Creating mutuals: Reluctant solidarity

Introduction

How did Xhosa migrants who hardly knew each other and lived under abominable circumstances form financial mutuals? It was a challenge to co-operate with neighbours in the context of the threatening triad of violence, economic insecurity, and volatile relations. Most migrants did not want to be involved in local politics or civil organisations, even if such organisations could have a huge influence on their lives. They were preoccupied with the immediate problems of money and volatile relations and, therefore, people tended to organise themselves around these concerns only. The close-knit networks among Xhosa neighbours were less threatening than the ‘outside world’ was (see also Wacquant 1997; Reis 1998). Financial mutuals that were organised by neighbours were, therefore, less vulnerable to the outside world and co-operation with neighbours felt safer.

Financial mutuals were the first organisations that migrants developed – except for the organisation of violence and development. This chapter discusses the way in which neighbours established financial mutuals with each other. As the neighbours did not want to co-operate with everybody, it was inevitable that some had

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1 Reis used Banfield’s (1958) concept of ‘amoral familism’ to highlight how, in a situation of insecurity and deprivation, one’s relations can be extended beyond kin relations. See also Laughlin (1974) on deprivation and changing relations.
to be excluded. The process of exclusion was bound up with identification processes, i.e. ‘you are one of us’ or ‘you are not one of us’. Social exclusion was a precarious process for neighbours who were confronted with each other on a daily basis. The processes of identification revealed why some could join, while others were not allowed to participate or were only able to participate marginally. Many financial mutuals closed in November and December. People evaluated the past year and decided if they wanted to continue, break up, or start a new group. Most of the residents of Indawo Yoxolo had left their previous settlements only months before and they now had the first opportunity to leave the financial mutuals in the old area and establish new ones in Indawo Yoxolo. What were the important factors for including or excluding potential members and what social dynamics were part of excluding particular neighbours?

Exclusive values

In his discussion of collective insurances De Swaan (1996a: 155-157) notes that small, voluntary collective care arrangements tended to exclude people with a low status and little capital, while, at the same time, people embraced those with a high status. This also proved to be true for financial mutuals in South Africa (cf. Burman & Lembete 1995: 43). People who had little money did not organise their own financial mutuals based on lower contributions. The likely reason why those excluded did not establish their own organisations was of a social nature. After all, they were excluded mostly for moral reasons and these ‘outcasts’ were not likely to join hands and trust one another. Moral and social indicators were much more relevant than one’s financial situation for inclusion in or exclusion from financial mutuals. Financial circumstances, in fact, were difficult for neighbours, colleagues, or abakhaya to judge. Unemployment and underemployment meant that a person’s financial situation could fluctuate greatly within short periods. Income was also difficult to measure because people often concealed their financial situation from others. People would hide their wealth to prevent certain claims from kin, while at other times they would hide their poverty out of embarrassment. Still others did not always have a clear picture of their own financial situations. Adversity, risk, and potential claims or contributions from kin or household members meant that one’s financial situation largely depended on others. To judge the financial situation of others was even more difficult, and that made it an inappropriate yardstick for exclusion. In the end, the decisive variables were moral and social. A person’s financial situation did not necessarily say anything about his or her feelings of solidarity and responsibility, since a rich person could also default. A much more relevant factor as regards inclusion was how people valued particular