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# Flexible Capitalism and Transactional Orders in Colonial and Postcolonial Mauritius

A Post-Occidental View

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In the early 1970s, a series of crises struck Western advanced capitalist societies. As the number of workers in industrial manufacturing declined, it seemed as if the whole world was changing. Sociologist Daniel Bell's *The Coming of Post-Industrial Society* (1973) provided a catch-phrase for such sentiments. In Europe, Alain Touraine's *The Post-Industrial Society: Tomorrow's Social History* (1971) gave voice to a similar mood. Not least in the social sciences, those years would cast a long shadow. To this day, the early 1970s have been regarded as a turning point towards post-Fordism, flexible accumulation and so forth (see Harvey 1990). Nash (1995), however, has long pointed to the spatial and, hence, analytical limitations to the notion of 'post-industrial society'. Neither Bell nor Touraine took into account that changes in Western core areas had to do with the relocation of industrial manufacturing to other regions. The bigger picture was, indeed, a 'global shift' (Dicken 2003). From an analytical perspective, notions such as 'post-industrial society' thus emerge from what may be seen as a particular and limited conception of change, which is recurrent as Kjaerulff points out (see Introduction, this volume), and which has profoundly shaped recent 'end of work debates' (e.g. Strangleman 2007). Gloomy declarations of the end of a 'golden age' of manufacturing and the coming of flexible capitalism forget that only a few decades earlier the same societies had lamented the social disruptions caused by the advent of industrial manufacturing (ibid.: 91). Analytical engagement with capitalism at the scale of the global, the regional or the factory therefore has to consider spatial and temporal

limitations of change. Caution is advised whenever the coming of a new era is declared, be this post-industrial, post-Fordist or flexible capitalism (cf. Baca 2005; Neveling 2006).

This chapter is an enquiry into anthropology's position regarding such processes. What can a discipline claiming understanding of a wide range of societies contribute to debates over the end of work, the flexibility of capitalism and its impact on social structures across the globe? To address this question, I focus on the long history of capitalist practice in Mauritius and how this history informed changes in the 1970s, when garment and electronics manufacturing was established in an export processing zone (EPZ) on a large scale. These developments were partly shaped by relocations from Western and Asian regions, as many companies expanded their business ventures and set up new production sites in Mauritius. This small Indian Ocean island nation-state was not alone in using EPZs as an export-oriented development strategy. India (see Neveling 2014; see also Cross, this volume), Malaysia (Ong 1987), Mexico (Fernández-Kelly 1983), South Korea (Kim 1997) and many other nation-states have done so since the 1970s or earlier. EPZs have become a market where nation-states bid for manufacturing relocation to their territories. Central features of this market are investment incentives, including tax and customs duty holidays, special labour laws, low-cost factory space, credit portfolios and so on. Such particular relations of exchange between capital, state and labour mean that EPZs are one focal point in global, flexible capitalism (cf. Neveling forthcoming).

My concern is thus with the coming rather than the departure of large-scale industrial manufacturing in the 1970s, because this is the flipside of developments captured in debates about the end of work and post-industrial society. But rather than establishing a synchronic juxtaposition of regions 'giving' away manufacturing jobs with regions 'receiving' those jobs, I do not take for granted that EPZs (sometimes also called special economic zones or free trade zones) are 'cornerstones of flexibility' that have 'made informality and precariousness an integral part of . . . many global commodity chains' (Cross 2012: 4). Analysing Mauritian developments requires diachronic enquiry as well, and I go back in time and juxtapose the advent of new industrial manufacturing in the 1970s with the development of the colonial sugar industry. The latter was established after 1810 and, as I will show, has dominated Mauritian socio-economic relations ever since, creating highly flexible and precarious labour relations embedded in a competitive global capitalist system.

The chapter, then, extends Garsten's observation (Garsten, this volume) that change is 'an everyday constant' (in the labour process at Apple Computer), to the long history of capitalism in Mauritius. This move requires a reconsideration of those conceptual tools that economic anthropology uses to understand the advent of industrial manufacturing in a particular location. That reconsideration provides the analytical bracket for the three sections below, and is grounded in the following reflections which are expanded on in the course of the chapter. The relocation of industrial manufacturing to non-Western regions has often been portrayed as the advent of commoditized exchange relations in places that had so far been dominated by gift exchange, barter and, on a different analytical level, by what Scott (1976) has identified as a 'moral economy of the peasant'. This juxtaposition essentializes both 'Western societies' and 'non-Western' societies. The notion of the latter as gift-driven and the former as capital-driven is core to 'Occidentalism' in anthropology (cf. Carrier 1992). As I will show, such Occidentalism is also latent in the distinction between long-term and short-term transactional orders (Bloch and Parry 1989), when long-term transactional orders become synonymous with pre-capitalist ways for securing 'the reproduction of the cosmic and social order', and short-term transactional orders are seen as synonymous with capitalism's 'individual competition' (ibid.: 24). In this view, individual competition contradicts the cosmic and social orders of many non-Western societies and therefore needs 'cosmic purification' – as in India, for example, 'where even wealth acquired through the most devious means by merchants, bandits and kings is unproblematic so long as a proportion of it is gifted to Brahmans as part of the long-term cycle' (ibid.: 25). This ignores the fact that most societies, if not all, have for long been integrated into global capitalism, and that a long-term transactional order may well offer the 'greatest potential for capital accumulation', particularly so if it is coupled with development efforts and monetary exchanges (Gregory 1980: 627).

I build on the latter insight to explore how religion and cosmic order may serve as ideological foundations for flexible, capitalist exploitation. To do so it is necessary to go beyond a traditional anthropological conception of a 'native's point of view' that assumes coherent social formations. Instead, my analysis of the historical trajectory of flexible capitalism concentrates on the conflicting views that a population, in a given space at a given time, holds about cosmic and socio-economic orders. The approach is mirrored in Zigon's work, which abandons normative distinctions of moral and immoral

by introducing the concept of moralities (Zigon 2007). This approach links situated, individual points of view on events and actions to wider social settings as contested rather than coherent. Such concerns have largely yet to be developed for economic anthropology where the moral/immoral nexus prevails, though Narotzky (this volume) has made important steps in this direction. Likewise, economic anthropologists have begun increasingly to consider the coexistence of gift and commodity exchange in a given capitalist social order (indeed this is a general thrust of this volume). To further this analytical move, we need to go beyond normative views on exchange as either moral/pre-capitalist or immoral/capitalist. Such normative views are implied not only in Bloch and Parry's distinction of transactional orders and in Scott's conception of a 'moral economy of the peasant' (see above), but also in one of anthropology's core texts on women's work in EPZ factories, where Ong (1987) argues that spirit possession among women workers is driven by the painful transition from a moral economy of the peasant to an economy of commodities (see below). Building on an analysis of spirit possession in Mauritius, I contradict this view and show how spirit possession is an excellent example of the way workers criticize the ideological foundation of capitalism in long-term transactional orders.

This chapter correlates the historical establishment of a long-term, capitalist transactional order in the colonial and postcolonial Mauritian sugar sector with gendered exploitation in postcolonial EPZ factories, and the way that women have contested this exploitation by commenting on the ideological linkages and continuities between capitalism and religion, rather than lamenting radical ruptures. In other words, I introduce the problem of inequality and class struggle. This allows to highlight the fundamental role that gifts and many other forms of supposedly non-capitalist exchange play in the expansion and maintenance of the capitalist system at all scales.

In order to develop these perspectives on solid empirical ground, the following section outlines how a capitalist, long-term transactional order was established as an integral part of global market adjustments affecting the Mauritian sugar industry throughout colonial times. The next sections analyse the establishment of the Mauritian EPZ in the 1970s, and how this rested on gendered exploitation and informed conceptions of short-term and long-term transactional orders. The final empirical section shows why spirit possession in Mauritian EPZ factories is best understood as a critique of the persistence of colonial capitalism's long-term cosmic-religious transactional order. In my concluding remarks I suggest how, in

Mauritius and elsewhere, flexible capitalism may be understood in terms of ambiguous practices of exchange which have been at work through centuries rather than being a sudden arrival, and how this is best framed in anthropological research.

### **The Flexibility of Capitalism in the Long-term Transactional Order: The Colonial Sugar Sector**

Mauritius was one of the few uninhabited places colonized by Europeans. Possibly because there was no settled population to exploit, early capitalist ventures failed. The Dutch East India Company abandoned the island around 1710; French colonial rule lasted from 1735 until 1810. As the island had gained strategic relevance because of its proximity to major international shipping routes, new British and old French rulers struck a deal after takeover in 1810. Trade and privateering were to end. In exchange, Mauritius was incorporated into the West Indian Sugar Protocol in 1825. This meant preferential access to the British Empire's markets, and turned the island into a mono-crop economy. As subjects of the Empire, French settlers had to accept the abolition of slavery in 1835, albeit with financial compensation. The latter was invested in new production technology, banking capital and, not least, in importing contract labourers to replace slaves and sustain a cheap labour supply (Teelock 1998; Neveling 2013: 126). The cycle of sugar cane cultivation and processing now determined external relations, population structure and class divisions. French-British joint ventures mushroomed in agriculture, banking and transport, and would soon include Indian Ocean business communities. Chambers of commerce and agriculture were set up, while successive British governors facilitated the exploitation of labour within and beyond the legal limits. An overall racist consensus dominated everyday life, but otherwise this life was anything but stable. For one thing, the political battle over free trade or protectionism in Britain meant that preferences and export quotas for Mauritian sugar changed several times throughout the nineteenth century and well into the twentieth century (Neveling 2013: 123–29).

One crucial change came with the First World War. The war years meant stable prices for sugar, and were followed by a brief surge in prices before the global recession of the 1920s and 1930s hit the industry. This crisis was resolved with the ratification of the International Sugar Agreement (ISA) in 1937, which effectively ratified an existing long-term transactional order of capitalist, reciprocal

exchange relations. The Empire's centre granted preferential quotas to the colonies for the import of sugar, and some of the customs duty collected by the United Kingdom authorities was handed back, trickling down the commodity chain of sugar to reach even small planters. Contradicting the common distinction between gift-based and commodity-based systems of exchange, the ISA thus facilitated the global movement of commodities by way of a reciprocal recognition of bilateral trading agreements. This, to some extent, ended a period of volatile macro-structural integration for Mauritius (ibid.: 129–36).

All the same, volatile macro-structural exchange relations continued to affect developments within Mauritian society, allowing significant room for Mauritians' manoeuvring. Investment in indentured labour, for example, created considerable turmoil. Being used to an abundant supply of cheap slave labour, Mauritian 'plantocrats' called for ever more indentured labourers, and ignored the fact that this new system of exploitation introduced factors beyond their control. One such factor was that indentured labourers sent remittances to their families. Around 1845, supplies of money fell short. Then the British banking crisis of the late 1840s hit the island and two out of three local banks went bust. Suddenly, there was no credit to fund the next harvest and, despite intervention from the colonial state, the structure of the sugar industry changed radically. Many plantations went bust, and landless white settlers filled the ranks of upper-management in those surviving enterprises that now modernized and built steam-driven mills. The shift from extensification to intensification is well captured in the number of sugar mills. This rose from 157 mills in 1823 (Teelock 1998: 96) to 303 in 1863, and then declined steadily to 43 just after the First World War (North Coombes 2000: 141).

While processing was increasingly centralized, cultivation moved in different directions. Large establishments took over fertile lands from bankrupt ventures, but other plots were parcelled out and sold off. Historians distinguish two periods of land sales, a *petit morcellement* from 1839 to 1859, and a *grand morcellement* following the crisis of the early 1870s. Mainly former indentured labourers bought plots of land, not least because this gave them rights of residence and protection from marauding hordes of the bourgeoisie hunting down everyone who had no residence permit. Thousands of land acquisitions meant a 'major restructuring of rural social and economic relations' (Allen 1999: 117). Postcolonial Mauritian nation-building ideology and academics alike interpret this restructuring as an emancipation and liberation of former slaves and indentured labourers.<sup>1</sup>

But the unfolding of events during the long crisis of the 1920s and 1930s suggests that the Mauritian *morcellement* was a process of outsourcing market risks which, effectively, is an example of ‘flexible capitalism’.

Indenture ended in 1923. Ideally, Mauritius would have seen rising numbers of free wage labourers. But developments on the ground set workers on a different trajectory. The highest number of land sales took place before and around 1920. Then, sugar prices were high and so were land prices. Once world market prices declined, many newly landed labourers fell short on their mortgage repayments and entered a debt spiral. Although classified as smallholders (*petits planteurs*), out of roughly 14,000 such businesses operating in 1930, more than 90 per cent held plots of land that could not sustain a household. The result was that ‘emancipated’ planter households sent men, women and children to earn additional income as seasonal labourers on larger plantations, and dependency on the established bourgeoisie persisted. Around 2 per cent of *morcellement* plots were rather large. These households became wealthy. They sent their children to school to fill the ranks of bureaucrats and politicians in the late colonial and postcolonial state (cf. Teelock 2001: 323–50).

The colonial state played a crucial role in maintaining this dependency of labour on capital. It supported large planters and millers with subsidies and tax holidays throughout the 1920s and 1930s. In 1937, the island’s first development bank provided a safe haven where larger businesses could move their debts (Neveling 2012: 161–91). Owners of small plots received no relief from hardship. Steady jobs with monthly incomes were scarce, and during the harvest season there was competition from an ever-growing semi-urban and urban population. Hiring was ‘by task work or by day or if they were cutting canes by tonne. Those who loaded canes on trucks were paid by week’ (Teelock 2001: 361). Such workers had next to no bargaining position, and wages fluctuated related to the prices sugar fetched on the world’s markets. Rising demand for the right to unionize from workers in transport and in the mills, and deadly protests by smallholders in 1937, coupled with efforts to keep the population on the British side during the Second World War, meant minor improvements in the 1940s. But rights to unionization were confined to permanently employed workers (cf. Allgoo 1985).

In short then, there is little empirical evidence for a ‘Fordist’ or Keynesian era with stable employment and a certain degree of prosperity in Mauritius during these times (cf. Neveling 2012: 302). Instead, the lives of most Mauritians continued to be integrated into