Money and violence: Financial Mutuals among the Xhosa in Cape Town, South Africa

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7 Maintaining Mutuals:
Hope for islands of trust

7.1 Introduction

Distrust was an inevitable part of public life in South Africa. Historically, colo-
nial government and apartheid were characterized by violence, intimidation, corrup-
tion, and a fear of spying neighbours. The national Truth and Reconciliation Commissio-
n under the chairmanship of Archbishop Desmond Tutu, dealt with some of the traumatic experiences of the apartheid past. But distrust was also present in post-apartheid South Africa. Chapter four revealed how violence and fear were inescapable parts of post-apartheid development. Moreover, in the Western Cape, in 1999, 81 murders and 160 rapes per 100,000 people have been reported to the police (SAPS 2000b). Due to a lack of confidence in the judiciary system and a fear of public stigmatization, the actual occurrence of rape must be much higher. Of 4,000 women interviewed in Soweto (a township of Johannesburg), one in three said they had been raped the past year (BBC 1999). Yet another fear was the drastic spread of HIV/AIDS in South Africa. In 1998, of the women visiting prenatal clinics, almost a quarter (23 per cent) tested HIV-positive (Garner 2000, 43).

Distrust also governed racial relations. A survey revealed that more than half (56 per cent) of the interviewed black South Africans felt that Whites were untrustworthy. More than half also found it difficult to even to imagine being friends with a white person. For Whites the percentages were lower (a third and 19 per cent respectively) (Mail and Guardian 2001). Distrust further intensified in conjunction with the many economic uncertainties. I regularly met African men and women who told me that they did not receive their salaries at the end of the month, or that they had received far less than their contract had stated. High unemployment promoted theft and fierce struggles over the allocation of money. As Franz and Keebe Von Benda-Beckmann (1994, 7) argue in their discussion on insecurity: ‘insecurity concerns not only the material aspects of life [but also] people's feelings of trust and existential security’. Why do many women, and quite a few men, put large portions of their meagre incomes in financial mutuals in a society where there were many reasons to distrust others? People who live in a configuration of distrust must find it difficult to overcome their suspicions and establish financial mutuals: a participant might benefit from the financial mutual without contributing to it.

The political transition in South Africa makes it particularly important to comprehend trust. In an emerging democracy, such as South Africa, trust in transforming government bureaucracies, newly established local governments, new economic activities, and new citizens that were previously confined to Bantustans is crucial. Sztompka (1999), and Völker and Flap (1995) have raised questions concerning trust and political transition in Poland and the former DDR. They found that, during those regimes, people tended to close themselves off in relatively smaller networks in an attempt to stay away from unknown and untrustworthy people and institutions. After the political transition in the DDR, these networks shrunk even further, just like the trust
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within a person's dense network (Völker and Flap 1995, 105). In Poland, the shift from an authoritarian to a democratic state eventually led to an increase of trust – after an initial decrease of trust – as people stopped relying exclusively on close knit relations (Sztomka 1999). The study of trust in financial mutuals helps to interpret expressions of trust and democracy in South Africa.

Are financial mutuals densely knit, networked 'islands' or enclaves of trust in an otherwise distrustful society (and if so how are these islands managed) or are they 'creators' of trust? The idea of enclaves of trust in a distrustful world resembles the findings of Sztompka (1999) on communist Poland and Völker and Flap (1995) on the communist DDR and post-communist eastern Germany. If financial mutuals in South Africa are 'islands' or enclaves of trust and if the trust spreads to other socio-economic domains, they are creators of trust in society.

One may go one step further in relating financial mutuals to their social environment. It might be interesting to examine to what extent financial mutuals contribute to societal transformation and democracy. Putnam's (1993) regional and historical comparison of government institutions in Italy, for example, reveals how important small, relatively informal organisations, such as financial mutuals, were for the subsequent establishment of trusted government institutions. Putnam describes the conditions and historic developments that enabled trust and social capital in organisations such as financial mutuals to enable trust in institutions. Social capital, which is the ability to use one's relations to achieve something or gain something, built in horizontally ordered groups, in contrast to hierarchical organisations, was a prerequisite for good governance and democracy because it enabled the spread of trust: 'Good government in Italy is a by-product of singing groups and soccer clubs, not prayer' (Putnam 1993, 176).

This chapter deals with trust in financial mutuals, and its possible relevance to the infant democracy in post-apartheid South Africa. First, I will give an overview of the different organisational types of financial mutuals and what risks they bear. The financial mutuals each provided their own opportunities for default, such as absconding. Second, a case study of one particular financial mutual, Masifunde, reveals the specific dynamics of trust. It will become clear what the limitations of trust were, how the relations between members within the financial mutual were, and how people conceptualised the risks and insecurity of co-operation. Third, a discussion will follow on the participants' understandings of social relations, their own entrenchment within them, and the consequences for trust and control.

7.2 Risks of different mutuals

Particular mutuals had particular risks that depended on their organisational characteristics, such as whether there was a fund and if loans were also provided. Essentially, there are three risks: (1) noncontribution, (2) default, and (3) theft. If a person fails to contribute to the financial mutual, i.e. practice noncontribution, the organisation is not yet in danger. This is so because 'access to these assets can easily be denied to any noncontributing member' (Hechter 1987, 108). Default, on the other hand – in contrast to noncontribu
tion – threatens the financial mutual. Default means that someone absconds with the money, such as the fund or a loan. Thus, if someone defaults, other people might lose some of their money (Hechter 1987, 109). The existence of a fund opened the possibility to steal from the financial mutual. Theft, therefore, was a third risk. Table 7.1 gives an overview of the possibilities for noncontribution, default, and theft of the different financial mutuals.

Table 7.1 Possibilities for noncontribution, default and theft for different financial mutuals

<table>
<thead>
<tr>
<th></th>
<th>Burial Society</th>
<th>ROSCA</th>
<th>ASCRA</th>
</tr>
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<tbody>
<tr>
<td>Noncontribution</td>
<td>all members</td>
<td>if member fails to contribute before receiving the kitty</td>
<td>-All members who do not pay the contribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-If a member's loan is smaller than his share of fund</td>
</tr>
<tr>
<td>Default</td>
<td>impossible</td>
<td>a member that already received the kitty</td>
<td>recipient of the loan if bigger than his/her share of fund</td>
</tr>
<tr>
<td>Theft</td>
<td>committee only</td>
<td>impossible</td>
<td>committee only</td>
</tr>
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7.2.1 Burial society

A participant of a burial society who failed to pay the instalments or ‘replacements’ could be excluded from the benefits. The case of Noparuru, which I described in the previous chapter, shows that it was up to the participants, in this case neighbours, to see if they wished to do something for the noncontributor. Noncontribution, therefore, was easy but had little financial consequences for the burial society and could be followed by exclusion. Default was theoretically only possible by making an illegitimate claim by faking the death of a dependent. The close ties between members, however, made this virtually impossible and burial societies mostly wanted to see the death certificate. The impossibility of default meant that burial societies could become fairly large: not all participants needed to be trusted because noncontribution could be followed by exclusion from the fund while the opportunity for default was almost absent.

The organisers of the burial society, in contrast with members, had the opportunity to steal from the fund or from the collection. Especially when the burial society was large, the fund could become thousands of rands, which could make it tempting to steal some of it. In order to protect the fund from the organisers’ desires, it was kept in a bank account and, at each meeting, the committee had to disclose the books and the deposit slip to its mem-
bers. I have not heard any stories of thieving committee members, but I am not sure it never happened, especially when the money was spent. It was relatively easy to check if the money was put into the account, but it was difficult for the members to control if money was spent properly. This was particularly so when the burial society provided services and goods, such as a coffin, transport, and a tent. In general, the burial society with a fund had to make quite complicated calculations to maintain the right balance between revenues and expenditure, which also offered possibilities for fraud.\(^3\)

I did not come across theft or fraud, possibly because it was difficult for me to gain access to the financial records of the burial societies. But the newspapers have reported on it. Umfelandawonye (‘people who die together’) started around 1993 as a society that combated stock theft in the Transkei. After some time, they embarked on a protection racket and killed those who refused to pay ‘membership fees’. The extortion was presented as a burial society, but the organisers pocketed the money. Allegedly, in 1998 three self-confessed hit men of Umfelandawonye killed five people who had fled the Transkei, in an attempt to escape the protection racket, and were residing in Khayelitsha, Cape Town. A local newspaper reported: ‘since the start of the violence, over 400 people have died as the society tightened its control in the area. Now, it seems the tentacles have spread to Cape Town’ (Cape Times 1998).

Such gruesome practices had little to do with the burial society that I found and where the committee did pay out in cases of death, although members did not always receive what they were entitled to. Ma Zibiya, who lived in Indawo Yoxolo, belonged to an abakhaya burial society. She told me that her daughter had died of AIDS in 1995. Contrary to the rules, the committee failed to disburse and simply argued: ‘We don’t like this disease’. Some of the members had supported the committee’s action. The daughter of Zibiya’s daughter died within two weeks and, again, the burial society refused to pay. Zibiya bitterly left the organisation. Because AIDS is on the increase in South Africa, it might become a common ground for exclusion in the future. HIV-positive people were stigmatised and AIDS-related deaths could threaten the burial society’s existence (cf. Bähre 2000a). From Zibiya’s example, it appears that, although a burial society’s committee should be trusted to apply the rules fairly, they could also be expected to bend them conveniently.

The bank was important for safeguarding a fund, and it was the organisers that had to be trusted and controlled, not so much the bank as an institution. If the burial society did not have a fund but collected money for a specific funeral, trust in the organiser was an important condition. Members controlled the organisers by checking the financial records and the deposit slips at the meetings. The organisers were part of the participants’ social networks and, therefore, there was ample of opportunity to see, and hear rumours about, whether money was spent properly and if the organisers behaved correctly. Burial societies were fairly safe because of the controls applied by a large group of members on but a few committee members. Members did not even need to issue violent threats, simply to imagine what a large crowd of angry participants could do to a corrupt organiser was enough.
7.2.2 ROSCA

By reputation, ROSCAs were very risky, at least according to those who were unfamiliar with these financial mutuals. The publicity around a few, but noteworthy, cases of default contributed to the bad reputation. The Sowetan – the largest South African newspaper aimed at an African readership – reported extensively on a particular stokvel. On the front page, one could read headings such as ‘Stokvel blues; Directors disappear with millions of rands’ (February 16, 1996); ‘R1-m kept in dustbin; Theft from stokvel was not reported to police’ (March 4, 1996); ‘Stokvel goes bust; Scheme short of R3.5 million to pay investors’ (March 18, 1996). ROSCAs were easily perceived as fraudulent pyramid schemes where a few people benefited from members lower down in the hierarchy of the organisation. Such schemes, however, had little to do with the ROSCAs of the neighbours in Indawo Yoxolo. The bad reputation of ROSCAs was not justified and contradicted with the actual proper functioning of these popular financial mutuals. It appeared that ROSCAs triggered images of large hidden stores of wealth at the expense of others. The nomenclature on financial mutuals also led to confusion and bad reputations.

ROSCA participants received the kitty in turn. In case of noncontributions – failing to make the obligatory payment before having received the kitty – that person could be excluded. It also happened that the participant was allowed to continue and that the outstanding amount of money was deducted from the kitty. Default was also possible, because the recipient of the kitty could abscond and fail to contribute when it was the other members’ turns. Everybody who has had the fund is a potential defaulter, which means that only the last recipient cannot default.

Default was limited because of the migrants’ geographical and social proximity, which provided opportunities for repercussions, such as ostracism, gossip, coercive visits, and the threat or use of violence. As Burman and Lembete (1995, 38) have noted:

[S]ome women were bemused when asked what would happen if someone did not pay her contribution: it was clearly unthinkable, given the basis of trust on which the clubs were formed and the strength of public opinion in the townships - in some cases reinforced by a high level of violence.

The density of the network increases trust because it contributes to a better selection of participants, and increased possibilities for gossip, social control, and coercion. But the same pressures could also increase social tensions within a financial mutual. The relations in a ROSCA resembled a spider web where everybody knew each other. Still, there was mostly a central organiser in charge of selecting participants and who visited them if a problem was expected to occur.

To allow for a dense social network, ROSCAs were fairly small. Whenever ROSCAs became large, they tended to fail (unlike burial societies). For example, a ROSCA in the 1970s in the township Langa had, at that time, up to more than 300 participants. Everybody had to wait their turn and the kitty became very large, up to R53,000. The cycle became very long and some worried that the ROSCA would collapse before they had had their turn, and there were some members who bribed the organisers in order to jump
the queue. Corruption led to the expulsion of some members in 1978 and a split in the organisation. In 1995, the ROSCA still existed but had sixty-five members and new members were not allowed. Although sixty-five members was still a lot, it offered a denser network with more possibilities for social control and the participants were content with the financial mutual.

In order to trust someone, conventional collateral, such as a plot, was not very important. Trust was, similar to reluctant solidarity, part of the processes of identification among neighbourhoods that formed a relatively dense network. As Notando Sukwi Mxolosa put it: ‘You don’t just join. We know your face.’ Similar to the processes of inclusion dealt with in the previous chapter, trust was based on moral standards and reputations that emerged within a closely knit social environment.

### 7.2.3 ASCRA

In an ASCRA, noncontribution could take place whenever a participant failed to pay the monthly, or weekly, contribution. This would not harm the ASCRA because the noncontributor would receive less, or nothing at all, when the money was divided up, mostly in December. In contrast to these regular contributions, loans could lead to default, depending on their size. If the loan was smaller than the amount that the member had contributed, the debt could be deducted from that amount, which meant noncontribution. If, however, the loan was larger than the member’s contribution, the member could abscond with the loan, which meant default. Therefore, ASCRAs wanted to keep some of the money at the bank.

A committee carefully registered the contributions, the debts, and took care of the balance at the bank. Committee members had the opportunity to steal money and therefore had to be controlled. Similar to a burial society with a fund, the members wanted to see the deposit slips as well as the balance. There were many possibilities among ASCRA members for social control to ensure that the committee would not run away with the money. They also formed a dense social network, mostly of neighbours, who had many opportunities to gossip, coerce, and threaten participants.

The ASCRA participants did not overly trust one another. Giving loans to many members could decrease the risks of default; giving a large loan to just one member encouraged default. Members generally were not eager to have a large sum of money lying around the house anyway. The bank was safer and members felt it was worth the time, money, and anxiety caused by fear of robbery, to make the monthly trip to the bank.

The importance of a bank account became particularly clear when one ASCRA, Kanisa 3, had failed to open an account. Kanisa 3 consisted of twenty neighbouring women who started in January 1997 to contribute R30 per month. It was obligatory to borrow, at a monthly interest rate of 25 per cent, at least R100 and a maximum of R500 twice a year. After one month, it was expected that the loan was repaid together with 25 per cent interest. The participants did not want to put the money in the bank because they felt that interest rates were too low: ‘We keep the money here’, said one participant, while she held her hands in front of her chest. The woman who was in charge of the money spent some of it, which had upset her fellow members. As a
result, she received almost nothing and was excluded from future participation.

A bank account made it possible to put some of the money away and, if someone wanted to abscond with a loan, the repercussions were severe considering the relatively small amount of money. By lending money to many fellow members simultaneously, it became even more important to establish a dense network of control relations because there were many possible defaulters. If default would take place, the whole group was involved and all the members could be mobilised to exert pressure.

7.3 Masifunde

Trust and risks were based on personal relations within a dense social network, regardless of the type of mutual, although the extent was less for burial societies. The relations provided ample opportunity to gossip, establish reputations, exclude the unwanted, control members, and, if necessary, threaten them.4

The case of Masifunde shows the inventive ways in which participants contained risks and managed the relations with their fellow ASCRA members. Many Masifunde participants have been introduced in the previous chapter because Masifunde was organised by the neighbours of Noparuru. Through a study of Masifunde, it becomes clear what the suspicions and risks were, how they arose, and what kind of action participants took to deal with them. This case study makes it possible to avoid ideal type relations, or assume rational, altruistic, normative, or other types of behaviour. Instead, it reveals the way in which participants deal with emerging problems, how they call on each other for help, put pressure on fellow members, and what the consequences of the dense social networks were for trust.

7.3.1 Making the rules

Already by the end of 1997, the neighbours started to talk about ‘setting up something’. Many women were interested in a financial mutual for their children. Such a mutual could provide money to pay for the tuition fees, school uniforms, books, and stationary for the school children. It could also teach their children how to handle money. Instead of the mothers saving money, they wanted their children, at least in name, to save and learn about money. The mutual was aptly called Masifunde; ‘Let us learn’.

Neighbouring women and some of their children met at Ma Dlamini’s place in the beginning of January (Ma Dlamini had tried to play a prominent role in the funeral of their poor neighbour Noparuru). During the past months the women had had the opportunity to get to know each other and Masifunde strengthened neighbourhood ties. The first meeting was on Saturday 25 January, 1998. A participating mother had to pay R10 per week for each child that she enlisted. Many women had indicated that they wanted to join, but only ten appeared. The women made a list of thirty-five chil-
children that were going to save (eventually the number grew to forty). Most of these thirty-five children were not present and some did not even live in Cape Town, or did not exist at all. Although it was a childrens’ ASCRA in name, it were actually the mothers who saved on behalf of their children, as well as older daughters, mostly accompanied by their mothers. It was up to the mother’s discretion to give the names of her children. Many women had children in the Eastern Cape that were also listed and some women confidentially told me that they ‘invented’ children that did not exist in order to save more money. Zanele, who did not have children, saved for someone she had made up. The mysterious man was jokingly called Mr. Sicu, which did not mean anything and simply sounded funny, but it was kept a secret who he was. For some time, the neighbours rumoured that he was Shooter, one of the political figures in the area. Later it seemed to concern a neighbouring boy. The women often made jokes about the invisible Mr. Sicu: ‘Where is Mr. Sicu today?; ‘I hope Mr. Sicu has money for the transport to come to this meeting next time’. ‘Saving for children’ appeared to be a strategy for women to conceal that they actually saved for themselves and could decide themselves how to use the money.

Apart from these children, family members were not allowed to join. As has been highlighted in chapter two, three, and five, many women did not have stable relationships and rather competed with partners and kin. Financial mutuals were established as a protection against financial claims of husbands, boyfriends, and relatives. By letting them in, the women were afraid that they would start to rule the financial mutual and not pay off the loans properly. Trust was also regarded as gender-based. For the women, trust had to do with the responsibility of the home and particularly the responsibility for cooking. Because men could not cook, they were, just like children, considered to be irresponsible and, therefore, less trustworthy. High unemployment among men made it difficult for them to be responsible and take up their roles as fathers and husbands. Other male responsibilities, such as those concerning ritual and kinship, had no place in the urban environment. Male authority seemed to be based on violence and money (wages) instead.

The first formative meeting of this financial mutual led to heated discussions about loans. Edith, who was appointed as the treasurer of the ASCRA, and Noxolo, who owned the little shop in the street, opposed loans for the moment. They wanted the members to contribute four or six times, deposit the money in a bank, and only provide loans once there was sufficient money in the bank to function as collateral. At first, many women agreed with Edith and Noxolo while only two out of the ten women wanted to borrow immediately. They argued that Masifunde was not able to collect enough money in order to open an account anyway. Therefore, they wanted the money to be divided as loans, possibly to make sure that one member, in this case the treasurer, would not steal the fund. Mandy, in particular, insisted on borrowing R50 and seemed to need it really badly. After some time, she said she had visitors at her place and left the meeting, but it appeared that she was in fact angry and wanted to express her dissatisfaction. Noxolo opposed Mandy particularly fiercely and broke off the discussion: ‘We are going to open the account and by the first weekend of the month we can discuss how much to borrow, if to borrow, and so on.’

Mandy returned a bit later and continued to complain about the
loans: ‘there is a rule added by new members, like Edith. I don’t like it that borrowing is discussed again. The loans were agreed upon before.’ Edith, however, persisted, to the amusement of some of the children because an older woman was teaching the teenager a lesson. Edith told Mandy: ‘you have to get used to this. We discuss things. At meetings we discuss things because we are not afraid of you. We will agree on things and we have to consider the opinions of new members.’ Noxolo added in Edith’s support: ‘nobody wants to lose money at the end of the year. After we have voted we don’t have to argue anymore. If you force things it means that what you have to say does not have any power.’ Mandy kept opposing, but it was obvious that she was in a minority and that she would not win her point. It was decided that the rules about borrowing money were going to be discussed in more detail at a future meeting. It was also agreed to have penalties; R2 for not attending the meeting, 50 cents for being late, and 25 cents for disturbing the meeting. After this discussion, the women collected money: R193.75. Edith received the money and wanted to sign for it; she did not want people to say that some of it had disappeared. Edith was also asked to open the account for Masifunde. The start of the financial mutual was a bit chaotic and people were still figuring out who would join, what the rules would be, and if one could borrow or not.

On the next Sunday, the members of Masifunde met again. Twenty-one women and children had arrived as the word got around that this was the last meeting on which one could join. Noxolo – the owner of the shop – was absent. Later she told me that she got tired of the hassles at the meeting and could do without these quarrels. During the previous week, Edith and the two other committee members (Zanele and Ma Dlamini’s daughter, Margaret) did not manage to get together in order to open a bank account. Edith asked me to keep the money because she was afraid that it might be stolen. She wanted to show the money at the meeting to avoid possible rumours that she had spent it. Anxiety concerning such possible allegations was also the reason for carefully examining the financial records of Masifunde. Edith was unsatisfied with the way in which the payments were recorded because it was easy to write down contributions without having paid for them. She did not like it that the records were kept at Ma Dlamini’s place either because her daughter, Margeret, was in the committee. If money went missing, it was likely that Edith was going to be held accountable.

At first, the women collected the contributions which brought the total amount to R1,050. Again, the women discussed if loans should be provided or if the money should go into the account. After a long discussion, they decided that each child could borrow a maximum of R50. The remaining money would go to the bank as collateral. The names of the children were called in alphabetical order and the women indicated whether they wanted a loan. Some were not present at the meeting and could, therefore, not borrow money. They did, however, make sure that they paid the contributions by asking fellow members to give them on their behalf.

The rules that the women had established limited risks to an acceptable level in several ways. The treasurer did not keep a large sum of money, which decreased the risk of theft. By breaking up the money into smaller portions through loans, default was less likely. It was easier for the women to repay a small loan and it was hardly worthwhile absconding with a relatively small amount of money. Moreover, giving loans to everybody strengthened the interdependencies of the participants, which in turn increased social con-
7.3.2 Opening an account

That same week, the committee members (Edith, Margaret, and Zanele) and I went to the city centre of Cape Town to open a bank account. Usually, the women had to rely on a taxi (a minibus with a fixed route) or train, which was time consuming and unsafe, especially if one carried a lot of money. This time I could pick them up and together we went to town. It was a bit of an outing and the atmosphere was jolly, but not at the bank: it felt uncomfortable for the poor women to enter the impressive banking offices along Adderley Street, where most employees were white.

We had to visit about six banks before Masifundé could open its account. The banks wanted a minimum deposit of R1,000 for a savings account or a thirty-two-day notice account. The women preferred a thirty-two-day notice account because the interest was higher and it was easy to give thirty-two days notice before withdrawing money. But Masifundé had given loans to its members and there was not enough money left for the minimum deposit. Nedbank even required a minimum deposit of R5,000 for a thirty-two-day notice account. The clerk explained that they also had to pay a ‘maintenance fee’ of R14 per month for a regular savings account with a deposit under R4,000. This was way beyond the reach for the members of Masifundé.

The Allied Bank was an exception: they did not require a minimum deposit for a thirty-two-day notice account and the interest was 13 per cent per year. Everybody was relieved but, when the paperwork was done, the last bureaucratic hurdle was insurmountable. The lady behind the teller asked if anybody was registered with outstanding debts, for example due to missed instalments at clothing stores, or hire purchase. After Edith translated this to Margaret and Zanele because their English was not sufficient to understand what was being said, Margaret suddenly remembered that she had forgotten her identity document. The account could not be opened and we left the bank. Margaret, however, had not forgotten her passport and quietly admitted that she was registered for debts that she had failed to pay off. She did not want to talk about it and felt very embarrassed. The quest for a bank that was receptive to the needs of the poor had to be continued.

When we arrived at another bank, an embarrassing situation developed again. A White woman approached us and treated the three women as if they were complete idiots. Although Edith was proficient in English, the woman started to talk very loudly and slowly, and exaggerated her articulation: ‘CAAAAN WEE MAAY-BEE HEE-LUP YOUHOU?’, she asked. Even when it was very clear that Edith’s English was good, and after the employee failed to be able to explain some of the rules, she added: ‘let me find someone who can explain in your language!’ Since the women felt that they were not getting anywhere, they left the bank feeling upset.

Finally, we ended up at the Standard Bank where the women could open a group account. The employee promised to send a calculator and an administration book as a present, but it never arrived. The bank also wanted a copy of the constitution of the organisation, which could be brought later. The employee said that, as soon as the balance exceeded R1,000, they could easily change it into a thirty-two-day notice account. In order to make this change possible, the three women had to sign at the bank; it was impossible
to sign the papers now and hand them in later when there was sufficient money. It was difficult for the three women to take an afternoon off to change the account, because two women worked irregular hours and one still attended school and was responsible for some household tasks. Eventually, it took half-a-year before they were able to change the account and receive a bit more interest on the money.

Many groups faced these problems when they wanted to open an account: the amount of money was too small, banking fees were high, transport had to be organised, or a committee member was registered with a debt. But the many hurdles were taken nevertheless because one did not want to give the money to the treasurer, who might not want to keep it anyway out of fear of spending it or theft. It was also dangerous to lend out all the money. The members wanted some financial collateral to ensure that the loans plus interest were returned. The combination of saving at the bank and providing limited loans to members ensured that the risk of default was minimised, while cheap credit was still available.

7.3.3 Social control and flexibility

The women of Masifunde did not completely trust each other although they had many opportunities to control one another. They worried, for example, about proper bookkeeping and wanted to keep an overview. For that reason, it was forbidden to pay for more than one week at a time, although some women liked to pay for one month. Moreover, the regular attendance at meetings forced the women to see one another, inform each other of daily affairs, not in the least those of others, and make sure that everyone was committed.

Some of the younger women of Masifunde had organised their own umgalelo separately from Masifunde. This ROSCA was a choir and the members wore white blouses and black skirts or trousers. The four young men and eight young women met on Saturdays at the home of one of the members. Everybody contributed R5, but through a singing contest they collected more money. The members challenged one another by requesting a song from a fellow member, which could only be refused by contributing money to the kitty. But the person who requested the song could give more money and forced the other one to sing anyway. For example, Zanele put up to R10.40 in the kitty in order to force Margaret to sing. But Margaret did not feel like singing and said that she had a terrible voice. She refused by putting R11 in the kitty. In this way, Zanele and Margaret could jokingly compete and tease one another. The atmosphere was pleasant and many small children stood around the choir listening to songs such as:

Really, we have to go
Mama yo, papa yo
The anger is coming
Our lord Jesus

The lyrics were about Satan, Jesus, misfortune, migration, and money, and the women repeated them over and over again. In total, the choir had col-
lected R251 for one of its members. This playfulness with money emphasized neighbouring relations. The overlapping membership of the choir with Masifunde contributed to the social control within the neighbourhood. The choir increased the dependencies, which aggravated the consequences of default.

A few months later, the initial confusions within Masifunde had disappeared. At most meetings, about thirty women and children attended and, by then, the meetings ran smoothly and in a structured way. On 3 May, Masifunde collected R7,352.20 in ‘stage money’ (the fixed weekly contributions) and loans, while another R1,300 was at the bank. The members worried about robbery with such a large sum of money lying on the table. Many people had to work for up to a year to earn this much. It was for this reason that, when a man asked to enter the place he was refused, which was exceptional under normal circumstances. As an excuse, a woman shouted: ‘you can’t come in now. We are washing ourselves’. Voyiswa and another woman made a kind of growling noise when the money was on the table. It was the kind of rumbling noise a possessed person would make or if someone sensed the presence of witchcraft. It was unclear to me exactly why the women did this and many women laughed about it, but it seemed that the increasing amount of money that was accumulated by the members made everybody nervous.

The large sum of money that circulated among the ASCRA members caused some problems. Many women borrowed more than they could pay off. For example, one woman had to repay her loan, plus accumulated interest, of R180 but she only had R160. She handed over the R160, which upset some women: she should have told them immediately about her financial problems and not wait and just give R160 instead of R180. During the quarrel, one of the women, almost unnoticeably, slipped her a R20 note, which she put on the table and ended the discussion. Another woman still owed R100 stage money and, because it was overdue, it was regarded as a loan and another R20 interest had to be paid. But the woman only had R60. The women voiced their dissatisfaction clearly: she had to pay. The woman proposed to borrow the remaining R60 and to pay it back later. Everybody agreed that this was impossible: she was only allowed to borrow money when she had no more debts. The discussion faded out and other women paid their contributions. About half-a-minute later, the woman gave R120. Secretly, in order to avoid further embarrassment, one of the women had slipped R60 to her. Now the debt was an issue between those two women and it was up to them to resolve it.

When a big pile of money was on the coffee table, the atmosphere became much lighter: ‘Yes, I can make it. In December I am going to get fat’, one woman joked, while another woman added, ‘yes, you are now all making a noise because you can hear the money being counted. Wow, it’s a lot of money!’ Another woman made a joke about Voyiswa who had made the rumbling noise. She asked Voyiswa if she felt better now, which Voyiswa confirmed. Some women clapped and cheered when the amount of money was mentioned.

After the money was collected and counted, it was time to give out loans. The demand was high and many argued that it was good to give loans because it would ‘make the money grow faster’ due to the interest. But some worried that members were going to borrow more than they could afford.
Therefore, they wanted to deposit R500 or R100 into the account. Others, again, felt it was not fair that some members were not borrowing much money. They argued that those who did not borrow did not contribute to the fund with interest that made ‘the money grow faster’. Nevertheless, while one would share in the interest others had paid, many also realised that it was risky to force members to borrow more than they could afford.

Finally, it was decided to vote if R1,000 or R500 should go to the bank. The voting took place in a peculiar way. Someone stated: ‘the majority is in favour of R1,000 and only a minority is in favour of R500. Please, let the majority raise their hands.’ And, indeed, the majority of women raised their hands and R1,000 was for the bank while the remaining money was distributed as loans. In the first round, fifteen women borrowed R100 while a minority of women borrowed less, and some borrowed nothing at all. Then, a second round started. The women who were at the bottom of the list objected because they felt it was not fair to start from the top of the list every time. They wanted to have the opportunity to be asked first and worried that others would borrow more than they would. The second round of borrowing, therefore, started at the bottom of the list with R50.

The atmosphere became a little tense when many women wanted to borrow more money and wanted a third round of R50. Some were afraid that the remaining R630.50 was not enough for everybody. If everybody borrowed another R50, one would need R2,000. A panicky atmosphere filled the room when the third round took place and some women complained about the money that was at the bank: ‘At the bank the interest on the money is only two cents’, Voyiswa argued. Edith, as the treasurer of the organisation, got annoyed and threatened: ‘I am going to bring R1,000 to the bank and there will be no more borrowing. If you don’t stop arguing now, I will go to the bank and make sure that you will get the money only in January [instead of December].’ The threat worked and the women who wanted to borrow more kept quiet. The uproar indicated that the women were nervous about their money and worried that some might default because they borrowed too much. It was also the assumption that, by borrowing money, one would have at least something in case of default. If one had a debt with Masifunde, one minimised the financial consequences of default by other members. This, in combination with the desire for inexpensive loans, seemed to spiral the organisation into excessive borrowing. Although the strategy was understandable from an individual point of view, the collectively organised ASCRA could be threatened if everybody withdrew his or her share. The money at the bank could stop this self-perpetuating cycle.

Edith had listed four children and could therefore borrow a lot of money. She borrowed R600, but this was for Xoliswa. Xoliswa, also a member of Masifunde and a daughter of Ma Dlamini, needed it to pay for construction work on her mother’s house in Emaxhoseni. Xoliswa participated in an umgalelo (ROSCA), but had her turn at the end of the year, which was too late. Therefore, she asked Edith to borrow Masifunde money for her. Xoliswa promised to repay it including the interest and Edith felt confident about it. Edith was responsible for returning the money to Masifunde if Xoliswa failed to fulfil her promise. But because Xoliswa was a member of Masifunde and of a ROSCA and therefore was certainly going to have money in the future, Edith did not worry about it and was glad to help Xoliswa while she had the financial advantage that Xoliswa also paid the interest.
A month and five meetings later, it became clear that some participants had borrowed more than they could afford. It was time to pay back the loans from May, but some did not have the money. Unfortunately, Edith and I were not able to attend the meeting because we were in Fort Beaufort for Noparuru’s funeral. But Zanele told us the next day that most members attended the meeting. Zanele and some other women visited one of the members who had failed to come but owed money. They found her completely drunk and it was useless talking with her. At the meeting, the members decided that everyone would have more time to pay back the loans and interest. They should pay the interest first and follow with the capital, but in the meanwhile they did not have to pay additional interest. They collected R8,000 and all the money was lent to the members. This had greatly upset Zanele, as well as Edith. Many members realised that if no measures were taken, the problems of loan repayments would only worsen and Masifunde would collapse. Therefore, the rules had to be discussed again on 21 June.

Unfortunately, I could not attend the meeting on 21 June either because of the violence in Indawo Yoxolo. Edith told me that, although the participants had an extra month to pay back the loans and interest, some still had no money. The only thing that could be done was to give time until September to repay the loans. No extra interest would be charged for these extra months, but it meant that, meanwhile, the members did not have access to loans. The problems the organisation was facing were clear when all the money was collected; only R300. Edith argued that the money should be put in the bank. In order to convince them, she showed the participants that one automatically took part in a lottery when the balance was over R3,000. This made some women more enthusiastic and it was decided to put R300 into the account. No loans were provided: if people lost confidence in Masifunde, they would stop repaying their loans and the group would spiral down into more problems. The lottery was a pleasant incentive and a good excuse to put more money into the bank, which made the repayment of loans more attractive. The flexibility of the rules ensured that people had the opportunity to repay the loans, and the social control among the participants, who could not avoid each other in the neighbourhood, put enough pressure on them to do so. By adding to the balance in the account, it was also ensured that default would result in the exclusion from a substantial amount of money.

7.3.4 Sharing money

Unfortunately, my fieldwork stopped because I returned to The Netherlands. Luckily, I had the opportunity to return to Cape Town in November 1998, which gave me an opportunity to witness the closing of Masifunde. In the beginning of November, the members that had a debt received a letter stating how much they owed and asking them to repay before 16th of the month. By the end of November, however, some still owed money. There was R16,000 in the bank and R15,785.50 worth of debts outstanding. This worried the members; some had borrowed up to R1,000 and Voyiswa even owed a staggering R1,364! Edith felt that there were too many debts and wanted
to make sure she had at least some of Masifunde's money. Therefore, she also borrowed money (R1,000), which she planned to pay off only when the others did the same. Nomfundu, Edith's neighbour, was also at the meeting. Although some had tried to exclude her, she had paid properly and only owed a little bit of money. Nomfundu was in a terrible state. Just the day before, when she was on her way to a shop just around the corner from her place, a few men attacked her and attempted to rape her. They stabbed her in her back and stomach with a knife. Although I knew that many felt sorry for Nomfundu, the assault was barely mentioned and nobody expressed any compassion. Again, it became clear how difficult it was to establish trustful relations in Indawo Yoxolo.

The women were wondering how and where they could divide the money safely: 'Should we share at the bank?', 'maybe we should meet at the police station and share the money'. Many thieves know that ASCRAs divide their money in November or December and might be on the lookout. Some participants privately expressed their fear that one of the members would grab the money from the table and run, or instead pay a thief to steal it for her. Voyiswa bragged: 'I am going to send the police and tell them to get my share from you'. But Nomfundu immediately told her to keep quiet: 'You owe money, you are a liar'.

The meeting of 29 November was badly attended. Many migrants wanted to spend Christmas with their family and friends in the Eastern Cape and needed money to pay for the fare and in order to buy gifts. Some were upset that the money was still not shared. This was supposed to be the last meeting, but one where the women could repay their debts. The women with large debts had not all come to the meeting. Some argued that those who owed stage money should not benefit from the interest. Others disagreed and felt that the money had to be shared equally. The discussion continued for some time and no decision was made, but the threat of a sanction had come across.

Voyiswa's large debt was another problem and the members clearly stated that she would receive nothing if she did not pay. Voyiswa reacted aggressively as usual and told them not to worry about the debt because she would have the money soon. Voyiswa had a strong reason for not paying off her debt. Some time previously she had taken Nothemba to Masifunde. Nothemba was Voyiswa's friend and neighbour and lived a few streets away. There were not many women at this meeting and Voyiswa asked them if Nothemba could borrow money from Masifunde, although she was not a member. When some objected, Voyiswa insisted and promised to be the guarantor for Nothemba. The women did not have the courage to oppose Voyiswa and lent Nothemba R602, although it was against the rules. Nothemba had still not returned the loan and the members of Masifunde held Voyiswa responsible. Voyiswa, in turn, took out a big loan about four months ago and never repaid it. She also owed stage money from the beginning of the year. Voyiswa's loan already exceeded her share without Nothemba's debt. Some members had visited Nothemba and had managed to extract a promise that she would repay the money soon. She could only give R200 from the refrigerator she had sold. She explained that she was about to sell her plot and leave Indawo Yoxolo. She was still waiting for the money that she promised to return to Masifunde. The women were not convinced and, as collateral, they took her small black and white television.
Nobody wanted to keep the television at their place and therefore they brought it to Voyiswa: after all, it was her friend. Xoliswa, who was among the women that visited Nothemba, wanted to take Nothemba’s curtains, as well, but the women agreed that this was too embarrassing.

On 6 December, it was the last opportunity to collect debts. There were about eleven women and a few more arrived during the meeting. Some had asked fellow members to bring the money for them so they could repay their debts without spending time on meetings. One member was unable to come and asked her neighbour, who was not a member, to bring the money to Masifunde. This neighbour, however, did not leave after she had handed over the money. She sat quietly in the corner and fell asleep, or pretended to do so. Edith was worried that she wanted to find out when and where the money was going to be shared. Therefore, she purposely gave false information and only told the correct time and place after the woman left.

The meeting was structured and business-like, as was usual during the collection of stage money. The notes were handled carefully and each type of banknote was put in separate piles. In order to make neat piles, the images on the notes were all on top. Stage money equalling R1170 was collected and the women really enjoyed seeing and handling the money and started making jokes. It seemed to be a recurring reaction once the money was on the table: the women became nervous, laughed, made jokes, and behaved more disorderly. Pumla excitedly said: ‘Oh, I don’t know if I have the money [that she owes Masifunde]. I will go to the docks to sell my body’. Zanele said this was a good idea, but Pumla told her: ‘you don’t have much chance. Your thighs look like pieces of Kentucky fried chicken’. Nomfundu, who was quiet most of the time, told Pumla: ‘yes, and then you are going to get AIDS!’ Voyiswa who did not get along with Nomfundu, took her change: ‘ach, Nomfundu; you are already infected with HIV. It is just a matter of time until it shows.’ Many women giggled and it was a bit embarrassing for Edith to translate this conversation. Nomfundu, however, did not give up that easily and told Voyiswa: ‘you know, Voyiswa, your vagina stinks because you have more than a hundred boyfriends. My vagina is clean and closed so watch out or your boyfriends will come to me.’ Voyiswa continued to irritate people and it seemed that she was making jokes about me as well. But others teased her more and a few women said: ‘Voyiswa doesn’t wear any underwear. That’s why it smells in here.’ The joking and teasing of Voyiswa seemed to be inspired by her debts. The vicious remarks revealed that financial mutuals were not always cosy and that some of the women did not trust one another.

An amount of R9633 was collected and the members were very pleased. One of the women felt that Masifunde did so well because of me: a white member surely must have meant good luck. Others agreed and it seemed that I was a kind of mascot to them. Edith put all the money in an envelope. A few members admitted that they had gone to the Standard Bank a few days ago. They knew that Edith had given notice at the bank in order to withdraw the money. The women admitted that they were worried if Edith had already withdrawn the money and was going to steal it. They were relieved when the money was still in the account. As a joke on Edith’s trustworthiness, Voyiswa added: ‘Yes, Edith, I was wondering why you look so pretty today and wear such nice clothes. I was wondering what had happened with the money.’
The orderly meeting ended disorderly, as usual. Although the big pile of money took some members' worries away, they were still anxious about the way in which to divide the money. They did not want to argue about this when all the money was on the table, because the sharing had to be done quickly in order to decrease the risk of robbery. The plan was to divide the money equally among the forty children that the women had enlisted, regardless of how much each had borrowed and contributed through interest. The debts were going to be deducted from that amount. This money was going to be divided among all these children equally. Some did not understand it and started to scream and shout. Edith, therefore, explained it several times over again and slowly everybody began to understand it and felt it was a fair system: people with debts should also receive a share of the remaining money and not be punished twice (first by deducting the debt, second by being excluded from sharing the proceeds of these deductions).

By the end of the meeting, Nothemba still had not arrived to pay her debt as she had promised to do. The women felt that it was time to take action and visit her. It took some time before about thirteen women, including Voyiswa, Edith, and I left for Nothemba's place; everybody was embarrassed. At Nothemba's place we attracted a lot of attention. Voyiswa was shouting and screaming, which made the neighbours come out of their homes. Nothemba was not there and a neighbour said that she was bringing her child to the bus to the Eastern Cape and would return later. Voyiswa and some of the younger women set up a search in Indawo Yoxolo. They wanted to find out if Nothemba was hiding at a friend's place. After a few hours, they returned unsuccessfully and it was decided to meet and deal with Nothemba next Tuesday.

Next Tuesday, this special Masifunde meeting started at seven o'clock. A few took the opportunity to pay off their remaining debts and another R1,330 was collected. Before the meeting started, a few women visited Nothemba by surprise and told her to come with them to the meeting. Nothemba looked quite terrible and I could not help but feel sorry for her. She had been beaten up and her eyes were swollen. I could not find out who had done this, but the rumour was that it was due to her debts, either within Masifunde or with other people. Everybody felt uncomfortable and nobody dared to mention the loan. Finally someone had the courage to ask: 'Why have you still not paid the R402?' Nothemba explained that she wanted to pay last Sunday. She was participating in a umgalelo and it was her turn, but she did not receive anything because she had failed to contribute to a member's turn. She did not go to the Masifunde meeting because she did not know what to say, except that she had no money. She had heard that they tried to find her at her place last Sunday. She was not at home because she was on her way to her brother in Langa to ask him for money, but he was not at home. She also went to a friend in Indawo Yoxolo, who was also not home.

Everybody kept quiet for some time and Maggie asked: 'What do you expect us to do?' Nothemba said that she just needed a few more days and would pay on Sunday. The women did not accept this: 'we are waiting for you and your money. That is the only reason why we still have not shared the money', and another woman added: 'you are not a member. If you were a member we knew what to do, but now we do not know what to do and have to fetch you at your place.' Voyiswa was amongst the most critical: 'I
signed for you, but not so they could deduct the money from my share.' To
the members she said: 'Nothemba has to pay. I refuse to stand for her. She
doesn't care about anything. She didn't even come to me to explain what
was going on.' Voyiswa started to cry in order to express her disappointment
in Nothemba. But it was obvious that she was faking and some women could
not help but giggle. Later Voyiswa admitted to me that she was making a
show out of it because she wanted to teach Nothemba a lesson.

Everybody was at a loss about what to do next: 'She can't stay here
forever. We have to go on with our meeting and she doesn't live here [in this
house]', one woman remarked. It was Zanelle, one of the committee mem-
bers, who made a proposal: 'We have to get something out of your house.'
'But what should I do?', asked Nothemba, who was close to tears. Now the
criticism was fired at her: 'you do not respect us. You make it very difficult for
us'; 'we should not wait but fetch things immediately'; 'we should get the cur-
tains so we can sell something'; 'you never told us you had financial prob-
lems. We cannot trust you and you don't care'; 'Let us take more than only
curtains. Let us take something that costs more than R400 to push her'.
Voyiswa continued with her theatre, trying to cry although she could not hold
her laughter. Voyiswa wailed; 'if I had R400 I would pay for you but I don't
have anything. Oh my God! I have learnt my lesson and will never do some-
thing like this again.' The vicious remarks were very humiliating for
Nothemba.

It was time to go with Nothemba to confiscate her belongings, but
nobody seemed to dare and we hesitated before finally walking to her place.
When we arrived, we barely all fit inside because it was so small. Nothemba
had very few belongings and the curtains were about the only thing that was
worth taking so two women took them off the rails. Nothemba went into the
kitchen to take her pots and pans. While she was out of hearing distance
Zanele whispered; 'Jihu, this woman is poor. This is a disgrace.' Taking a
woman's pots and pans was regarded as the last resort and it was embar-
ragging that they could not take anything else. There was a little colour televi-
sion that had not been there before and Nothemba explained that she bor-
rowed it from her boyfriend. Because Nothemba had so little the women also
took the television. This was a bit risky because Nothemba's boyfriend was an
ally of the Big Five, although he was a marginal figure. The women told
Nothemba that she would get all of it back after she paid off her debt.
Otherwise, her belongings were going to be sold among the members. We
left quietly and embarrassed and some were giggling about this awkward sit-
uation.

The following day, Masifunde met again. The participants were
quite nervous, excited, as well as relieved that everything was going well. The
women had to wait before the thirty-two days were over and the money
could be withdrawn, and some still had to pay some debts. Yesterday's
events were discussed and, although the women felt it had been rude, they
saw no other option but to confiscate Nothemba's property. Zanele also had
problems concerning a debt. She lent R200 of her Masifunde loan to a friend
who, due to interest, still had to pay her R400. She and her friend Pumla vis-
ited her a couple of days ago. Because she had no money they took her
refrigerator. One of the women reacted: 'You better watch out Zanele; she
might beat you for taking her refrigerator'. But Zanele said she did not care
and said laughing: 'What I liked about it was that Pumla and I could carry the
refrigerator by ourselves’. Zanele had sold the refrigerator for R450.

Voyiswa was also present at the meeting and, to my great surprise, she put R1,300 on the table. Her debt was R1,364 so virtually all her debt was paid off. She promised to pay the remaining R64 the following day. Voyiswa’s payments were clearly related to Nothemba’s debts. Because Nothemba’s belongings were confiscated, Voyiswa did not need to worry anymore that they were going to take her money. By staying indebted, Voyiswa had mobilised Masifunde to put Nothemba under pressure. After Nothemba’s belongings were confiscated and could be sold, Voyiswa’s problems were over. Other women also paid their outstanding loans. Their debts were much smaller and could easily be deducted from their shares, but they wanted to pay nevertheless. It seemed that they worried that they might get less than they were entitled to if they still had debts, as well as about their reputations. The total amount of money in the bank and in cash of Masifunde had become R31,025. This was an amazing amount of money and a few women owed still. The women were very excited about it, which is easy to understand considering that many Xhosa had to work three years for this without spending any money, if they at least had a job.

Nothemba did not appear and the confiscated goods were sold. Everybody wanted something because the prices were very low: R130 for the black and white television, R150 for the colour television, R70 for the curtains and R70 for the aluminium pots and pans. Everybody was excited about this and people screamed and argued about prices. Xoliswa joked: ‘If we fetch Nothemba’s iron we can sell it as well and put the prices down further.’ Voyiswa would have liked to take Nothemba’s small bookcase that she could sell to her boss for R150.

Ma Zantsi’s daughter wanted the colour television that had belonged to Nothemba’s boyfriend, but she was scared because Nothemba’s boyfriend had visited her mother last night. He said that he was going to hurt the woman who was going to buy his television. Some considered Ma Zantsi to be a Big Five supporter, just like Nothemba’s boyfriend, and wanted to be careful. They did not know if the threat was serious and a wild conversation developed. The women were screaming and shouting and argued what they should do with the television. Many women wanted to buy something and a small fight broke out. The noise became so loud that I had to leave the overcrowded shack and stand outside for a few minutes to get some air: I just could not bear this screaming anymore and it physically hurt my ears. Some of the women noticed me leaving and used it in the argument: ‘Hey you! Shut up and keep quiet. You even made Erik leave with your noise.’

The women agreed to visit Shooter immediately after the meeting to talk with him about the television, just to be on the safe side. He was one of the political figures in the area who, at that time was associated with the United Democratic Movement and who had a problematic relation with the Big Five as has been described in chapter four. The women asked me to come along but I politely refused. I could not stand the shouting and screaming anymore and I also felt it was too risky. The story had spread already that I had been part of the party that confiscated Nothemba’s belongings. The women walked away but returned after ten metres to ask me again if I could join them. When I insisted on staying behind, they told me that my presence would give them more courage and confidence. They said it had also made them feel more powerful and courageous when I joined them to confiscate
Nothembaba's belongings. It became clear that I was not the passive bystander that I tried and preferred to be. Instead, my presence, even without saying anything, influenced the members of Masifunde. They probably would have visited Nothembaba anyway, also without me, but it seemed that my presence made it a bit easier for them. They decided to visit Shooter anyway, although I did not accompany them. He told them that he would not interfere when they sold the colour television.

Finally, on Friday 11 December, they were going to divide the money. I offered to pick up the three committee members and take them to the Standard Bank in Adderly Street. The fee for withdrawing the money and closing the account was more than R500 and significantly cut down the earned interest, which had been R277 over the last month on R17,174. For safety reasons, the women divided the money at my home in the suburb Observatory. The total sum was R34,717.38, while another R1,506 was still owed. Edith kept separate books because she doubted if members did not change the book at Ma Dlamini's. Each of the forty children received R905.58. Because the largest debt was only R300, it could easily be deducted, which meant that the collateral at the bank had been sufficient.

The money was put into envelopes with the names of the children and we left for Indawo Yoxolo. In the car, Zanele told me that it was very attractive to borrow money from Masifunde 'but it is not a blessing'. It was attractive to borrow money and lend it to others and let them pay for the interest but the risks were not a blessing. Zanele gave the example of a weekly R50 ROSCA that she, Dolly, Margaret, and Xoliswa (all members of Masifunde) had started with a few other neighbouring women. Dolly had borrowed money from four Masifunde members but she refused to pay it back. Zanele said:

Dolly is rude and she screams. One of our women is soft and quiet and does not have anyone to help her put pressure on Dolly. She is not going to get her money back. Dolly had also caused problems in our R50 umgalelo. She refused to pay when it was Xoliswa's turn because she knows that Xoliswa is also soft and will not put pressure on her.

I had heard before that some suspected that Xoliswa and Dolly had tampered with the books of Masifunde, which, if it was true, might make it even more difficult for Xoliswa to coerce Dolly. Because of Zanele's story, Edith was suddenly reminded of a R180 loan to a member of Masifunde. Edith gave the loan some months ago, but the woman has still not paid it back to Edith. She had also failed to say anything about it to Edith. Edith took R180 out of the woman's envelope and wrote a note that reminded her of her debt. While other women had similar problems with fellow members, they had to sort it out themselves, but Edith could use her position as a committee member to get her money back.

We met the Masifunde members at a secret place in Indawo Yoxolo. I dropped them off and left again immediately. If I had remained, my blue Mazda would have functioned as a flag for criminals and increase the risk of robbery and, just in case of an attempted robbery, I preferred to be elsewhere. Later I heard that the sharing went very well and that the meeting took only a few minutes. Many women were pleased with the organisation and started it again in January 1999.
7.3.5 Containing risk

The case of Masifunde reveals a number of measures taken to contain the risk of the financial mutual. First, it was important that there was money at the bank which was not accessible to the members, except if the three committee members would steal it together. The money at the bank also functioned as collateral against loans. Whenever the loans increased, it also became important to increase the amount at the bank to ensure that the loans would not exceed the savings. The members were willing to jump many hurdles to open an account, such as travelling time, travelling expenses, legal limitations of opening an account, banking fees, as well as embarrassing treatment by bank employees.

Second, the relative rigidity and flexibility of the rules contained default. The rigidity meant that the stage money – as the minimum contribution was called – was fixed and not open for negotiation, and loans had to be paid back. The flexibility concerned the amount of loans, the exact time of repayment, the amount of interest on extended loans, and the amount of money at the bank. Flexible rules prevented default, but when changed could never be enforced individually or only concern individuals. Decisions were made democratically and everyone had to obey the new rule. This combination of flexibility and rigidity allowed members to avoid default or non-contribution and thus prevented excessive risk.

Third, and contrary to my expectations, lending money to fellow members was not excessively risky. I expected loans to increase risks because more people could default. But the loans prevented a situation where only a few women were in charge of a lot of money. Distributing a part of the fund made it less advantageous to abscond. It also avoided pronounced inequality, which could attract witchcraft.

Fourth, the members of Masifunde tried to keep political figures out and, towards outsiders, they trivialised the significance of the financial mutual. The political groups in Indawo Yoxolo only once played a role, after the colour television of the boyfriend of a non-member was taken, just before the money was divided. By staying away from politics in Indawo Yoxolo, the risk that political divisions would dominate the relations within Masifunde decreased. It also made it less likely that political groups would use the financial mutual for political purposes.

Fifth, certain categories of people were excluded because they could challenge the obligations within financial mutuals. In Masifunde, just like many other financial mutuals, men were not allowed, although some men would have liked to have joined. Male authority, just like kinship hierarchies, could easily overrule the obligations that members had towards each other; they might simply refuse to pay and there would be little that women could do against it. Kin, except for a few adult daughters who lived with their mothers, was excluded for the same reason. If kin, and especially affines, a boyfriend or husband would join, this would seriously undermine trust. It would be nearly impossible to overcome the obligations and loyalties of such relations.

Sixth, different forms and degrees of aggression and violence, varying from rumour and social control, to coercion, physical violence, and confiscation of property, were vital for containing risks. The case of the confiscation
7 Maintaining mutuals: hope for islands of trust

tion of Nothemba’s property revealed what the members were capable of, even if it was uncomfortable and embarrassing for them. Women who failed to pay were put under pressure at meetings, were visited at their homes, and risked the confiscation of their humble belongings. In one case, the mutual jointly confiscated the humble possessions of a woman who was not even a member, and it is possible that they also beat her up. In other cases it was left to the individual member to get the money back because it was not regarded as the mutual’s responsibility. For example, it was up to Zanele to sort out her problems and she and a friend confiscated the refrigerator. In many cases, the threat of sanctions was surely enough because one was aware that members who had lent money were willing to use pressure which they would not dare to use in other circumstances. The threat of the mutual and one’s fellow members forced the individual member to get their money back from neighbours or friends. One wonders if Zanele would have dared to confiscate the refrigerator if she did not need the money to pay off her debt with Masifunde. Therefore, the social constraints within the group could also influence the social constraints outside of the group.

7.4 Co-operation without trust

If people co-operate, they can take measures to contain risks, but risks can never be ruled out completely (cf. Coleman 1990, 91; Misztal 1996, 18). This was also the case for the financial mutuals among Xhosa migrants. The measures that the members took were helpful, but there were always certain moments when the members had to take a risk. Risks were taken when they gave money to the treasurer, when loans exceeded the amount of money in the bank account, or when members borrowed money amongst each other without the direct involvement of the financial mutual. Especially in a situation where neighbours hardly knew one another and had to deal with many insecurities, anxieties, and violence, it was puzzling to see that the women took these risks.

For example, Nofurniture belonged to an ASCRA and suspected that the committee stole money. She was angry and tried to do something about it, but she failed. Nevertheless, she joined again the following year with some of the same committee members. She felt she had to take the risk again: ‘What else can one do?’ she said. Another woman had lent money to a neighbour although she did not trust her. The neighbour kept asking her for money and she finally gave in and lent her R150. As she expected, the neighbour never repaid the loan. When I asked her why she lent money to someone she did not trust, she replied: ‘to trust someone you sometimes have to take a risk. What else is there to do?’

Crozier and Friedberg (1977, 6) strongly express the dilemmas of establishing organisations: ‘Considering the context of not only bounded rationality, but also of bounded legitimacy ... and of bounded interdependence... it is a miracle that organizations exist at all’. Also Szotompka (1999, 13) expresses a gloomy picture when he states that ‘without trust we would be paralysed and unable to act’. Szotompka (1999, 25) also quotes Hardin (1993, 519) who states: ‘With a complete absence of trust, one must be catatonic, one could not even get up in the morning.’ The fact is that Xhosa migrants
do get up in the morning, even very early, and deal with distrust and the problems that occur in financial mutuals. Although many neighbours did not trust each other, at least not all the time, they established financial mutuals that mostly functioned very well. This raises the same question, which Gambetta (1988, 217n6) has so clearly posed: ‘We should ask why uncooperative behaviour does not emerge as often as game theory predicts’ (cited in Putnam 1993, 160).

There were all kinds of strategies of exclusion and social control to contain risks, but such risks could never be eliminated. One could analyse risks from a cost/benefit perspective only and argue that people take risks for granted, only if and when the benefits outweighed them. This, however, would be a simplistic understanding of people’s actions, because it fails to include people’s understanding of themselves in relation to others. By taking account of ambivalence (strong and contradictory feelings) in human relations and towards institutions one gets a better insight into people’s actions (see Smelser 1998).

A closer look at the way in which Xhosa migrants value relations provides some answers to their willingness to co-operate in a society where distrust is the rule rather than the exception. The interdependencies between neighbours and fellow members of financial mutuals, in particular, meant that many had mixed feelings towards one another. These ambivalent relations made it difficult to predict someone’s behaviour completely, especially if one had a close relationship with him or her. On a few occasions, some men and women shared their reflections about the way they understood social relations. Such occasions were not common and therefore the material presented here might seem to be somewhat haphazard snapshots. I prefer, however, to present it in this loose fashion rather than pretending to give a clear, unambiguous and possibly idealistic image of Xhosa’s understanding of trust and social relations. Nevertheless, it is important to reveal such reflections on trust and social relations because they enable one to grasp why the men and women risked such substantial amounts of their meagre incomes.

Sometimes men and women conveyed that people, including themselves, encompassed good and evil characteristics. This seemed to be a fundamental and fairly unchallenged understanding of all humans. In the course of the research, I sometimes felt naive and alien when I expressed that people were basically good, unless proven otherwise. At such occasions people looked at me in amazement and I slowly started to adjust my thoughts.

For example, in October 1997, Edith and I visited Ma Ntshona. She was known to be a Big Five supporter and was involved in a scandal for having stolen R3,600. The money belonged to members of Victória Mxenge, a group of mainly women who saved money together to build houses. We had tried to meet Ma Ntshona before, but she was never there, even although we had made an appointment. It seemed that she was trying to avoid either Edith or me. We tried again and found Ma Ntshona accompanied by three women in front of her shack. They were waiting to be picked up and brought to a meeting of Victória Mxenge. The atmosphere was uncomfortable and Ma Ntshona was visibly nervous. After we exchanged polite greetings, one of the women that accompanied Ma Ntshona asked Edith: ‘Doesn’t it worry you that people now see you standing here with Ma Ntshona?’ Edith, who knew that Ma Ntshona was accused of stealing money, replied that this was not our business; ‘every person has good and bad’. The women agreed and
one of them replied: ‘Injalo’, that’s how it is.

A similar remark was made when we visited Ma Zibiya, a neighbour in Indawo Yoxolo who worked as a live-in domestic worker in the affluent, and therefore White, suburb of Tokai. During the week, Ma Zibya’s neighbour, Nobuntu, took care of the children because Ma Zibiya was only allowed to go home for the weekends. When we arrived at Ma Zibiya’s place, she was having tea with some friends. She laughed and enjoyed seeing us and said: ‘Ah, there we have the Paparazzis! Where do you have your camera?’ Obviously this was a playful reference to my paparazzi-like behaviour. Clearly I was probing into other people’s lives. The remark was also inspired by the death of Lady Diana. On the radio they had heard about her death in a car crash, possibly due to the paparazzi that chased her. Listeners had phoned to the radio station and said: ‘it was all due to the pepperonis that Lady Di is dead.’ And another man had said: ‘You know, it are the Pavarottis that killed her.’ These remarks made Zibiya and her friends laugh. After Zibiya shared the joke with us, she told us that she had heard that Lady Diana was not only good. Before the radio programme she thought that Lady Diana was only good because she cared for children and tried to help people in need. But now she had heard on the radio and read in the newspapers that she also had bad sides that, according to Zibyia, only came out after her death. She was relieved to find out that Lady Diana was also a regular person: ‘Like every person: the bold and the beautiful’. Through reference to this popular soap series about rich people who are constantly fighting and deceiving one another, Zibiya emphasized that every person had good sides and bad sides, even Lady Diana.

If people comprise good as well as evil, it means that one knows that one cannot always trust them. It even implies that one cannot completely trust oneself either, because one might also harm others. The conflicts about the flows of money and competition over money revealed that one was sometimes ruthless, and sometimes could not prevent harming people by not helping them. The ideology of ubuntu, as well as the dynamics of witchcraft, both revealed how good and evil were interpreted as a part of people and their interactions.

Ubuntu can mean a lot of different things to different people. It is a useful but also a very politically charged concept. Therefore, it is important to explore this concept a bit further and express some cautions when it is used in social science. Ubuntu means humanity and is an ideology that emphasizes respect to fellow human beings while it stresses the inclusiveness of African communities. Sometimes people also refer to this ideology in order to explain altruistic or respectful behaviour. One has to be cautious with the term ubuntu for understanding social relations. In post-apartheid South Africa, it has become a synonym for development and encompasses a romanticised vision of the rediscovery of African values (cf. Van Kessel 2001). Ubuntu has come to stand for anything positively African. Archbishop Tutu played a pivotal role for putting ubuntu on the map. As the chairman of the Truth and Reconciliation Commission, he emphasized African morality and self-worth and highlighted ubuntu as a way to deal with pains of the past, work towards forgiveness, and envision a common future of interdependent people (see Battle 1997). Ubuntu has to be approached carefully because of its romanticised, one-dimensional notion that is now fashionable in politics and business.
In the course of my research, the African migrants never referred to *ubuntu* to explain their behaviour and instead emphasized *ukunceda*, or 'helping each other'. But when I asked whether this could also be understood as *ubuntu*, they agreed and were surprised that I knew about this term. *Ubuntu*, although it was not often used in daily conversations, embraced the ideology of respect, helping each other, and solidarity. As Buijs and Atherfold (1995, 75) found among members of financial mutuals in the townships of Grahamstown, South Africa:

> [R]eputation is especially important in the context of ubuntu or the ideal of humanity ... [which] recognises that human relations and human survival are paramount values and that material possessions are seen as the means whereby these values can be achieved.

The proper names of financial mutuals, such as Masizakhe ('let us build each other'), Mascedane ('let us help each other'), Masonwabe ('let us be happy') also indicated the importance of this ideology. The expression *umntu ngumntu ngabanye abantu*, means 'a person is a person by means of other people' was central to the ideology of *ubuntu*. *Ubuntu* highlights the interdependencies of people and how social configurations determine, or at least influence, one's future. When I asked people about their motivation for particular forms of action, it was common to reason from a relational point of view. The expectation of others, especially kin that lived over a thousand kilometres away, was an important reason for establishing financial mutuals and, through new social relations, direct flows of money.

The ideology of *ubuntu* reminds one of Fortes' (1983 [1959]) understanding of fate and destiny among the Tallensi. For the Tallensi, fate and destiny were very much a result of people's interdependencies and particularly relations with ancestors: 'A man's Destiny, then, consists of a unique configuration of ancestors who have of their own accord elected to exercise specific surveillance over his life-cycle, and to whom he is personally accountable' (Fortes 1983, 21). Moreover, Fortes (1983, 23) writes that: 'Destiny ancestors are benevolent not out of affection for their descendants but out of self-interest and because they have the power. Their solicitude is gained not by demonstrations of love but by proofs of loyalty'.

For the Xhosa, relations with ancestors encompassed good and evil. Personal well-being depended on the ambivalent relations with ancestors. Ancestors could give protection but could also withhold protection when they were not respected and recognised through ritual. The migrants in Indawo Yoxolo were new. Hardly anybody had performed the ritual beer drinking that could ensure ancestral protection. This increased their vulnerability. Neglecting ancestors could have serious repercussions, as Hirst (1997, 220-221) noted:

> When the ancestors are neglected, they withdraw their protection (ukukhusela) from their descendants, making them open to witchcraft/sorcery (ukuthakhatha) and thus subject to illness ... According to experienced diviners, the various symptoms suffered are directly related to difficulties in relationships with significant others.
While the ideology of ubuntu emphasises the positive way in which people can help, forgive, and support one another, the experience of Xhosa migrants was much more ambiguous, as, for example, came to the fore in the reluctant solidarity that was described in the previous chapter. According to the notions of ‘helping each other’ and ubuntu, people can ‘construct’ each other and support each other and establish a positive sense of well-being and humanity. But witchcraft reveals that it surely must be possible to do the opposite. As the threatening triad reveals, people can also influence each other in destructive and dehumanising ways.

In her study on the spread of AIDS among Zulu youth, Leclerc-Madlala (1997, 377) refers to the ‘“flip side” of the Afrocentric ethos of ubuntu’ that promotes common misery. She describes how those who were infected with HIV, or believed to be infected, wished to infect others as well. A nineteen-year-old student explained: “By giving it [HIV] to others, I won’t be going down alone. That’s my only hope”, while another nineteen-year-old male also had the desire to infect others with HIV: “This disease is horrible. The only good thing would be if we’re all together. Ubuntu, we share ... if we are people we must share” (Leclerc-Madlala 1997, 371). The conversations with youth about AIDS and ubuntu led Leclerc-Madlala (1997, 372) to the question: ‘Could there be a “dark underside” to the process of ubuntu?’

Concerning marriage, the danger of ubuntu also came up. In the course of the research I had attended only one wedding because people rarely got married, and if they did it was a jural marriage. During a conversation with a few men and women I discovered the reason for this was related to gifts:

If a man has a girlfriend, she will be jealous of the bride. The jealous girl friend might give a present, such as clothing or money that is treated with herbs (amayaza). This gift causes the newlyweds to spend money like crazy and they will end up in misery. Ubuntu can be dangerous sometimes.

At another occasion, a woman told me that her sister once received R300 from someone out of the blue. She was surprised because she had not indicated to that person that she needed money. She visited a diviner (iqqiirha) who explained to her that the woman gave her the money in order to harm her. When she told me the story she added: ‘So you see: Ubuntu can be dangerous sometimes’. Money was particularly vulnerable for the use of witchcraft and people might put witchcraft medicine on the money to harm others. Thus, circulating money in a financial mutual definitely had its dangers. For this reason, people would sometimes keep money from a suspicious source separate in order to prevent it from contaminating other notes and coins. By spending it as quickly as possible, one diminished the risk of being bewitched by it. In other words, wealth needs to be avoided because it can lead to jealousy. Jealousy is a problem because it can lead to witchcraft and therefore undermines trust. The paradox here is that trust is needed in order to ‘create’ wealth through co-operation in financial mutuals while that same creation of wealth undermines trust.

Ubuntu and witchcraft were related because both indicated how people were influenced through relationships and, just like people hardly spoke about ubuntu and preferred ‘helping each other’, they hardly openly discussed witchcraft but instead spoke of the dangers of jealousy. People
seemed to be aware that one could not be in complete control of oneself, and realised their own kind-heartedness and malignancy. Jealousy was the emotional component of witchcraft, and it is an emotion that was difficult to control, even if one tried very hard. Jealousy, followed by guilt when one feels responsible for the misfortune of others, appears to underlie self-accusations. Grandma Doris told me how she witnessed a case of a self-confessed witch. Grandma Doris’ twelve-year-old daughter had tragically suffocated from the smoke caused by a fire that had burned her shack to the ground. Soon after the child’s death, her neighbour ran out onto the street and screamed and shouted and moved wildly. She publicly blamed herself for the death of Grandma Doris’ daughter. The woman had opened the bible and the power of the bible had caused her to reveal herself as a witch.

Such self-accusations were rare, but not isolated. In his study on witchcraft in the South African lowveld, Niehau (2001, 125) gives the example of Albert Nziane who confessed to keeping a mamlambo:

Albert’s confession that he kept a mamlambo amounted to a self-accusation. The cultural fantasies of the mamlambo and witchcraft provided him with a language through which he could articulate his mysterious dreams of snakes and white women, and his perceptions of strange lights. He could not comprehend nor express these experiences in any other way.

Witches can have a deep impact on their victims; they can make them lose their job, make them sick, and even kill them. It is difficult to be in control of oneself because one might be manipulated if one becomes a victim of witchcraft. Moreover, it is difficult to control feelings of jealousy and therefore one might inflict witchcraft on others.11

People knew that humans, including themselves, comprised good and evil; were good natured as well as malicious; could contribute to other people’s lives in a positive way, but were also capable of destroying others by, among other ways, uncontrolled jealousy. This had significant consequences for people’s understanding of trust. It was inherent in people’s understanding of their entrenchment in social configurations that relations were ambivalent. Therefore, one could not always trust one another, and one could not even entirely trust oneself. This was a basic fact of life and any form of interaction and co-operation. Sometimes things go wrong: Injalo, that’s life, c’est la vie, zo gaat het nu eenmaal. Because people were aware of these risks in life, it was enough to maintain them, and they did not expect them to be eliminated. People can have multiple, conflicting feelings about one another and nevertheless co-operate. The participants entrusted large parts of their income to others without trusting them all the time, and without entirely trusting themselves.

5.5 Conclusion

Financial mutuals were ‘islands of trust’, but islands that were never reached completely. The threatening triad of violence, economic insecurity, and volatile relations urged people to organise into confined, dense, social networks that did not extend beyond a radius of a couple of dozen metres. At least these people could be controlled to some extent, and through gossip and rumour one knew a bit more about them.
The contradiction between a distrustful society in which trustful financial mutuals flourished is, to some extent, false. More than anything else, the threat of violence and confiscation show this. The same violence that undermined trust in South African society could, under certain conditions, contain risks in financial mutuals. Although financial mutuals certainly built up social capital, it was also the threat of violence that offered the control that was needed. Acts of violence, intimidation, and confiscation were legitimate yet problematic within the context of financial mutuals, but are difficult to reconcile with the maintenance of good governance and legitimate bureaucracies. Therefore, the political transformative capacities of financial mutuals in South Africa are small. It did not seem very likely that trust in financial mutuals could lead to trust in society at large or in political institutions.

The organisers of financial mutuals established strategies that contained risks by managing social relations. Only the ASCRA and some burial societies used a bank account to deposit part of the money, but even then only social relations with committee members were important (not the kind of bank or type of account). The case of Masifunde revealed the strategies that people used to manage relations with fellow members: the money at the bank was used as collateral against default; the combination of flexibility in rules and rigidity in its application also contained risk; by dividing the fund into many small parts and lending it to many members, mutual dependencies were emphasized while absconding with the money became less advantageous; they stayed away from political division in the township; no kin—except for a few daughters— or boyfriends and husbands were allowed because the hierarchies in these relationships were threatening to the members’ mutual obligations; the threats of violence and confiscation were severe repercussions in case of default.

These measures, however, could not completely eliminate risks. Financial mutuals were part of a violent, threatening, and distrustful society, although the members made attempts to separate themselves and their money by creating ‘islands of trust’. The threat of violence was even necessary to deal with default. Distrust and threats were endemic to society and part of the relations people built, also in financial mutuals. The dense social networks among the participants were needed to contain some of the risks, but also gave rise to complex interdependencies that in turn gave rise to ambivalence within these relations, similar to other social configurations, such as kinship.

An analysis of trust should take people’s understanding of social relations seriously and not only make an account of mechanistic cost/benefit analysis. The centrality of ambivalence in social configurations revealed that one could co-operate without trusting others completely and that one was willing to risk being harmed by others. People understood themselves and their interdependencies with others as a mixture of good and evil forces that were not always under control. Distrust was, therefore, an inevitable part of life; sometimes you cheat and sometimes someone cheats on you. And then you pick up the pieces, get on your feet, and continue living. Injalo; that’s the way it is.