems in all markets with asymmetric information (Hoff and Sen, 2005), but also justify the relaxing of sanctions against contract violators, thereby mitigating or undermining the effectiveness of personalised relationships for contract enforcement. If we follow that logic, there exists an interdependence between the issue of governance mechanisms and the issue of redistributive pressures such as they manifest themselves in the sphere of personalised relationships.

What is the exact nature of redistributive norms in African societies? How can they be rationalised? Are they fully internalised or, instead, are they backed by sanctions? Are there ways whereby individuals are able to circumvent them and, if yes, are there economic costs involved? Finally, how can we possibly explain the pervasiveness and persistence of such norms in African countries compared with countries belonging to other continents? All these questions need to be raised and they are successively addressed in the remaining part of this chapter. In Section 2, we discuss the various forms that acts of gift-giving can take in lineage-based societies in order to highlight the specific nature of transfers governed by redistributive norms. In Section 3, attention is then focused on the nature of the sanctions that support these norms while in Section 4 it shifts to the rationales underlying them. Section 5 then proceeds by distinguishing between various disincentive effects caused by redistributive pressures. In Section 6, individual strategies available to cope with these pressures are examined whereas, in Section 7, it is the lack of broad-based forces to counteract them in the specific case of Sub-Saharan Africa that is discussed in the light of the recent history of that region. Section 8 concludes.
2. **Gift-giving and redistributive norms**

Gifts can obey different motives. A kind of gifts that have received a lot of attention among social scientists during the last decades, especially among economists, are reciprocal, state-contingent transfers made on a voluntary basis (see, e.g., Kimball, 1988; Fafchamps, 1992; Coate and Ravallion, 1993; Townsend, 1994; Udry, 1994; Morduch, 1999; Dercon and Krishnan, 2000; Ligon et al., 2002). They fulfil the function of informal mutual insurance and involve a *quid pro quo* inasmuch as, in the words of a renowned anthropologist, “everybody is thereby insured against hunger… he who is in need today receives help from him who may be in like need tomorrow” (Evans-Pritchard, 1940: 85).

Acts of symmetrical gift-giving do not necessarily answer the need for protection against various types of risks in highly uncertain environments. As has been stressed by many anthropologists, they may also help to cement social ties and fashion alliances with strangers who are thereby transformed into surrogate relatives. These alliances or friendship relationships may fulfil different objectives, among which the building of trust required for economic exchanges is often mentioned. Masahiko Aoki (2001) has thus shown rigorously that the gift may serve both as a signal to communicate a willingness to cooperate to a potential partner, and as a commitment device since, once the gift has been made, the donator’s interest is to abide by a contract provided that the partner also does it.

In these two instances, the gift and the counter-gift are a manifestation of enlightened self-interest, or of selfishness with foresight. In other words, they appear to be motivated by exchange rather than by altruism. Furthermore, they are made between equals, that is, persons occupying similar positions in the social structure and/or endowed with similar amounts of wealth. When we say that redistributive or sharing norms enjoin prosperous persons to share the fruits of their economic success within their kith and kin, we obviously refer to a different kind of gifts: it is now wealthier people who transfer income to poorer ones and, to the extent that being more wealthy is not a transient state, a gift is unlikely to be reciprocated. Moreover, if the gift is voluntary, one may suspect it to be driven by some non-economic or non-tangible considerations which include symbolic advantages. When income is thus traded against social prestige or political power, the
material gift is reciprocated by a demonstration of esteem, loyalty, allegiance, subordination, and devotion.

Gift exchanges of the latter sort can be termed asymmetrical, since they take place between persons of unequal wealth, rank or social status. In so far as generosity and hospitality are highly praised behaviours in traditional rural communities, successful individuals gain social prestige and esteem when they redistribute their surplus. There may be more at play, however, than the the “warm glow” effect that gift-giving sparks off among the attendance when made in public (Andreoni, 1990). As we have learned from the works of many anthropologists, (Malinowski, 1922; Mauss, 1925; Polanyi, 1944, 1968; Belshaw, 1965; Sahlins, 1960, 1963, 1974; Levi-Strauss, 1969; Bourdieu, 1990), indeed, the whole point of the game of asymmetric exchange may actually consist for the dominant party of making sure that the tangible benefits or services that he renders (including insurance against the risk of hunger) can never be (fully) repaid. Being in his debt on the material level, the donee finds himself compelled to return the favour on another level, in ways that influence the donor’s rank or status. Subordination is created and perpetuated because the obligation to reciprocate, which is a burden, cannot be relieved by means of a return gift equivalent to the initial gift (Offer 1997: 455). Upon this reading, social prestige and political power originate in asymmetric gift exchanges. Economists have recently enriched this approach by highlighting the conditions under which unequal rank or power positions may get permanently established through asymmetric gift exchange when a gift brings pride, social esteem or power to the donor and shame or subordination to the done (Gaspart and Seki, 2003; Platteau and Seki, 2007; Platteau and Sekeris, 2010). This kind of asymmetric gift exchange is characteristic of class-based agrarian societies dominated by patron-client ties, such as they are commonly found in large parts of rural Asia (Breman, 1974; Scott, 1976).

Transfers from rich to poor are also voluntary when they are governed by the desire to follow well-internalised norms of social solidarity. A central feature of lineage-based societies is, indeed, that other-regarding values are inculcated in every individual from early childhood and carefully nurtured all throughout his or her life. Hence their characterization as ‘group-focused’ societies by Alfred Hirschman (1958).¹ Unlike what we find in the ‘Invisible Hand’ doctrine,

¹ In Gambia, for example, the concept of badingya, which represents harmony, cooperation, and shared progress (or shared decline), is continuously emphasized in contrast to the concept of fadingya, which refers to selfish ambitions and competitiveness. Individualistic proclivities are accepted only to the extent that they are considered as necessary
which is at the root of the market-based view of the economic system, the presumption is that the pursuit of selfish ends runs counter to the collective good in the general case. Evidence to the contrary must therefore be adduced before exceptions to this rule can be granted.

The emphasis on other-regarding values and codes of conduct is done not only on each and every possible moment of ordinary life but also under exceptional circumstances. Rituals and ceremonies in the course of which the unity and harmony of the group are strongly asserted and celebrated provide these exceptional moments (see, e.g., Godelier, 1974). They are privileged occasions during which social norms and values stressing the collective good and the necessity for the individual to sacrifice his own self-interest for the benefit of the community are put in the foreground and intensely felt through dances, songs in unison and the sharing of abundant food and drinks (see, e.g., Gyekye, 1996: 36). During such events, all participants are called upon to manifest regularly and openly their concern for the collective good and their willingness to contribute to it. To the extent that such internalization of other-regarding values through nurturing and rituals succeeds, any reference to self-centered considerations tends to be suppressed from consciousness so that community members can think of themselves as moral individuals (Polanyi, 1977: 60; Wright, 1994).

Internalisation processes are never complete, however, and this is why external reward and sanction mechanisms are needed to complement the work of collective rituals and education. Sanctions meted out to individuals who promote their own interest at the presumed expense of the group are probably becoming more important when a society is opened to new economic opportunities that certain individuals are more prompt than others to seize upon. It is then, according to Arthur Lewis (1955), that a member of an extended family system whose income increases “may be besieged by correspondingly increased demands for support from a large number of distant relations” (p. 114). Transfers from rich to poor that are driven by redistributive norms in the sense meant in this chapter can be considered to be made under some degree of coercion because these norms are backed by severe sanctions. We may now look at the nature of these sanctions with a special focus on countries of Sub-Saharan Africa.

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for the advancement of the group as a whole (von Braun and Webb, 1989: 515-16; see also Sylla, 1994: 170-76, for the Wolof in Senegal).
3. Sanctions in support of redistributive norms

Norms that enjoin economically rising individuals to share their surplus with the kith and kin are justified by the belief that success is due to ‘luck’ rather than to personal effort, risk-taking and talent. While transient luck is believed to result from the ordinary course of natural events, persisting or exceptional luck is attributed to the obscure manipulation of supernatural forces. This sort of accusation is extremely grave inasmuch as witchcraft is thought to cause the treacherous exploitation of other villagers and to jeopardise the survival of the entire group. Since they can easily degenerate into active hatred unless assuaged by corrective gifts, the aversive emotions of envy and jealousy are instrumental in bringing about a redistribution of income between (presumably) lucky and unlucky individuals. The hatred of fellow community members is something which successful people try to avoid because it is liable to cause psychological oppression and physical harm (Jewsiewicki, 1993).

In the words of an inhabitant of a South African village: “You build a beautiful house. They say that you are a witch. They come and burn it down. They say they are burning a witch’s house. You buy a car. They come and shoot you, just because you are working and they are not” (Golooba-Mutebi, 2005: 947). The main problem with witchcraft accusations is that they are impossible to shake off because they are backed by a system of self-reinforcing beliefs and sanctions: “Even people who might be convinced of a person’s innocence dare not come to his or her defence, lest they too be accused. Once accused, therefore, a person is shunned by all villagers, save for the most committed friends and kin” (p. 953).

Witch-beliefs thus constitute a conservative force which helps sustain a rough egalitarianism, or a given distribution of ranks and status, by acting as a check on undue individual effort (Thomas, 1973: 643-4, cited from Elster 1989: 261). A rich man knows that if he is stingy with his relatives or fails to dispense generous hospitality to all, he is likely to be spoken of as a witch and arouse suspicion that he has accumulated riches by robbing others (Elster, 1989: 260). As Evans-Pritchard (1937) explained on the basis of his research on the Nuer tribe of Sudan, the evil ‘soul’ of witchcraft is set to work by anti-social feelings such as envy, spite, jealousy, anger and hatred. If these feelings are absent, the witchcraft remains ‘cool’ and harms no one (see also Badini, 1994: 141, for the Mossi of Burkina Faso). In rural communities of Rwanda (prefecture of Kibuye in the western part), according to a more recent account, only gifts can appease jealous
feelings (*ishari*) and dismiss accusations of misplaced pride (*ishema*) which cause fear in prosperous individuals. Such fear is nurtured by the all-pervasive belief in poisonings (*uburozi*) which designate the many forms of baleful spells (de Lame, 1996: 182).

In Njombe district (Tanzania), prosperous traders and farmers were said to use secret powers to enrich themselves, in some cases by scattering the blood and flesh of victims on their farms so as to obtain plentiful harvests. The suspicion is that entrepreneurial people are ready to kill their own children and their relatives in the quest of riches. The truth is that individuals filled with greed, envy, hatred and deep jealousy are busy day and night searching for poisons able to kill wealthy people so as to appropriate their wealth or inherit it (Giblin, 2005a: 198, 200).

Witchcraft accusations therefore appear as a powerful means of ideological intimidation aimed at suppressing deviance in general, and economic self-advancement in particular. It is within the kinship group that witchcraft is summoned with special force, since jealous feelings are more intense as relations between people are closer: the gravest accusation against a successful individual is that he is ready to sell his parents in order to accumulate riches.\(^2\) Repressive measures are also observed in tribal societies built on a ranked hierarchy of constituent groups and possessing a strongly centralised structure focused on the chief. According to many reports about life in African villages, the chief or the elders do not easily accept that the rank and file rise above them by acquiring new or ancient symbols of wealth and status. All efforts to accumulate such symbols are unavoidably viewed as conscious attempts to overturn the existing social order (in which chiefs and elders are richer but also stand as the main agents of redistribution), and they immediately arouse insinuations or open accusations of sorcery (Geschiere, 1995: 210; Peters, 1994: 32; Bruce, 1993: 39-40; Colin, 2004: 284-5).\(^3\) In Botswana, for example, someone considered by a Tswana chief to be a dangerous competitor was accused of witchcraft and stripped of his property. In such cases, tells Pauline Peters (1994), “the chief was able to justifiably ‘eat’

\(^2\) Sometimes, however, the feelings of jealousy, rivalry and covetousness which give rise to witchcraft can nevertheless be considerably extended. For instance, they can affect the competition among tribes, clans and villages for getting development projects. The belief is then that the tribe, clan or village which wins a project does so because its spirits won a decisive battle against the spirits of rival tribes, clans or villages (Geschiere, 1995: 197-8; Platteau, 2000: 199-200).

\(^3\) Thus, in a village studied by Geschiere in Cameroon, a man who accumulated wealth and used part of it to buy a new local suit (a beautiful *boubou*) was severely rebuked by the local chief to whom he was forced to hand over his new garment. This was done without any compensation, just on the ground that “he should not have displayed such a luxury while the chief had to go without it” (Geschiere, 1995). For other examples, the reader may refer to Platteau and Abraham, 2002, 2004.
the miscreant” (p. 32). Witchcraft accusations against social superiors are nonetheless unthinkable inasmuch as the latter are thought to be protected by powerful spirits able to launch effective counter-sorcery (Evans-Pritchard, 1964: 243; Geschiere, 1995: Chap. 4).⁴

Evidence from anthropological writings converge to show that, far from diminishing, witchcraft accusations and practices continue to play an important role in repressing individual acquisitiveness and mobility in African (rural) societies, and the belief in occult forces is very common at different levels of education and among various religious affiliations (Kohnert, 1996: 1348). For instance, René Bureau (1996: 123-4) speaks about “a massive resumption of witchcraft accusations” in the coastal area of Cameroon where the immense majority of those accused of being balemba [sorcerers] have an enviable place, function, fortune, or influence. In Cameroon, South Africa, Benin and other African countries, as many new opportunities for economic differentiation arise, successful people are said to be sorcerers able to transform their victims into kinds of zombies whom they force to work at night in their invisible plantations in order to enrich themselves. The victims complain of waking up in the morning feeling extremely tired (Rowlands and Warnier, 1988; Fisiy and Geschiere, 1991; Geschiere, 1994; Geschiere, 1995: 175, 192-8; de Rosny, 1981, 1992; Ardener, 1970; Ellis and Ter Haar, 2004: 123).⁵

In Rwanda, and also in Tanzania, Uganda, and Mozambique, we hear about the increasing incidence of spirit possession and poisoning threats as a result of social and economic differentiation or, to use the words of a Rwandese traditional healer (cited by François Migeotte, 1995), of “recent changes in economic conditions that arouse people’s spite since nobody accepts that someone else surpasses him in wealth”. Rich individuals are accused of possessing obscure powers, and entertaining privileged relations with the invisible world, which enable them to appropriate wealth from others (de Lame, 1996: 183; Platteau, 2000: 202; Ellis and Ter Haar, 2004: Chap. 5; Rennie, 1984: 180-82). The difficulties encountered in rural Tanzania by people

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⁴ In the Green Valley (South Africa), for example, witchcraft accusations reinforced rather than challenged social privilege, since they were used manipulatively by persons of relatively greater status and influence to their own advantage (Niehaus, 2001a: 198).

⁵ Among the Douala, people believe that witchcraft powers are acquired in an ultra-secret society admittance to which is conditioned upon the killing of a person, preferably a close relative such as a mother or a son. The most common way to harm people consists of removing their ‘soul of life’ and to reduce them to slavery after their funeral. The victims then work for the sorcerer on the Coupé and Manenguba mountains. The sorcerer uses his flying powers to go to his secret plantation and collect the fruits of his slaves’ labour (Bureau 1996, 107-8).
who want to build a family business have been reported in detail by James Giblin (2005a), and they are particularly insightful. Economic success is invariably considered to be the result of exploitation of fellow villagers and “the proof that one uses witchcraft” (p. 199). Thus, when in the late 1950s an individual from Njombe district obtained unusually abundant maize harvests from hybrid seeds, people said that he used mkwego to draw maize away from others (mkwego is a medicine used to capture for one’s own use another person’s ability to prosper), which eventually compelled him to share seeds with neighbours (p. 198). Prosperous individuals know that behind the blame of maliciously using magic and witchcraft lies the grave accusation that they have violated the obligations of kinship (p. 199).

In South Africa, witchcraft practices seem to be flourishing more than ever before, and social and economic differentiation provides fertile ground for suspicion and accusation “when the well-to-do fail to fulfil the expectations of poorer neighbours and kin for support”. In Tiko village, witchcraft is feared by almost everybody, and it includes the use of poisons and other dangerous substances or ‘medicines’ which bear a special local name (Golooba-Mutebi, 2005: 939-44). Elsewhere, those named and killed as witches were often doing nicely – they had large numbers of cattle, or had worked in the cities and earned a pension for their old age –, jealousy appearing as the most common motivation for the killings (Niehaus, 2001a, 2001b). Increasingly, young people, who were not traditionally allowed to accuse others of witchcraft, make accusations against older, typically richer persons (Ellis and ter Haar, 2004: 152).

The following accounts, one from Ramon Sarro (2009) for the Upper Guinea Coast (Guinea Conakry) and the other from Angelique Haugerud (1993) for central Kenya, provide two additional vivid illustrations of the idea that witchcraft accusations have a tendency to increase with the rising economic differentiation that accompanies growth:

“A man asked his classificatory sister, who was living in Kamsar, to bring him new shoes from that city. She refused, and a few days later she died in Kamsar. People in the village thought she was killed by her envious brother….Conrad… [worked] for the Compagnie des Bauxites Guinéennes. He lived in Kamsar for several years, but always felt that his relatives in the village, only fifteen kilometres away, were very demanding, asking him far too often for money and goods from Kamsar. He opted to move further away to feel more at ease and therefore went to Conakry, where he was employed at the harbour… He was very aware of the envy that his status could awake in the village… every time he went to the village to spend some time building the house he took a fair largesse of money and presents to share among people from his and his wife’s descent groups (most of the villagers helping him build the house were his in-laws, and were doing it for free)… In 1999, when the house was
virtually finished... Conrad died suddenly in Conakry. Despite all his efforts to avoid arousing envy while building his house, his death provoked all sorts of gossip and even a serious allegation of deser [witchcraft] against a young member of his own descent group who was accused of having killed his classificatory father out of sheer envy” (Sarro, 2009: 156, 159).

“As opportunities to accumulate wealth grew in central Kenya, so too did the stakes for individual displays of ‘generosity’ as opposed to ‘selfishness’... enmities have arisen due to wealth. Several people spoke of the narrowing range of kin among whom one shares goats on ceremonial occasions, such as those associated with marriage and childbirth... And an Embu man explained his decision not to open his own small shop, saying that such businesses often failed within one year, that customers asked for credit and called the owner ‘proud’ if he or she refused to extend the credit, and that sorcery against the owner might follow. Less well-off individuals also termed ‘proud’ wealthy individuals whom they believed did not assist others enough in finding jobs or places in secondary schools...Treating visitors well includes preparing food for them rather than hoarding it for one’s own family. Selfishness and social isolation, in contrast, may carry associations of witchcraft and sorcery, and at the very least invite negative gossip. Longstanding norms of sociality and patronage include the expectation that the less well-off will seek assistance from the wealthy, and that the latter indeed will respond with good will to such requests.” (Haugerud, 1993, pp. 133-34).

4. The rationale behind redistributive norms

The official reason invoked to justify redistributive norms is that when an individual becomes too successful economically compared to the fellow group members, he (she) is likely to harm them: individual prosperity, according to this account, is bought at the expense of collective prosperity. Two mutually reinforcing rationales may underlie this sort of assertion.

The first motive arises from the need to protect the group against the threat of erosion of its ability to shoulder risks. Indeed, if a prosperous individual were allowed to stop making gifts to fellow villagers, the size of the informal insurance network formed by the community would be reduced and the group’s ability to spread risks would be correspondingly diminished.6 Private

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6 Let us assume that individual incomes, which are independent and have identical variances (=$\sigma^2$), are entirely redistributed through a perfect pooling scheme. The variance of individual incomes after pooling is then simply equal to $\sigma^2/n$, from which it is evident that any reduction in the size of the pooling group (=n) increases the volatility of incomes for those who remain within it. Under our assumptions, indeed, the variance of aggregate income (=Y) is equal to the sum of the individual variances (=n$\sigma^2$), and the variance of individual incomes after pooling is, therefore, $Var(Y/n)= n\sigma^2/n^2 = \sigma^2/n$. 

wealth accumulation is perceived as anti-social behaviour precisely because it is an attempt to break away from traditional solidarity networks, and the exit of the (best) members would make the rest of the kin group worse off (Fafchamps, 1992: 160-63; Platteau, 1991: 160-61, 2000: chap. 5; Hoff and Sen, 2005: 173). According to Guy Hunter, we are dealing with “levelling societies, in which attempts by equals to gain individual advantage are constantly suspected and bitterly resented”. At the root of this suspicious atmosphere is the “fear that the fundamental security of the village will slowly be lost if one individual after another can reach a platform of prosperity from which he might not need the help of the community and could therefore excuse himself from helping them” (Hunter, 1969: 40).

Following the logic of this insurance-based argument, the establishment of sharing norms can be rationalised as the outcome of individual decisions by selfish community members. Assuming that idiosyncratic shocks are sufficiently severe or frequent and randomly distributed (and their effects are possibly amplified by collective shocks), and also assuming that community members are equally (or not too unequally) endowed in the initial situation, they will not only decide to join a mutual insurance scheme based on contingent reciprocal transfers but they may also support the laying down of social norms. This implies that they will vote in favour of rigidly enforced rules aimed at preventing members from quitting when favourable circumstances make it worthwhile for them to do so (that is, when the expected payoff from participation becomes smaller than the payoff from non-participation). This is because, ex ante, they ignore what their income trajectory will be and they therefore fear the breaking down of the risk-pooling mechanism over time. “Forced mutual help”, as Raymond Firth (1951) called it, is then used to maintain the status quo, which has the potential effect of discouraging exceptional individual performances on the grounds that they can only take place “at the expense of other members and of the cohesiveness of the group” (Hirschman, 1958: 23).

The second motive underlying redistributive norms is of a quite different order: since the effort of any individual to improve his lot generates positional externalities that negatively affect the welfare of fellow villagers, redistributive norms that enjoin economically successful individuals to share their surplus appear as a form of taxation designed to curb positional race for status. This may be thought of as a desirable outcome if efforts to improve one’s lot are mutually offsetting (everyone wants to ‘keep up with the Johneses’) and inefficient equilibria arise precisely
because investment in status enhancement is more attractive individually than collectively (Congleton, 1980; Frank, 1985, 1998).

That the insurance-based explanation is insufficient to account for the pervasive presence of redistributive norms in lineage-based societies is evident from the aforementioned fact that the hierarchy of ranks may not be called into question. Typically, while one of their functions is to redistribute wealth towards the needy (see, e.g., Malinowski, 1922, 1937; Sahlins, 1963, 1968, 1972), the chief or the elders do not accept that commoners rise above them by acquiring old or new symbols of wealth and status (like cocoa plantations, mechanical devices, or roofs made of corrugated iron). All efforts to accumulate such symbols are unavoidably viewed as conscious attempts to compete with traditional leaders and to overturn the existing social order. As a consequence, they are strongly condemned and the prosperous commoner is immediately coerced into handing over to the chief his newly acquired riches. Thus, in a village studied by Geschiere in Cameroon, a man who accumulated wealth and used part of it to buy a new local suit (a beautiful boubou) was severely rebuked by the local chief to whom he was forced to hand over his new garment. This was done without any compensation, just on the ground that “he should not have displayed such a luxury while the chief had to go without it” (Geschiere, 1995: 210, note). If the new symbol of wealth is a productive asset, the successful individual is badgered to either give it away to the chief or use it for the latter’s benefit (e.g., use his tractor to plow the chief’s land).

The young generations often resent the situation as oppressive and may be prompt to seize any opportunity to oppose it. This is one of the central lessons to be learned from the analysis by Ramon Sarro (2009) of the rebellion that spread through the villages of Baga-speaking people of coastal Guinea during the colonial period. Initiated by a Muslim preacher (Asekou Sayon), this iconoclastic movement aimed at the destruction or abandonment of many customary ritual practices and objects perceived as negative for the development of the community. Educated people and war veterans who had been abroad (and many of whom converted to Islam) identified these animist practices with the despotic rule of local chiefs and elders, itself reinforced by the French colonial policy of appointing powerful canton chiefs. Chiefs and elders were, indeed, perceived as doing nothing “but drink the palm wine that youths had to tap for them” (p. 94), and customary ceremonies (the so-called masquerades) which involved a lot of hard work for the latter, were deemed far too numerous and costly. Under these conditions, writes Sarro, “it is not surprising that Islam, being a religious discourse that not only forbade masquerades and sacred
bushes but also the tapping and drinking of palm wine, was increasingly attractive for the strata of society that felt (and were) abused by the elders” (p. 95). Interestingly, we are also told that the elders insisted on receiving gifts (including marriage payments) in the form of palm wine instead of money because palm wine being given in public and in large quantities, it could not be unduly appropriated by the recipient but had to be shared with other members of the ruling strata.

To sum up, lineage-based societies are prone to resist any differentiation process whereby relative status positions are modified. Social reshuffling is perceived as a dangerous force susceptible of jeopardising the fragile social equilibria typical of small-group societies anchored in highly personalised relationships. As pointed out earlier, the redistributive pressures through which differentiation is repressed are often backed by powerful sanctions that include social pressures, constant harassment and the use of effective mechanisms of ideological intimidation, most notably witchcraft accusations and practices. A direct implication of the above analysis is that the phenomenon highlighted should not be restricted to Sub-Saharan Africa but be observed in all lineage-based societies dominated by personalised relationships. This prediction is supported by evidence from Asian villages, and even from Europe. In Malaysia, for example, James Scott (1985) noted that the rich help the poor “less from a spirit of liberality than as a response to the palpable pressures their neighbours and kin brought to bear upon them” (p. 192). With reference to Europe, the presence of redistributive norms in Balkan villages is attested by the old Bosnian saying according to which: “If the whole society is prosperous, each of its members gains from it, but when one individual is too powerful, he harms his fellow members, whether he likes it or not. When a hand is too big, swollen and painful, it is because it has been bitten or invaded by bad spirits. In order to restore the health of the hand’s owner, the swelling must be reduced or the hand will need to be cut off” (Karahasan, 2000: 191 –our translation).

The historical experience of Western Europe itself shows that redistributive pressures and the accompanying witchcraft accusations have become particularly widespread during the phase of transition from the egalitarian mutually dependent village community of pre-industrial times to the more individualistic and socially differentiated structure of market-based societies. According to a British historian, “one of the major reasons for the rise of witchcraft accusations in the sixteenth century was the tension caused by a conflict between a traditional ethic of mutual responsibility and charity, the norms of self-contained and subsistence villagers, and the new acquisitive and individualistic spirit of capitalism and protestantism” (Macfarlane, 1978: 59).
Before looking at the various disincentive effects caused by redistributive norms, it is worth emphasising that the idea of redistributive pressures grounded in feelings of envy toward successful individuals has strong micro-theoretic foundations. The idea is that people’s utility is influenced not only by absolute income levels but also by their relative position in the (local) distribution of income, thus causing preferences to be interdependent (see Veblen, 1899 and Duesenberry, 1949, for the first formulations of this idea). The component of the utility function that reflects the influence of an external reference point is interpreted as the ‘status return’ from income, or the positional or conspicuous consumption aspect of income. Andrew Clark, Paul Frijters, and Michael Shields (2008) have recently concluded that the hypothesis of relative income effects is largely supported by the available evidence. In particular, works that use a geographic approach to reference groups—social comparisons are made with people living in the same neighbourhood—suggest that life satisfaction is totally relative in income. In rural China, for example, according to one survey based on 9,200 households, 68 percent of individuals see their village as their reference group while only 11 percent stated that their main comparison group consisted of individuals from outside of the village. Moreover, respondents who say that their income was much above the village average report far higher happiness than those who say that their income was much below that average (Knight and Song, 2006, cited from Clark et al., 2008: 107, 112).

Perhaps more convincingly, a study using respondent-defined (rather than assumed) reference groups reveals that individuals who associate with higher-earners need more money in order to describe their income as good or adequate (Melenberg, 1992, cited from Clark et al., 2008: 109-110). Another source of evidence on the importance of social comparisons to others in actual choice behavior may be found in the experimental economics literature, whether it deals with fairness (such as laboratory evidence on ultimatum games) or asks individuals to rank hypothetical outcomes. A series of papers using the latter approach have adduced evidence of strong positional concerns over income, in that individuals say that they are willing to give up absolute income in order to improve their relative position or gain status (Clark et al., 2008: 120; Clark, 2008).

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7 This idea, coupled with the fact that people also compare their present income with their own past income, is now used to explain the so-called Easterlin’s Paradox—significant increases in real incomes in Western countries over the last fifty years have not been accompanied by corresponding rises in reported happiness levels (Easterlin, 1974).
As hinted at above, some economists refer to this kind of effect to advocate taxation of positional goods in all dynamic societies: since changes in rank have no social benefit even though they yield private benefits, and the additional benefit of positional goods to an individual leads to over-consumption of such goods at society level, to the detriment of non-positional goods, the production of the latter type of goods needs to be encouraged through the taxation of the former type. If the positional good is equated to relative income and the non-positional good to leisure, there is thus a ground for income taxation in order to promote leisure (Frank, 1985; Layard, 2005).

The similarity between this position and the existence of redistributive norms in African countries is plain: to the extent that individual preferences are translated in utility functions in which absolute income and relative position are substitutes, a possibility to exert pressures on dynamic individuals to repress their upward income mobility move may be used by less effort-prone or more-leisure oriented individuals even at the price of achieving a lower income than they could have otherwise received (say, because the growth generated by the efforts of the successful individuals may produce a trickle-down effect). To put it in other words, the availability of redistributive norms enables the individuals who do not want to forsake leisure to prevent the sparking of a chain reaction of emulating efforts.

5. The disincentive effects of redistributive norms

The above trade-off between absolute income and status understood as a positional concern is reminiscent of the well-known trade-off between equity and efficiency highlighted in the economic literature. Excessive taxation of the rich, by reducing efficiency too much, may result in lower incomes not only for the rich but also for the poor themselves. Efficiency losses are the outcome of various disincentive effects caused by redistributive pressures. In the particular context of lineage-based societies, several such effects need to be distinguished.

First, redistributive pressures discourage effort. To make matters simple, just think of an individual who produces individually an output that is perfectly observable and anticipates that his (her) income will have to be shared with $n$ kinsfolk. His (her) equilibrium level of effort will then

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8 Think of a runner who has to choose between the two following situations: (a) another member of his team wins the race and transfers a (small) portion of the benefit earned to him; and (b) nobody in the team wins the race and the prize offered to the winner goes to another team. If the runner has the sort of preferences highlighted above, he will prefer (b) to (a): his absolute income is smaller than it could have been yet his relative position has not deteriorated.
be determined by the equality between the marginal disutility or cost of effort and the marginal productivity of effort divided by \( n \). The effort applied will therefore be sub-optimal and the larger \( n \) the wider the gap between actual and optimal effort levels. Note incidentally that this disincentive effect is formally identical to that produced in an alternative situation in which output is collectively produced and perfectly observable but individual effort is not. Joint output is then divided equally among the \( n \) participants who apply the same sub-optimal amount of effort as that indicated above (under the assumption of constant returns to scale). In this instance, a dynamic individual who would like to improve his (her) lot would be prevented from doing so as a result of the so-called moral-hazard-in-team problem.\(^9\)

Second, redistributive pressures discourage entrepreneurship and risk-taking. This is because these pressures operate in an asymmetrical manner: if the investment project fails, the risk-taker will be the only one to bear the burden of the ensuing loss while, if the project is successful, the risk-taker will have to share the benefits with the kith and kin. Given a certain degree of risk aversion, a dynamic individual will therefore refuse to embark upon a risky project that he (she) would have attempted in the absence of redistributive norms. As a consequence, redistributive norms are likely to discourage savings and investment, or to stimulate comparatively safe investments and invisible expenditures.

Third, redistributive pressures encourage misallocation of human resources. The dynamic individual subject to such pressures is typically compelled to hire relatives and friends when he (she) has reached an employer position (whether in the state bureaucracy or the private sector), a practice known as nepotism. There are two distinct reasons why nepotistic behaviour gives rise to

\(^9\) Assume a linear utility function in income and cost of effort. The cost function is convex in the effort \( e_i \) applied and is denoted \( c(e_i) \) with \( c'(e_i) > 0 \) and \( c''(e_i) \geq 0 \). The production function, \( f(\cdot) \), is concave in the effort applied: \( f'(\cdot) > 0 \) and \( f''(\cdot) \leq 0 \). Under the first situation, the maximisation problem of the worker is written

\[
\max_{i} \bar{U}_i = \frac{1}{n} \left[ f(e_i) - c(e_i) \right],
\]

while under the second situation it is written

\[
\max_{i} \bar{U}_i = \frac{1}{n} \left[ f\left( \sum_{j} e_j \right) - c(e_i) \right],
\]

where \( j \) varies from 1 to \( n \). In both cases, the first-order equilibrium condition resulting from maximisation with respect to effort level \( e_i \) is \( \frac{1}{n} f'(\cdot) = c'(e_i) \). Under constant returns to scale, the equilibrium amount of effort applied by individual \( i \) is identical and clearly sub-optimal.
inefficiencies. On the one hand, it amounts to favouritism toward relatives and friends that involves a cost in terms of the quality of employees hired (Hoff and Sen, 2005: 175). On the other hand, monitoring labour efforts and sanctioning bad behaviour are particularly difficult for an employer or a manager who deals with people from his (her) own fold. This difficulty is actually reinforced if the employees believe they have a right to misbehave vis-à-vis a superior from whom they want to extract more benefits on the grounds that he (she) has not been sufficiently generous and ‘fair’ with them (Platteau, 2000: 313). The disciplining effect of the reputation mechanism that is made possible by the repeated, personalised nature of human interactions is then cancelled by the adverse effect of the attendant sharing norms.

Note that the third problem does not apply only to the sphere of labour relations but to any kind of economic transactions in which a choice of partner is involved. For example, if the dynamic individual is a banker or a moneylender, or even a businessman, he (she) may be forced to extend credit to kith and kin who are unreliable borrowers. An almost natural experiment testifying to the importance of this nefarious effect has been created by the short war between Senegal and Mauritania in 1989. Tension between the two countries led to the expulsion of all Mauritanian shopkeepers from Dakar, the Senegalese capital. Their shops were spread all throughout the city and were opened day and night to provide customers with basic necessities. After their seizure by inhabitants of Senegalese origin, these businesses rapidly declined and became bankrupt, till they were eventually taken over by their previous Mauritanian owners when they were allowed to return to the country.

Two reasons were given to me when I inquired into the reasons that caused the failure of the Senegalese experiment in shopkeeping. First, the shops were not opened in the evening and the night like they used to be when they were run by the Mauritanians. Second, redistributive pressures compelled the Senegalese shopkeepers to sell on credit to their relatives and friends and the loans were typically not returned. A common rationale for not returning loans overdue is that since the lender/shopkeeper is richer than the borrower, the latter has a perceived right to consider the loan taken as a (forced) gift. By contrast, Mauritanian shopkeepers followed strictly the rule consisting of selling only against cash payments. Customers who did not comply were always

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10 If there is competition between job-seekers who have redistribution obligations toward relatives and those who do not, and if the former can be identified by employers who would bear the adverse consequences of their redistributive behaviour (say, because the employee to be hired is a senior worker expected to choose junior workers for teamwork), they will suffer from discrimination in the modern sector labour market (Hoff and Sen, 2005: 175-77).
rebuked. This explains why the presence of Mauritanian shopkeepers was both resented—they are doing well and are ‘selfish’—and felt necessary—their business is efficiently run and therefore provides a valuable service).

That such stories are not rare in Sub-Saharan Africa is attested by the failures of Kenyans and Ugandans in their running of shops and businesses taken away from Indians. Regarding Kenya we have the following account: “Within a short period of time a good many of the African businessmen who had taken over from the Asian shopkeepers had lost most of their capital and turned thriving shops into bars and lodging rooms instead. Others were inviting back previous owners and partners” (Himbara, 1994: 89). In Congo-Brazzaville, the Popo fishermen from Benin who were an active and economically successful community operating in Pointe-Noire, were harassed and, without any forward notification, eventually expelled by the Congolese government in September 1977 on the pretext that they did not have their formal stay permits. Their outboard engines were also confiscated on the grounds that proper import authorizations were lacking. There quickly ensued a severe lack of fish in the markets in town, which forced the government to reverse its decision and recall the Popo who slowly returned to Pointe Noire (Jul-Larsen, 1993).

Finally, we may bear in mind the aforementioned account of Haugerud regarding the pervasive presence of redistributive pressures in central Kenya (see the citation provided at the end of Section 3), which implicitly testifies that such pressures may easily cause losses of efficiency, bankruptcies, and the forfeiting of growth opportunities. This is confirmed by another African analyst who writes, with the experience of Kenya in mind, that “[African] entrepreneurs are expected to share their incomes with other members of the extended family. They are expected to come to aid in case of financial hardships and to employ relatives regardless of whether they are efficient. These considerations lead to a withdrawal of a substantial amount of capital from an enterprise and its eventual failure” (Kamau, 1965 –cited from Himbara, 1994: 89).

6. Individual redistribution-coping strategies

Ordinary individuals are generally reluctant to start accumulating wealth and deviate from customary norms of behaviour. This is especially so if they are afraid of being killed by envious local witches or of being accused and harassed as witches themselves (because they have acquired their wealth by using occult powers), a risk enhanced by the fact that the police is
usually unable to investigate and punish witchcraft-related crimes because of the local people’s refusal to reveal the names of the perpetrators (Golooba-Mutebi, 2005: 951). For those dynamic individuals who are strong enough, emotionally, to break from the traditional society, two strategies that involve distancing from the pressures of community life are nevertheless available: migration and religious conversion. For those who do not wish to take such a drastic step, a more defensive strategy consists of concealing incomes and assets. We start by examining the latter possibility before considering the other two, bolder strategies.

6.1 Concealing incomes and assets

Concealing incomes and assets is the most evident way to escape demands for gifts emanating from relatives, friends and neighbours. Yet, it involves transaction costs which may turn out to be significant. In Burkina Faso, for example, affluent individuals may take wife and children outside of the home to eat so as to eschew the obligation to cater to unwelcome visitors (Platteau, 2000: 210). In this instance, the cost of escaping redistributive pressures takes on the form of additional expenditures on transport and restaurants. The cost may also take the form of misallocation of wealth resulting from the need to opt for relatively discrete uses of the savings accumulated. In Tanzania, we are thus told that better-off villagers avoid displays of wealth such as modern houses because a successful farmer is believed by the villagers to maliciously use the supernatural forces (Giblin, 2005a: 199).

Unfortunately, there are very few systematic empirical studies documenting redistribution-coping behaviour in the context of Sub-Saharan Africa. Two that I am aware of deserve close attention, one by Jean-Marie Baland, Catherine Guirkinger and Charlotte Mali (2010) on Cameroon, and the other by Vincent Somville (2010) on Benin. While almost all the evidence presented thus far on the existence of redistributive pressures or norms in Africa has been drawn from the anthropological literature, these two studies have been produced by economists and offer us indirect evidence of this phenomenon.

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11 A household survey conducted in urban Côte d’Ivoire revealed that households who accommodate collateral kin dependents (defined as inactive people) are twice as wealthy as households who do not (de Laiglesia and Morrisson 2008). Unfortunately, that study does not allow us to infer the direction of causality between wealth and accommodation of kith and kin.

12 For the latter two subsections, I draw largely on Platteau, 2009.
The first study is based on a field survey of rural credit cooperatives belonging to the Cameroon Cooperative Credit Union League. Looking at the credit operations and deposits of the members of four cooperatives during the years 2004-2006, Baland et al. (2010) uncovered a puzzling fact of what they term ‘excess borrowing’ behaviour. Around one-fifth of the loans taken from rural credit cooperatives are fully collateralized by savings available on the borrowers’ saving account, and the amount of savings available to the borrowing member is on average twice as large as the amount of the loan. Still more intriguing is the fact that the behavior of these excess borrowers is costly since they could save on substantial interest payments by self-financing their investment projects. The authors adduce two kinds of evidence in support of the idea that the desire to escape redistributive pressures is at the heart of the puzzle observed. The first kind of evidence is qualitative and consists of the explanations invoked by the excess borrowers themselves. Their statements can be summarised as follows: excess borrowing, and the consequent need to fulfill reimbursement obligations, are a way to signal financial difficulties to relatives in search of financial assistance. As a matter of fact, people believe that when an acquaintance takes a loan, it is because he (she) has no money. The explanation is credible: if the existence of savings accounts and credit contracts is common knowledge, the amount of the cooperative members’ savings is unanimously hidden. Members actually report showing their credit book to suspicious relatives in order to prove their state of financial duress.

The second line of argument proceeds by dispelling competing explanations of excess borrowing. Thus, the authors show that there are no likely indirect benefits resulting from such a behavior. In particular, it is not true that the loan serves as a vehicle of risk diversification for risky investment projects under conditions of limited liability. The borrower’s savings can be seized in the event of default, and there can be no risk sharing with the lender owing to full liability. In addition, the authors do not verify that excess borrowing is the outcome of time-inconsistent preferences, people engaging in illiquid saving to protect their money from their future selves while relying on credit to meet immediate cash expenses. In reality, local cooperatives explicitly allow their borrowers to draw on their savings accounts to pay back their loans.

In the second study, also based on first-hand data collection, Somville (2010) examines the role of so-called daily collectors in Benin. These operators, as their name suggests, collects small
savings on a daily basis from their clients and keep them safe. In exchange for this service, they charge a monthly fee that is equal to the amount of one deposit. This fee is subtracted from the savings recovered at the end of each month by the client: amounting to 3.3 percent, it is equivalent to a negative annual interest rate of 54 percent. How to account for the people’s willingness to use the services of so costly operators? One obvious answer is their desire to put their money in a safe place so as to protect it against the risk of loss, theft, or other hazards. According to the author, however, this explanation does not stand to the scrutiny of the facts because it does not explain inter-individual variations in the use of daily collectors.

The need for protection against the claims by household members and acquaintances is the motivation that appears to best match the two years panel data collected in 2004 and 2006 in three different districts of the outskirts of Cotonou, the country’s capital city. In particular, econometric testing bears out the hypothesis that, other things being equal, those who use the services of a daily collector, and are therefore better able to make lumpsum payments at periodic intervals, should transfer less money to those presenting requests considered as illegitimate, and more money to recipients of their own choice. Results thus show that women who use the services of a collector transfer less money to their husband but more to their children and their friends. As for men, they transfer less money to their spouse, their children, their friends and the members of their own parish. Moreover, men who use the services of a collector make smaller contributions to joint household expenditures such as electricity, house repairing and maintenance, and school expenses. This seems to indicate that the possibility to conceal incomes allows men to enhance their own consumption at the expense of public household goods.

6.2 Migration and estrangement

To escape the incriminatory and jealousy-ridden atmosphere that pervades many African villages, entrepreneurial individuals may choose to move a comfortable distance from their kith and kin. Yet, even migration to cities will not necessarily enable them to start up a business and earn profits they can use for themselves rather than to support “an endless string of social parasites”. They also need to sever their ties with relatives, neighbours and friends so as to prevent them from settling in their new home and drawing on their incomes (Poewe 1989).
Accordingly, they will seldom return to their native area, so as to evade customary rules of greeting and extended family pressures for showing generosity and compassion.

One account that deserves special attention here is drawn from the perceptive work on African capitalism by Paul Kennedy (1988). It is actually reminiscent of several points made in the previous section. According to Kennedy, there are few African firms which can be labelled as genuine family businesses: there is, indeed, a marked reluctance on the part of African entrepreneurs to establish pooling arrangements with partners from the family for fear that relatives will seize opportunities to cheat. Any ‘disappearance’ of their money into a common fund tends to be regarded as evidence that the main partner has squandered or stolen their assets. In addition, they are almost as unwilling to delegate authority to kin-related supervisors and managers as they are to share ownership, again due to deep distrust about people’s honesty. Involving relatives in one’s business undertakings, whether as supervisors or workers, gives rise to intractable problems and tensions. On the one hand, relatives do not respond to the same discipline as other employees because they usually demand special treatment, causing discontent among the workforce. Also, being jealous of the owner’s success and resentful of his authority, they are more prone to dishonest and unreliable behavior in the workplace. On the other hand, the owner tends to be overwhelmed by continuous kinship obligations, such as requests for cash donations or gifts, demands to finance the education of nephews, nieces and younger siblings or provide more or less permanent support for widowed or deserted sisters. True, family connections may help in the early stages by providing start-up capital, yet this advantage is largely outweighed by the above shortcomings. If they are strong enough, entrepreneurs will therefore resist demands to provide jobs for a wide range of kin, irrespective of their qualifications. They know that a business cannot grow unless a clear separation exists between the business and the kinship spheres (Kennedy, 1988: 166-70; in the same vein, see also Marris and Somerset, 1971: 131-45, 226-7; Nafziger, 1977: 192-3; Beveridge and Oberschall, 1979: 57-59; Himbara, 1994: 85-93; Ellis and Fauré, 1995).

Asians and Levantines, whose undertakings have typically taken the form of family firms, have apparently done much better than Africans (and, in the other way around, small native entrepreneurs from Central and West Africa have been successful in South Africa and even in
Two factors explain their relative success. First, since colonial times, these two groups have lacked political power and occupied a position of social and cultural marginality, so that business offered them the only real opportunity to succeed in life. Much like the Levantines of West and Central Africa, the Asians in East Africa were willing to operate at low profit margins and had a high propensity to save. Many of them were also ready to live in rural outposts for long periods, taking the trouble to learn the vernacular and operating at low levels of turnover. The second factor is more directly relevant for the above discussion: by virtue of being strangers, Levantines and Asians are not subject to the institutions and customs that stifle the initiative of enterprising natives of their adopted country. In particular, they are not subject to extended family pressures for redistribution. Moreover, magical repression does not work against them, since they do not believe in the same spirits as the indigenous population. However, they tend to be widely resented by the local population who see them as strangers usurping the business opportunities that rightfully belonged to indigenous people (Kennedy, 1988: 47-9; Platteau, 2000: 224).

The family firm provides stranger entrepreneurs of Africa with a low-cost, disciplined, and trustworthy labour force whose members all have a direct interest in the success of the joint endeavours (Kennedy, 1988: 48). The fact that immigrants from the Middle East and Asia belong to small families (formed essentially around monogamous parents and their children) rather than to the extended kinship units typical of low density African societies, implies that the moral hazard-in-team and the incentive dilution problems that plague collective undertakings, is relatively moderate in the former. The above diagnosis has been largely confirmed by recent studies of indigenous and non-indigenous (immigrant) firms located in certain African countries, and based on detailed interviews of a sample of trading and manufacturing firms (see Fafchamps, 2004, for a synthesis of these findings). The central results are as follows.

(i) Kinship or place of origin play little or no role in the formation of business networks: individuals from the same village constitute a minute portion of the suppliers and clients reported by African manufacturers (Bigsten et al., 2000; Fafchamps, 2002). Buying from, and selling to

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13 Interestingly, some of the mulatto descendants of European traders who operated from the ports and towns of the southern Gold Coast in the mid-nineteenth century were competing successfully with Europeans (Kennedy, 1988: 34-5).

14 As pointed out by Kennedy, “where individuals or groups face a situation of multi-deprivation, strong personal motivations may generate an ascetic orientation towards economic activity… this asceticism and the energy, determination and rationality it sustained, did not stem from a set of shared cultural values existing in their own right, but originated as a response to the prevailing political, social and economic climate of inequality and power…” (Kennedy, 1988: 47-9).
family members is rare and, in a survey of 58 firms in Accra and Kumasi (Ghana), no sales on credit to relatives were recorded (Fafchamps, 1996; 2004: 454). This contrasts sharply findings for Asia (Hayami and Kawagoe, 1993). In Africa, the relationship between ethnicity and business networks is quite loose even when the latter are ethnically concentrated, in the sense of being located in areas dominated by one ethnic group (Fafchamps, 2004: 307). More specifically, once networks are controlled for, the measured effect of ethnicity on access to supplier credit falls dramatically (Fafchamps, 2000). In other words, business networks, which have strong returns,\(^\text{15}\) essentially result from interaction among simple business acquaintances, and commercial relationships are nurtured through business meetings and socialisation outside of work. Ethnic concentration “seems to result from nothing else than historical accident and socialization patterns that are reinforced by the practice of business itself” (Fafchamps, 2004: 308; Fafchamps and Minten, 2002). Such a conclusion also follows from the examples cited by Moore (1997) where it appears that successful African businessmen have used personal connections developed at an earlier stage of their professional career, yet outside the sphere of their kith and kin relations (often as salaried employees of European firms).\(^\text{16}\)

(ii) Not only is trade with relatives and friends extremely rare in Africa but, whenever it happens, it harms firm performance. Entrepreneurs complain that it is difficult to keep business with relatives within the confines of an economic transaction. For example, it is hard to collect payment from relatives whether for a loan or delivery of a good, typically because borrowers do not feel morally obliged to repay debts incurred from a prosperous relative (see supra). More generally, payment problems are frequent because friendship and family ties get in the way of exerting pressures on clients (Fafchamps, 1996: 441; 2004: 104, 109, 173). In addition, firms buying from family and friends encounter more late delivery problems (Bigsten et al., 2000). The conclusion is that involving relatives in business is considered to be “the surest way to go out of

\(^{15}\) Typically, trust is based on repeated interaction. Continuing business with reliable suppliers with whom one has had satisfactory dealings in the past is the best way of avoiding problems. The same applies to trade loans (Fafchamps, 2004: Chap. 9; 1996; Fafchamps and Minten, 2002).

\(^{16}\) It is odd, therefore, that Moore uses those examples to criticize what he calls the ‘family/kin drag’ thesis, thereby confusing kinship with other types of social connections.
business”, while selling on credit to relatives and neighbours amounts to “signing the death warrant of the firm” and is therefore carefully avoided (Fafchamps, 2004: 173).17

(iii) Family background has some effect on start-up working capital, yet this effect is small, and no systematic effect of family networks on factor accumulation after enterprise creation can be discerned (Fafchamps and Minten, 1999; Fafchamps, 2004: 325-6). By the same token, relations based on family, friendship, or ethnicity/kinship make it easier for firms to solve disputes, yet they also raise the incidence of contract non-performance. This may result from the Africans’ preference for non-confrontational methods of dispute resolution, which often end up in face-saving compromises.

(iv) There is no evidence of systematic mechanisms whereby information about clients’ trustworthiness is shared among African manufacturing firms other than direct recommendation by common acquaintances (Fafchamps, 2004: 173, 256-7, 295). Among agricultural traders, too, trust-based relationships constitute the dominant contract enforcement mechanism, implying that trust is established primarily through repeated interaction with little role for referral by other traders. Information on bad clients does not circulate widely, which severely limits collective punishments for opportunistic breach of contract (such as non-payment). African-managed firms face more cases of non-payment than other firms, and they also complain more frequently about deficient quality (Fafchamps, 2004: 92, 109, 117, 135). Their transaction costs are consequently higher. Thus, the overwhelming majority of Malagasy traders (in Madagascar) and their clients respond to quality risk by inspecting each and every purchase, since the task is “virtually never delegated to family helpers, employees, or collecting agents” (Fafchamps, 2004: 117; see also Fafchamps and Minten, 1999). In other words, many African-managed firms fall back on a ‘flea market’ mode of transacting: “inspect the good on the spot, pay cash and walk away with it” (Fafchamps, 1996: 441-4). Firm size and firm growth are unavoidably restricted in such circumstances.

By contrast, within alien communities, information circulates rather freely and client referral is a common practice. As a result, non-indigenous firms operating in Africa are at an advantage. In Kenya, for example, it is only within the Indian community that first-time customers are able to

17 In a survey of fifty-eight firms in Accra and Kumasi (1993), no credit sales to relatives and family members were actually recorded (Fafchamps, 1996).
obtain trade credit from the date of their first purchase. Moreover, indigenous firms (in Kenya and Zimbabwe) are less likely to socialise with suppliers, and they have more restricted knowledge about them and their supplies, than the immigrant firms, suggesting that ethnic barriers are more limiting for the former. Since better business contacts allow firms to enforce contracts and economise on screening costs, immigrant firms tend to be more profitable (Fafchamps, 2004: 252-3, 258, 300; 1997).

(v) Foreign firms hesitate to enter into business relations with indigenous firms which they generally deem unreliable. In particular, they find fault with African managers for continuously trying to renegotiate delivery and payment terms ex post (Fafchamps, 2004: 110). This bad reputation of unreliability and dishonesty seems to date back to colonial times (Kennedy, 1988: 41, 46).

In the light of the finding reported under (iv) above, it bears emphasis that the multilateral reputation mechanism which, according to Avner Greif (1994), characterises so-called ‘collectivist cultures’ is conspicuously absent in Sub-Saharan Africa. What we find, instead, is the bilateral reputation mechanism typical of ‘individualistic cultures’. This is a rather paradoxical conclusion, yet it is perfectly congruent with our contention that in this region kinship/ethnic ties and their associated obligations are more an impediment to private capital accumulation than a social capital susceptible of reducing transaction costs.

6.3 Religious conversion

To escape from the moral and social proscriptions against self-enrichment, willing entrepreneurs need not necessarily leave their native area physically. They can become ‘native outsiders’ (Hagen, 1975: 279) or ‘internal strangers’, as converts or urban migrants (the ‘ressortissants’) are termed in Guinea-Conakry (Sarro, 2009: 160), that is, people who have chosen to distance themselves radically from their native network so as to be able to disregard the attendant obligations without much fear of hostility. Such a transformation occurs when they

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18 In the Upper Guinea Coast of Guinea-Conakry, we are thus told that “More and more numerous are the young men who abandon their village for a nearby urban environment, where they hope to escape all control. Those who remain marry strangers, convert to Islam, and reject their former identity” (Sarro, 2009: 97).
symbolically adopt a kind of ‘stranger’ status by converting to a different religion: “this places them effectively under an alternative set of obligations and links them to a spiritual community whose members encourage private accumulation and economic experimentation whilst providing resources such as technical knowledge, credit or labour” (Kennedy, 1988: 141-2). In the new spiritual community, emphasis is put on virtues of self-restraint and consumption moderation (e.g., abstaining from drinking alcohol and gambling), and on the need to concomitantly do away with traditional feasts where lavish expenditures on food, drinks, and other goods are the rule.

In most cases, the necessary escape from community loyalty is secured through conversion to Islam or Christianity the rise of which is paralleled by the decay of indigenous religions. These were, indeed, communal religions that could flourish only within local environments, and were doomed to retreat under the influence of increased market penetration, new social strains, and the development of modern communication means. Syncretic religions and independent churches combining faith in a High God with beliefs in magic and witchcraft that borrowed elements of Christian eschatology gradually supplanted them as they were better adapted to the new world of the Africans (Iliffe, 2007: 234, 237). In particular, the churches “provided institutional models for people who had few relevant indigenous institutions” (p. 235).

Especially successful in Africa (and other parts of the developing world, such as Central and South America) are charismatic churches that offer “places for retreat and personal transformation” while allowing people to engage in village life in new ways, opening up new career paths, and holding out good prospects for the forthcoming future (Jones, 2009: 92, 97-98). Pentecostalism, for example, offers the individual “a chance to break with the past”, and its various prohibitions –on alcohol, traditional medicine and polygamy– “serve as outward signs of this inward rupture” (p. 153). Below are presented a few examples destined to illustrate more vividly the transformation logic at work.

For example, among the Fra Fra people of northern Ghana, when successful individuals are unwilling to share their profits generously with members of their ethnic group and simultaneously keen to avoid the grave accusation of being ‘swindlers’, they convert to Islam or Christianity, which removes the need to move to an impersonal city (Hart, 1975). In the Serenje District of Zambia, Jehovah’s Witnesses were disproportionately represented in the commercial farmer and shopkeeper categories, although they were somewhat younger and with less urban experience than their economic rivals. They also tended to live outside the traditional matrilineal village in their
own independent settlements, and in their spare time practised such trades as bricklaying, carpentry or tailoring from which they earned extra cash (Long, 1968: 146). In addition, they systematically avoided hiring kinsmen-workers who did not share in the ownership of the farm or its equipment because their employment “is likely over time to lead to difficult farmer/worker relations which centre around the problem of reconciling the rights and obligations of matrilineal kinsmen with their role as workers on the farm”. The fact of the matter is that Jehovah’s Witnesses “have little interest in traditional status criteria and espouse an ethic which emphasizes the spiritual and moral dangers of associating too freely with non-believers, even if kin,...” (Long, 1977: 138-9). In their struggles to disentangle themselves from the demands of the matri-kin, they can rely on religious justification, spiritual protection and practical assistance provided by their church, thus improving their ability to concentrate on their business and nuclear family interests (Kennedy, 1988: 142).

Parkin’s study of the Giriama people of coastal Kenya (1972: chaps 2-5) provides another vivid illustration which shows, inter alia, how God can be summoned to defeat witchcraft. As aptly summarised by Kennedy:

...the conversion of some young entrepreneurs to the Islamic faith might follow 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. Such ‘illness’ could be diagnosed as caused by powerful Islamic spirits whose appeasement required nothing less than the religious conversion of those unfortunate enough to become possessed. 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. At the same time, the converts were still reasonably close to community affairs and so could use their social connections with the elders in order to gain access to land, reliable information, business contracts and so on (Kennedy, 1988: 142).

In eastern Uganda, the discourse and practice of ‘born-again’ Christianity as they are observed within the Pentecostal Assemblies of God aim at helping church members to separate themselves from society. In the words of Ben Jones (2009), “born-again Christians challenge accepted notions of community, kinship and tradition. Becoming ‘born-again’ means joining a new family, one bound together by faith. Within the community of the ‘saved’ there is often a strong opposition to past relationships, as these relationships are often seen as a vehicle for sin or a sense of personal misfortune… Church members are permitted to cut familial and kinship ties in the
knowledge that they are leaving behind the worship of ancestors, gods or the use of traditional medicines. This leads to often radical social actions, precipitating some sort of retreat from wider society” (pp. 97-98). The same analysis of the role of Pentecostalism as a progressive force for the development of Africa has been made for other countries, such as Ghana (Meyer, 1998, 2004) or Burkina Faso to which our attention is now turned.

In Burkina Faso, a dynamic individual who had converted to the Pentecostal church expressed the view that: “If people see that someone is going to fare better, they use magic tricks to kill him, and this is something that inhibits our development because jealousy is great… there are those who want to harm me, but I also know that, thanks to my love for God, they are made powerless since the power of God surpasses that of the evil local spirits” (Fancello, 2006: 124). Conversion to Islam or to God’s Assemblies also proved to be the most effective weapon available to a youth group who wanted to embark upon a development project in their (burkinabé) village, but were subject to threats of magical attacks manipulated by local elders (Laurent 1998, 108-9). Among the Orma pastoralists living near the Tana River (Kenya), likewise, it seems that the first shopkeepers and traders were young Islamic converts who chose to challenge the authority of the elders and who found in Islam codes of law and behaviour particularly conducive to sound business relations (Ensminger, 1992: 48-62). Poewe (1989) offers a similar analysis of the motives underlying the spread of evangelical churches in Zambia (see also Shillington, 1989).

If the religious sodality or association serves as a business network, the convert enjoys a double advantage: besides becoming immune to the demands of kinsmen, friends and neighbours, he is able to economize on the transaction costs due to availability of effective contract enforcement mechanisms. This is because the sharing of the same faith ensures that people abide by the same codes of behaviour, adopt the same rituals and use the same language, resulting in a common identity grounded in the same symbolic universe. If the brotherhood is sufficiently small for information transmission to be effective, the mutual trust that it nurtures, and the repeated interaction framework that it provides, allow the members to solve many incentive problems (of the moral hazard and adverse selection kinds) arising in commercial relationships. Moreover, religion performs the function of signalling or identifying members. In fact, the religious association works as a club: entry into it involves a fixed cost (the initial fee) under the form, useless for outsiders and therefore not transferable, of learning the language as well as the doctrine and the rituals. It replicates a gift exchange relationship by a group of agents, and is effective to
the extent that any violation of the standard of behaviour (honest trading) within the club is punished by the termination of club membership (Aoki, 2001: 64-7).

In West Africa, for example, long-distance trading communities or ‘trading diasporas’ dating back to the 13-14\textsuperscript{th} centuries have been built on elaborate and successful networks. An important feature of these networks is their openness to new entrants on the (obviously restrictive) condition that they shared or accepted the essential cultural requirements for participation in the moral community which distinguished the members from the host society: Islam and the appropriate trading language (Austin, 1993: 115).\textsuperscript{19} The adoption of Islam thus spurred the economic integration of West African regions and their integration into trans-Saharan trade thanks, in part, to increasing safety of the caravans and smaller contract enforcement costs (Cohen, 1969, 1971; Hopkins, 1973: 58-65; Levtzion, 1973; Brooks, 1993: 117). To enforce contracts and rules of commerce along the Juula and Hausa inland networks,\textsuperscript{ii} as well as at the Sahelian entrepôts along the Niger bend, a parallel diaspora of clerical specialists, both judges (\textit{qadis}) and legal scholars (\textit{muftis}), was created. Interestingly, however, they did not always demand strict religious adherence on the part of the local lay Muslim community (Lydon, 2009; see also Launay, 1992: 191, for the Dyula of Ivory Coast).

Especially worthy of note is the flexibility shown regarding the most growth-limiting Islamic rules, such as the law of commercial partnerships, which limited enterprise continuity and inter-generational persistence, and inheritance prescriptions, which encouraged wealth fragmentation and restrained capital accumulation.\textsuperscript{20} Thus, according to Austen (1987: 42-4), descent could be manipulated so as to avoid dispersion of business assets by selecting one unique successor among slaves/clients (rather than relatives) recruited into the trading organisation as junior partners. In fact, specific arrangements “depended almost entirely upon arrangements made within a modified version of the secular kinship idiom”.\textsuperscript{21} The major social function of Islam was, in fact, “to provide merchants with an identity which reinforced their occupational role”. Muslim merchants

\textsuperscript{19} The non-fulfilment of this condition explains why European (French) merchants failed to make inroads in cattle trade within what is now the republic of Niger: they were unable to participate as equals in indigenous systems of guaranteeing credit and enforcing contracts that emphasize a common religion (Islam) and language (Hausa) (Austin, 1993: 117).

\textsuperscript{20} On these aspects, see Kuran, 2003, 2004a, 2004b.

\textsuperscript{21} Sophisticated financial instruments, such as letters of credit and bank drafts, do not appear to have circulated farther away than the northern entrepôts of the Sahara itself, not a surprising finding since most Sudanic Muslim merchants remained functionally illiterate despite some training in Quranic liturgy (Austen, 1987: 41, 43).
of Sudan acted as “representatives of a cult that had material and spiritual connections to a universe larger than the parochial world of local villages, or even savanna empires”. This helped them to gain respect from other West African peoples. As is evident from the processes of formation of the Juula and Hausa groups, the Sudanic identity of Muslim merchants was based on multiple levels of ethnicity “beginning with their use of specific West African languages and receding into their consciousness of descent from various population groups strategically placed to enter the occupation of trade”.22

The spread of Christianity and Islam may play a progressive role by overcoming traditional barriers to change in Sub-Saharan Africa. Not only do the imported religions emphasise the need to fight against alcoholism, drug use, cheating at university exams, prostitution, corruption, nepotism and delinquency (Miran, 2006: 447; Fancellò, 2006: 103-4), but they also refuse to recognise ethnic identities and the customary obligations that are associated with them, especially when they involve lavish expenditures. In the words of Aboubacar Fofana, an influential reformist Muslim cleric of Ivory Coast, “what matters is not where an individual comes from, but what he or she does”. Muslim brotherhoods put emphasis on personal merits and engagement, not on social status and ethnic identity: they are based on elective membership (Miran, 2006: 450, 472-3). Generalised morality, without which an effective market and polity are hard to develop, precisely requires that the ability to see things from another’s viewpoint becomes based on identity or loyalty feelings toward a large reference group accessible to all. To put it in another way, identity must be anchored in the abstract rather than the concrete other (Platteau, 1994; 2000: Chap. 7).

An important caveat must be mentioned. New growth-conducive norms of behaviour do not necessarily prevail in all areas (of West Africa) which have been Islamised before they became colonized by Western European powers. This is because acceptance of Islam may have been superficial, and societies that are apparently Islamic may have fundamentally retained their erstwhile kinship structure and organisation. For example, strongly organised polities, such as the kingdoms of the Mossi, Dagomba and Akan, in which central power was firmly based on the kinship organisation of the people, resisted infiltration of Islam in the late eighteenth and early

22 The Juula groups were Soninké with a Mauritanian homeland. They took on their Manding linguistic identity during the height of the medieval Mali and Songhai empires. During the 14-15th centuries, they penetrated into the Central Sudan where they founded the first Hausa-speaking merchant lineages (Austen, 1987: 42-3).
nineteenth centuries, and “continued to maintain the old Sudanic traditions of government which might use but which were never wholly committed to the new religion” (Fage, 1995: 194-5).

Across the Hausa lands (in what is now northern Nigeria), the conquest by the Fulanis, who adhered to a rather strict version of Islam and possessed a highly developed class of Muslim clerics (torodbe), had quite different effects, depending upon the strength of local political organisations and their ability to resist outside influences. In the Songhai empire of Gao, bureaucracies might appear to have been Islamised, but the principles of Sudanic royal power has remained pagan. The same holds true for the central Saharan Berbers who, despite Islamisation, still cling to their language and many of their customs, and have succeeded in absorbing the Arab groups as tributaries into their own tribal system. As for the Massassi (of mixed Soninke and Fulani descent), although they had Muslim clerics in their entourages, they acted in distinctly Islamic ways but only when it suited their interests. Rather than pursuing the aim to propagate Islam (that is, to preach and establish the truth of the one God and of the universal brotherhood of man subordinate to his will alone), the Massassi actually wanted to convert the clan and age-grade structures of traditional Bambara society into associations of serfs and clients subordinate to their will as war-leaders (Fage, 1995: 187-9, 192, 194, 196-208).

Under superficial Islamisation, appeals to strict interpretations of Islam may be the way chosen by disgruntled individuals or social groups to emancipate themselves from the customs of the dominant society. A striking illustration is found in the attacks of Wahhabites on the relatively tolerant forms of Islam represented by the Sufi orders and practiced in the towns of Maradi (Niger) and Koko (Nigeria). The younger educated elite who espouse this puritanical version of Islam are attracted by its asceticism and its proclaimed rejection of any ostentatious redistribution of wealth. They want to set their members apart from the older Islamic community by rejecting the authority of local scholarly traditions and adopting distinctive behaviours and rituals (Launay, 1992: 104-31; Gregoire, 1993: 109-10; Cooper, 1997: 130-4). The appeal of a strict Islam also seems to be strong also for groups which were either excluded from the traditional socio-political structure, or felt that their position in it was, on the whole, disadvantageous. For these groups, indeed, pure Islam “provided a means by which the legality of the traditional system might be challenged”, since this system could be shown to be “a denial

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23 With the general decline of Mande influence following the Moroccan invasion, Fulani clerics joined with those of the Tuareg in the leadership of Muslim scholarship in the Sudan (Farge, 1995: 197).
of the essential brotherhood and equality of man, irrespective of his ethnic and social origins” (Fage, 1995: 195).

Clearly, the authenticity of an act of religious conversion depends largely on the position of an individual or a group in the existing social and political structure, as well as on the opportunities and constraints for change that are perceived in particular historical circumstances. It is therefore not surprising that significant and robust relationship between religious affiliations and economic growth performance does not emerge from cross-country econometric studies, and that Islam, or Protestantism, sometimes appears to have a positive, sometimes a negative effect on growth. The complexity of historical processes and the crude manner in which religious affiliations are measured account for these disappointing econometric results (Platteau, 2009; see also Austin, 2008).

An additional complexity arises when whole communities or societies, rather than marginalised or oppressed groups or individuals, convert to a new religion. The existing social structure is then likely to be simply replicated under the new system, and the consequences will become less evident. This is all the more so if religious conversion is imposed on a people by foreign invaders. For example, after the Fulani conquest, the Hausa peasantry remained submitted to the rule of powerful landlords, but since the new landlord class was, initially at least, an alien one less subject to the dictates of local custom, its erstwhile rights were less effectively protected. Yet, “both landlords and peasants were now Islamised and operating within a framework of general law and principle, which militated against arbitrary oppression, and made for greater security and efficiency”. That accounts for the increasing prosperity of the trade and industries of the Hausa cities after the Fulani-led jihad (Fage, 1995: 207-8).  

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24 In the Futa Jalon, where the jihad actually started, Muslim Fulani leaders succeeded in completely overturning the existing socio-political structure. Indeed, local Jalonke chiefs initially had the right to tax Fulani herders and to control the allocation of land to them. By the middle of the eighteenth century, however, as a result of the Fulani Islamic upheaval, they had become tributary to Fulani overlords throughout the territory. Moreover, they ultimately converted to Islam and became accepted members of Fulani society (Fage, 1995: 199-200).
7. The lack of broad-based counteracting forces in Sub-Saharan Africa

In the preceding section, we have highlighted the strategies available to individual entrepreneurs who want to escape redistributive pressures emanating from the circle of their kith and kin. Yet, the persistence of such pressures in many regions of Sub-Saharan Africa suggests that individual strategies are not effective enough or, more plausibly, that broader counteracting forces are not sufficiently at work on the societal level. Following Karla Hoff and Arijit Sen (2005), two types of drivers of cultural transformation can be distinguished: factors that tend to increase the market opportunities foregone as a result of the extended family system, such as the expansion of the domain of the market, on the one hand, and, on the other hand, factors that tend to lower the return to participation in this system, including a fall in non-covariate risk, an increase in mobility that raises the cost of enforcing kinship-based obligations, and exposure to new ideas that weakens the hold of supportive traditional norms and beliefs (p. 183). In the discussion below, attention is focused on two broad forces that are expected to yield the above two effects simultaneously, namely, the twin processes of industrialization and urbanisation, and the emergence of nationwide ideological movements. Let us examine them in turn.

The dilemma born of the lack of industrialisation

As Karl Marx has rightly emphasised, the development of industrial capitalism and the accompanying concentration of a growing part of the workforce in large economic establishments go hand in hand with a process of social class formation and ideological confrontation. By creating new ties of solidarity and mutual help based not on the primordial ties of the family, village and clan, but on work relationships woven in an alien environment, industrialisation allows both the workers and the managers or capitalists to emancipate themselves from the web of reciprocal obligations inherent in their traditional universe. Social classes, as opposed to kin-based relationships, are wide reference groups, each with its own sub-culture, that provide their members with a new and enlarged vision of their own interests as well as a concrete basis where to anchor new patterns of brotherhood, and motivation for participating in society-level struggles. It is in this sense that “the ability of capitalist entrepreneurs to distance themselves socially from the pressures of community life is simply an aspect of a far wider, more complex process whereby much larger, impersonal, national markets gradually evolve along with a system of mobilising
loanable funds and a supply of free wage labourers” who are also separated from their community of origin” (Kennedy, 1988: 146-7).

A vicious circle is nevertheless set in motion if, as argued earlier, the existence of redistributive norms has precisely the effect of hampering the dynamic of capital accumulation, risk-taking, and enterprise creation in the industrial sector, in particular. Such norms would then be self-supporting or self-reinforcing. Foreign direct investment, firm creation by ethnic or stranger communities, and/or the formation of a critical mass of indigenous entrepreneurs who have migrated or converted to a monotheistic religion, are possible ways of breaking out of this nasty equilibrium. Yet, the situation of Sub-Saharan Africa is actually more intricate because other obstacles than redistributive norms are at work which discourage industrial investment and make for an economic landscape in which in their overwhelming majority, African entrepreneurs operate very small businesses. Prominent among these additional obstacles are considerable transaction costs caused by poor physical infrastructure, lack of competition, and deficient macro-economic management (Platteau, 2000: Chap. 2; Minten and Kyle, 1999), lack of familiarity of African entrepreneurs with the conditions prevailing elsewhere both on the technological and institutional or organisational levels (Fafchamps, 2010: 152-56), as well as political factors that include political instability, widespread state corruption and rent-seeking, and subversion of political choices by ethno-regional forces (Van de Walle, 2001: Chaps. 3-4; Ndulu and O’Connell, 2008, 55-56; Fosu, 2008: 137-72; Bates, 2008; Platteau, 2009: 671-78). By mentioning the divisive role of ethno-regional tendencies, we come close to the second missing force, ideology. Before discussing that aspect, it is worth stressing the important role of politico-institutional factors for economic development by pondering over the following lesson drawn from Western European history by Jan De Vries (1976):

“The key to understanding the growing power of capital in the European economy is not to be found by searching for esoteric sources of capital; rather, it rests with the solution to the problem of preserving and keeping productive the capital stock already in existence. In other words, a major weakness of the European economy that had to be overcome was not the inadequacy of capital, but the misinvestment and dissipation of capital” (De Vries, 1976: 213-14).
The lack of deep-rooted national ideologies

We have seen earlier that the rapid rise of religions combining faith in a High God with beliefs in magic and witchcraft plays a progressive role in helping Africans to construct a collective identity based on the abstract rather than the concrete other. Social struggles, as has been pointed out above, could generate the same effect of undermining particularised loyalties, yet they are still in their infancy in much of Sub-Saharan Africa. Nationalist ideologies – in the sense of ideologies proposing a symbolic framework within which to give form and meaning to emerging nations, so as to create a diffuse sense of common destiny – could also broaden the Africans’ vision of public purpose and image of social reality in which to anchor a new collective subject articulated to an independent state. In the words of Clifford Geertz (1973), the formative stage of nationalism essentially consists of “confronting the dense assemblage of cultural, racial, local, and linguistic categories of self-identification and social loyalty that centuries of uninstructed history had produced with a simple, abstract, deliberately constructed, and almost painfully self-conscious concept of political ethnicity – a proper ‘nationality’ in the modern manner” (p. 239). In any nation-building process, the new states, or their leaders, must contain or domesticate primordial attachments instead of wishing them out of existence or belittling them. This implies that they are able to reconcile them “with the unfolding civil order by divesting them of their legitimizing force with respect to governmental authority, by neutralizing the apparatus of the state in relationship to them, and by channeling discontent arising out of their dislocation into properly political rather than para-political forms of expression” (p. 277).

SHORT-LIVED INDEPENDENCE MOVEMENTS

The problem is again that nationalist movements are of a rather recent origin in Africa, having started in the context of comparatively short anti-colonial struggles. Moreover, political mobilisation since independence has centered on competition for access to the privileges and rents associated with power, following a logic of patronage based on ethno-regional factionalism rather than on broad-based political movements and allegiances. Let us delve into these causes of ill-development of nationalist ideologies in Africa. To begin with, African anti-colonial political movements present two characteristics that deserve to be brought into limelight: they have been of
a relatively short duration, and they have been subject to vigorous centrifugal tendencies driven by ethno-regional and local interests or loyalties.

Compared to Latin America and Asia, Sub-Saharan Africa has been subject to a rather short spell of colonial rule. This is largely the consequence of the fact that the African continent was swept along in the whirlwind of decolonisation that surged throughout the world after the second world war. Many African countries thus obtained their independence shortly after Asian countries which went through a much longer period of colonial domination. Unlike what was observed in Latin America and Asia, pro-independence political movements in Africa had therefore little time to develop and consolidate. An important upshot of this situation is that they had to abruptly shift from the comparatively easy task of claiming national freedom and sovereignty by uniting against an external power to the much more complex task of building a nation in the aforementioned sense. A nation-building effort can succeed only if a sustainable compromise can be struck between the need of a country to modernise its social, political and economic structures so as to adapt to the world environment, on the one hand, and the need to win a mass-based legitimacy and involve traditional interests that play upon primordial attachments, on the other hand. The following diagnosis proposed by Geertz thus applies with especial force to Sub-Saharan Africa:

“...the very success of the independence movements in rousing the enthusiasm of the masses and directing it against foreign domination tended to obscure the frailty and narrowness of the cultural foundations upon which those movements rested, because it led to the notion that anti-colonialism and collective redefinition are the same thing” (Geertz, 1973: 239).

In many cases, the new African political leaders opted for a swift move to some form of top-down centralised modernisation policies heavily borrowed from the experiences of other continents or directly taken over from their own colonial models: import substitution, state planning, marketing boards, socialist cooperatives and consolidated village communities, etc. In other words, relying upon a blend of African nationalism and some version of Marxism, the new educated elite gave little thought to the question of the suitability of these policies to the African context and to the importance of finding a common ground with local interests and traditional constituencies.

Tanzania is an interesting case to consider because the strength of the independence movement, the TANU (Tanganyika African National Union), was probably greater there than in any other African colonial territory. John Iliffe (2007) attributes the exceptionally widespread
support enjoyed by TANU to its use of the widely spoken Swahili language and the absence of strong tribal politics, conditions largely inherited from Tanganyka’s nineteenth-century experience (p. 256). Revealingly, Sir Richard Turnbull, Governor of Tanganyka, confessed that he did not foresee that TEMO, the parliamentary caucus of TANU, would develop into “the monolithic, strictly disciplined structure” that it had become, and that the situation in Tanganyka was unique since he could not think of any other colonial territory where such a situation had occurred (Iliffe, 2005: 189). The British authorities were still determined to refuse too quick an access of Tanganyka to independence both because this would trigger all other East African territories (Kenya, Uganda, Ethiopia, and Somalia) to follow suit, and because local human resources were deemed to be insufficiently developed to answer the needs of an independent state.

Under the growing influence of the radical wing of the TANU (especially after Oscar Kambona took its command in October 1959) to which even Julius Nyerere had to give in, the British were nevertheless forced to abandon their plan and concede independence to Tanganyka (in December 1961) although it was not ripe for it.25 “The idea of a long pause between responsible government and independence” had become patently unrealistic in the eyes of British authorities overwhelmed by the fearful prospect of a combination of Mau Mau and Maji Maji rebellion (ibidem: 189, 192). It was considered wiser to try to maintain a good relationship with Nyerere in order to save the long term interests of Britain in East Africa. In the words of Turnbull:

“We are, after all, under an obligation to make Tanganyka self-governing, and it would be better to reach the consummation too early with the people on our side than after a campaign with the people irrevocably against us. Our first interest must surely be to maintain peaceful conditions… so that, when the final change comes about, Tanganyka will look to us and not to the Soviet bloc to keep the country supplied with technicians and as a source of manufactured articles… It is essential for us to use Nyerere whilst he is still powerful; if we wait too long, he will be ousted by the extremists; and with whim will go all hopes of an enduring European influence in Tanganyka” (Iliffe, 2005: 190).

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25 Radical leaders and activists of TANU, particularly of the Youth League, were remarkably effective in constructing a nationalist discourse, and defining the content of a national identity and common destiny. In pursuing their aims they did not hesitate to openly blame the ruling clans for protecting unqualified office-holders and denying positions to educated individuals, for preventing appeals against the decisions of the chiefs’ courts, and for perpetuating inefficiency, nepotism and corruption (Giblin, 2005b: 143-44; Monson, 2005: 109-110).
FACTIONALISM AND TRIBAL PATRIOTISM

If we follow the analysis of John Iliffe in his ambitious book *Africans – The History of a Continent* (2007: 239-41), a key feature of many tropical African colonies lies in the fact that they were purely European creations. They therefore lacked pre-colonial elites which in North Africa, Asia and Latin America were able to propose colony-wide perspectives and implementation strategies. The modern politics of Sub-Saharan Africa actually began at two levels, one above and the other below the territorial/national level. At the supra-territorial level, pan-African ideologies, such as that of negritude (which was born in the Caribbeans), inspired many African intellectuals, and pan-African political movements arose, such as the National Congress of British West Africa (NCBWA) with branches in the Gold Coast, Nigeria, Sierra Leone, and the Gambia. At the infra-territorial level, tribal patriotism prevailed. Africans strove to defend their locality against European intrusion, often resulting in the formation of innumerable local associations by traders, commercial farmers, teachers, clerks, and clergymen. Although their official purpose was to promote the development of the country, in actual practice they defended particularistic interests and did not hesitate to foster tribal identities to better achieve their objective.

Nationalism was therefore a veil behind which many parochial interests could conceal themselves. In the words of Iliffe, “as predominantly local people, most Africans saw nationalism in part as a new idiom for ancient political contests” (2007: 258). As a result, nationalist movements were frequently plagued by factional conflicts that put local issues in the forefront while minimising the importance of national party affiliations. In these conditions, it is not surprising that “nationalism only partially aroused many of Africa’s deepest political forces”, and that “responses to it depended on local circumstances” (ibidem: 257). This said, it is precisely because nationalism was thus absorbed into local political rivalries rather than being driven by broad social conflicts that it gathered the support needed to remove colonial rule. And it is for the same reason that after independence people continued to perceive national issues in terms of local interests and to judge their representatives and the state on the basis of their contributions to local advancement (ibidem: 258, 267).

Although less true than in other territories, the above observation regarding the political motives underlying the anti-colonial struggle was even verified in some districts of Tanganyka, such as in Mahenge, where people decided to join TANU in the hope of enlisting the support of
the nationalist party in their ‘tribal’ war. In particular, Ndamba activists hoped to obtain redress of a long list of grievances against the occupation of their (Ulanga and Kilombero) valleys by members of the Bena ethnic group. They became especially outraged when in the mid-1950s a Bena ‘big man’ named Kiwanga required them to list their ethnicity as ‘Bena’ in government books, which implied that they would have to abandon any claim to sovereignty over the valley. (Monson, 2005: 107-110).

In Uganda, a country much more subject than Tanzania to the divisive forces of local factionalism and tribal patriotism, it is impossible to understand the Teso rebellion of one overlooks the fact that its political dimensions were “parochial rather than regional in orientation” (Jones, 2009: 50). Revealingly, the rebels killed local ‘big men’ (such as the village council chairmen, the parish chief, or the leaders of traditional associations) rather than district or regional officers, in spite of the rhetoric of their struggle which was supposed to be fought against the central government. The fact of the matter is that the Teso insurgency was not a coordinated attack against the central government, or an assault on the regional elite, but a local conflict opposing younger and older men. This conflict took centre stage under harsh conditions where younger people felt threatened by the sudden fall of cattle stocks in the hands of the elders, thereby undermining the resources upon which they depended for their access to marriage and education (ibidem: 51-52, 61).

Other examples readily come to mind. The Nigerian Youth Movement, which Iliffe considers as the first truly nationalist programme in tropical Africa divided after a few years of existence (in the early 1940s) amidst rivalry between Yoruba and Igbo. It is telling that at that time British officials saw no danger in Africa of the nationalism threatening them in India. When elections were later granted by the Richards Constitution in 1946, fear of domination by the Igbo-led National Council of Nigeria and the Cameroons (NCNC) led western and northern politicians to create regional parties, the Action Group, claiming to represent Yoruba, and the Northern People’s Congress standing for the Hausa (Iliffe, 2007: 242-43). In Congo, the nationalist movement was hampered by deep divisions between small ethnic groups which were unitarists and the large Kongo and Lunda groups which were federalists. When political responsibilities were transferred to nationalist politicians (President Kasavubu and Prime Minister Lumumba) whilst control of the army and the civil service remained in Belgian hands, these centrifugal tendencies were cynically
exploited by foreign powers (Belgium and the United States) and central power soon collapsed. Four regional armies came into being and regional rebellions, millenarian movements and tribal wars engulfed the whole country, creating an awful legacy of chaos, ethnic hatred and violence.

The end outcome has been societies stratified in complex ways, and where class alignments are criss-crossed by kinship, age-group, ethnic and regional affiliations, as well as by patron-client relationships reflecting the Big Man syndrome (First, 1970: 97, 103). Here is a world of factions understood as groups or networks that use parenthood, friendship and clientelistic ties to conquer power and obtain material advantages (Redfield, 1962: 42). The bureaucracies that emerged from independent African states were all to varying degrees patrimonial, in the sense that office was conferred in return for personal loyalty and service to the ruler. The regimes were typically held together by personal relationships among a small elite which came to coalesce into a single ruling group. Each member of this elite group stands at the apex of a patronage network typically based on ethnic or regional identities and linking him to a locality (Iliffe, 2007: 269-70).

As for political parties, they have been aptly described by Jaindi Kisero, a Kenyan journalist in the *Daily Nation* (Nairobi, December 2000). According to him, indeed, they are “bereft of platforms and ideology and are no more than institutions whose only reason for existence is the intention to divide the spoils of state among the ethnic communities that support them. These attitudes are captured well by the Yoruba saying that ‘an elder who is brought a plate does not lick it clean, or he will not find young ones to run errands for him’… Instead of getting annoyed about cases of corruption, we Kenyans get more enraged when fruits of corruption are not shared out according to settled expectations” (cited from Berman et al., 2004: 49). It follows that, despite often glaring social inequalities, social class identities do not emerge in societies with pervasive clientelism: by reproducing ties of reciprocity and allegiance across class lines, patron-client networks and factions reinforce ethno-regional identities and undermine the development of class consciousness and conflict (Bourdieu, 1990: Chap. 8; Chabal and Daloz, 1999: 41-43; Van de Walle, 2001).
8. Conclusion

When dealing with the institutional prerequisites of an effective market system, economists typically focus their attention on property rights and contract-enforcement mechanisms. Other social scientists, on the other hand, have put emphasis on the features of the social fabric that are needed to sustain the savings predisposition at the heart of the surge of capitalism. The Weberian distinction between *Gemeinschaft* and *Gesellschaft* is the classical approach to characterising such social features. Since it deals with redistributive norms as they are applied in (traditional) societies dominated by highly personalised relationships, the present contribution clearly belongs to the second strain of thought, although it also points to the existence of interdependence links between the factors highlighted under the two approaches.

That redistributive pressures exist in Sub-Saharan African countries is evident from a large body of anthropological observations documenting the widespread fear of ideological intimidation and more painful sanctions inflicted upon successful people who refuse to share the fruits of their economic success with their kith and kin. Additional evidence is provided by the fact that when such pressures cannot be resisted bankruptcy tends to follow. Finally, there is solid ground to believe that African entrepreneurial individuals are ready to incur significant costs to escape the demands for help emanating from close and distant relatives. In the same line, it is striking that trade with relatives and friends is extremely rare in African countries, especially because of the risk of serious contract enforcement problems when a deal is made with an acquaintance. What needs to be emphasised is that the existence of redistributive or sharing norms has the effect of complicating these problems to the extent that they can be easily invoked by customers or debtors as an excuse for reneging on payment or repayment obligations. In other words, the disciplining effect of the reputation mechanism that is made possible by the repeated, personalised nature of human interactions is cancelled by the adverse effect of the attendant sharing norms.

That individuals attach a lot of weight to their relative income position seems to be an increasingly accepted fact, even in economically advanced countries. It has solid microeconomic foundations, too. Moreover, redistributive pressures exerted on prosperous individuals seem to be particularly strong in times of growing socio-economic differentiation and when the degree of personalisation of social relationships is high. The Weberian notion of *Gesellschaft*, which implies anonymous relationships and the use of rational, efficiency-based criteria, as opposed to
the traditional world of the *Gemeinschaft*, takes on all its meaning here. What African people need is an emancipation from the circle of kinship ties and the associated moral obligations. That is precisely what happens when they choose to migrate physically or symbolically out of their native universe.

When African entrepreneurs or traders avoid to deal with members of their family or clan, as pointed out above, it is typically because they have put a physical distance between them and their native area. Symbolic migration occurs when individuals become ‘internal strangers’ vis-à-vis their own community as a result of a religious conversion to a monotheist religion. This move enables them to escape from their primordial attachments and loyalty obligations, as well as to adhere to new values more conducive to individual advancement. More precisely, the new converts can avail themselves of a formidable shelter against redistributive pressures emanating from kith and kin, while simultaneously practicing the virtues of frugality, honesty, and hard work that encourage saving, risk-taking and improved contract enforcement and flexibility.

Universal religions with a powerful God as figurehead have thus opened up to entrepreneurial Africans a way to fulfil the new expectations that they have themselves raised. It is a well recognised fact, indeed, that education, which was pioneered by Christian missionaries, has provided the chief dynamic of colonial change: by bringing in new skills and securing opportunities for social differentiation, it became the main generator of both mobility and stratification. It expanded so quickly that most pupils were of relatively low status, even in strongly stratified pre-colonial societies. Therefore, and in contrast to India, for example, “African education at this time did more to foster social mobility than to entrench old privileged classes, largely because tropical Africa had no long-established literate elites except Muslim clerics” (Iliffe, 2007: 230). Christianity’s direct association with literacy and education, which included the learning of European languages and the acquisition of other skills required for employment in the state sector, explained much of its success during the first half of the twentieth century. The promise of social success and economic advancement was especially attractive for the young, the poor, and female who saw in it a refuge and an avenue for self-emancipation: like communism in twentieth-century Asia, Christianity represented an opportunity for generational revolt and a way out of the repressive customs of the pre-colonial society (Ellis and ter Haar, 2004: 138; Iliffe, 2007: 232). Islam, on the other hand, has historically been associated with successful trading and a long tradition of Arabic education that gave rise to an intellectual elite.
Universal religions in Africa do not only instil into people values and norms that violate customs with adverse effects on capital accumulation and entrepreneurship. They also nurture feelings of loyalty and identity towards a large reference group that exceeds ethnic boundaries, and by doing so they may help to gradually establish the basis for a generalised morality and an inclusive civic polity backed by pan-lineage and pan-ethnic institutions. In principle, this effect could also arise from other sources, in particular: industrialisation and urbanisation that lead to the creation of large companies, the formation of social class identities, and the unfolding of social struggles, or nationalist ideologies and movements that broaden the people’s image of social reality and help fashion a new collective subject articulated to an independent state and belief in a common destiny. For complex reasons, however, these alternative mechanisms of emancipation from the web of obligations inherent in the traditional universe of social relationships could not be effectively used in most countries of Sub-Saharan Africa. Various obstacles to investment in addition to redistributive norms and pressures, on the one hand, and the short duration of many independence movements and their domination by local and factional interests, on the other hand, help explain this situation.

A direct consequence of the failure of nationwide social and political movements or ideologies is that a big void is left for religions to fill up in Africa. It would nonetheless be a mistake to think that the recent flowering of pentecostal churches and other revivalist or charismatic movements born outside the ambit of established churches is necessarily a change that goes into the right direction. It might just reflect the ability of unscrupulous and cynical entrepreneurs posing as inspired preachers or prophets, to exploit the gullibility of poor illiterate people who are especially vulnerable to charismatic leadership in times of prolonged economic and political crisis. Far from the ascetic morality that characterised mainline churches a few decades earlier, the new evangelists tend to be people who, by cunning and trickery, have succeeded in becoming immensely rich while deceptively promising to their followers that the same luck is soon going to befall them. Their success has much to do with their professed belief in the active presence of the Holy spirit. Indeed, for people brought up in magical universes inhabited by spirits who are represented as real individual beings and with whom some form of effective communication is possible and essential, this feature offers almost irresistible attraction (Platteau, 2009: 686-87).

Finally, it bears stressing that individual advancement does not require complete autonomisation since the individual needs to join new networks of people (church parishes,
religious sodalities, migrant or business associations) to be able to effectively respond to the challenge of modernisation and development. As pointed out above, what must take place is a process of individual emancipation from erstwhile kin-based circles.
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