The Political Economy Machinery – Towards a Critical Anthropology of Development as a Contested Capitalist Practice

Author: Patrick Neveling (PhD)

Work address:
Department of Development Studies, SOAS University of London
Thornhaugh Street, Russell Square
London WC1H 0XG
United Kingdom
pn14@soas.ac.uk

Keywords: Development, World Bank, History, Capitalism, Practice

This article discusses anthropology’s current mainstream understandings of development and offers a historical materialist alternative. According to these, development was and is either a discourse-backed anti-politics machine that strengthens the power of postcolonial governments or a category of practice, a universal that generates frictions when it clashes with local historical-cultural formations. The approach proposed here reintegrates the analysis of development into the anthropological analysis of capitalism’s uneven and contested histories and practices. A reassessment of World Bank reporting on Lesotho and an analysis of the Bank’s impact on the wider policies of development in postcolonial Mauritius, one of the 20th century’s pre-eminent success stories of capitalist development, underlines that development is best understood as a political economy machinery that maintains and amends contested capitalist practices in an encounter with earlier global, national, and local historical-cultural formations.
Introduction – Development, History and Practice

When James Ferguson identified World Bank funded development programs in post-colonial Lesotho as an “anti-politics machine”, he established a new paradigm in the anthropology of development (Ferguson 1990). His work revealed that a false history of isolation from global trade stood at the cradle of the World Bank’s production of knowledge about Lesotho. This was backed by a powerful Foucauldian discourse, a regime of truth that portrayed development in general and international organizations in particular as objective and neutral – programs and projects were supposedly dealing with technical issues and concerned with bettering the livelihoods of the inhabitants of a given place. This way, development could appear as something outside of the realm of politics. Unveiling that discourse, Ferguson showed how World Bank development projects in Lesotho failed to achieve their “official” aim and instead consolidated the nation state’s grip on a given region (Ferguson 1990:251-275). In other words, World Bank and other international organizations’ development programs in Lesotho and beyond were, to Ferguson, an anti-politics machine that produced political facts.

As happens with all paradigms, anthropologists have since pointed out the anti-politics machine’s limitations. Gerhard Anders, for example, argued that World Bank structural adjustment programs and their insistence on good governance in 1990s Malawi (Anders 2005) did not strengthen but weakened the state. Tania Li’s anthropology of the Indonesian state’s domestic development programs puts emphasis on “the contingent and compromised space of cultural intimacy” as an important factor in any “attempt to constitute governable subjects” (Li 1999:295). This extends into a critique of the anti-politics machine paradigm’s discursive approach, which is said to commit anthropology to an eternal search for development’s hidden motives (Li 2007). In this spirit, anthropologists now emphasize that development as such and the programs and projects led by international and other institutions and organizations may well have good intentions. Development therefore should be researched from a supposedly more neutral angle, as a “category of practice”.

This, however, comes at the analytical cost of ignoring the unequal relations that development agendas thrive on. The new analyses of practice are supposed to reveal that, contrary to Ferguson’s paradigm, discourses are not all powerful but may, like any other structure of power, be manipulated and subverted (Mosse 2013). Development is now portrayed as one of several “engaged universals”, which travel across “differences” and are thereby “charged and changed” due to the ubiquitous
“frictions” that occur when universals hit the ground running. However, that new understanding is not particularly novel. Consider that a perspective, which claims that development agendas come into effect through processes that bereave them of their “promises of universality” (Tsing 2005:8) is very much in line with Ferguson’s anti-politics machine trope, where, likewise, the World Bank’s programs in Lesotho did not achieve the development agenda’s goal to improve local political economies but instead strengthened the national state’s grip on regions. What is more, the new anthropologies of development as a category of practice locate the process of friction in an interaction of development agendas “with historical-cultural formations of identity, rights, and development, which are then in turn ‘globalized’ through advocacy chains” (Mosse 2013:232).

Deliberately or not, there is an implicit reduction taking place here, which reintroduces hermeneutics of global (development as universalism) versus local (historical-cultural formations of identity, rights, and development) and, at the same time, confines the location of anthropological research to the scale of the local where universals become engaged. This replicates a general move in anthropology towards the Latourian paradigm of “keeping the social flat” by preempting global phenomena such as development of the very political economies that they emerge from and seek to alter or sustain (Murawski 2016; Kapferer 2005).

The “historical-cultural formations” that this article is interested in, instead, are crucial for an anthropology of development that engages with and discloses how powerful development agendas always come in (global) plurals. No matter whether we look at the nineteenth century, the twentieth century, or the current century, any given group of humans always have more than one promise of universalism to refer to – not least when development is at stake. The period since the end of the Second World War, for example, saw the rise and decline of a number of capitalist development projects – moving from import-substitution to export-oriented development, the rise and decline of socialist development projects and the non-aligned movement’s calls for a new international economic order (the contributions in James and Leake 2015: provide a good overview). All these global development agendas were about changing political economies and did put, for example, large-scale explicit industrial or infrastructural projects in place have sustained or reversed opportunities for accumulation and exploitation in a given region and/or nation. Such large-scale programs and projects have far-reaching impact on human sociality. Collaboration, compliance and resistance as much as profit and impoverishment loom large when tens of thousands are dispossessed of their land.
while dams and other infrastructure constructed on that land may change the habitat of entire nation-states (Nilsen 2010). Several decades of international and national development policies promoting industrialization have established tens of thousands of industrial estates and zones across the globe where hundreds of millions of workers are exploited each day while multinational corporations are incentivized to defy national social-contracts and avoid tax-payments (Neveling 2015a; Strümpell 2014). At the same time, international organizations themselves are hardly homogenous blocs but employees, research groups, national delegations, and other individuals and groups usually hold different opinions on policies and may go head-to-head over individual projects and programs (Shakya 2011).

What is thus much needed is a perspective that replaces Ferguson’s anti-politics machine with a focus on the political economy machinery that development was and is. Section two develops the historical anthropology component of the political economy machinery paradigm. Ferguson’s findings that the World Bank misrepresented developing national economies as “aboriginal” and “isolated” rest on critiquing a single document, a 1975 World Bank report on Lesotho’s economy. Section two reviews that document to show how Ferguson exaggerated certain World Bank statements and factored out the global context of the Cold War and decolonization. Once the global historical context is factored in, World Bank reporting no longer appears to fabricate historical isolation but to even reflect core demands of the non-aligned movement’s 1970s call for a new international economic order that should overcome unequal exchanges in the global economy. Building on these insights, I propose a critical anthropology of development that considers capitalism’s various spatial and temporal manifestations.

Section three applies this anthropology to a central but increasingly forgotten category of practicing development - reporting and survey mechanisms. The example of Mauritius, a small island in the Indian Ocean that was regarded as a hopeless case in the 1950s and became a best-practice example for successful capitalist development in the 1980s, brings to light how World Bank country reports and surveys were highly concerned with historical dependencies and the legacies of empire. Section four then shows that the most significant change in development policy, overcoming dependency on sugar as the single export-commodity with the opening of an export processing zone, was ushered in by historical-cultural formations from within Mauritius. This reveals how international and national actors and institutions, with roots sometimes stretching back over centuries, operated and
negotiated development policies and related lending instruments in a multi-polar global arena.

The concluding section highlights that postcolonial development involves competing historical-cultural formations and that many of these globalized long ago. This establishes a new understanding of development as a category of contested capitalist practice, as one manifestation of the political economy machinery of capitalism and, hence, a struggle over maintaining power relations between capital, the nation-state and workers while changing the historical location of postcolonial economies and industrial sectors within dynamic regional and global political economies.

II. Development and Historical Isolation in Global Perspective

As stated above, Ferguson’s book on Lesotho is one of the most widely cited anthropological analyses of development. It’s first, and in many ways, foundational critique was that a 1975 World Bank report (co-sponsored by the UN’s Food and Agriculture Organization) falsely portrayed Lesotho’s economy as isolated and subsistence-based and thereby defined the rationale for dozens of development projects. As the anti-politics machine paradigm gained traction, anthropology came to regard fabricated histories as a standard feature of development discourse and practice even though Ferguson’s critique had a single World Bank report as empirical sample. Only recently, critiques have pointed out that the anti-politics paradigm overcommits anthropology to a constant search for hidden motives (Li 2007). The following seeks to move beyond this impasse by re-reading Ferguson’s solitary empirical reference point and by adding an analytical perspective that considers the wider geopolitical setting of the 1970s, the competing global models for development of the time.

To Ferguson, the 1975 World Bank report misrepresented independent Lesotho as untouched by modern developments and as a “traditional subsistence” economy based on agriculture. Contrary to these World Bank findings, Lesotho was “a dormitory suburb of peasants who commute back and forth across the border” to work in South African mines (Wallman 1969:5, cited in Ferguson 1990: 34). Also, the South African mining sector consumed a good share of Lesotho’s agricultural production. The World Bank, however, was committed to ignore Lesotho’s enclave status and its integration into a regional market because its mandate for development assistance required a focus on national economies. Images of “aboriginality” and
“subsistence agricultural” further supported the requirement that the Bank regarded its member-states and clients as neutral, enlightened postcolonial nation-state guided by the principle of “governmentality” and aiming at a “great transformation” towards industrialization (Ferguson 1990:71-73).

A re-reading of the 1975 World Bank report reveals, however, that this was, from the preamble onward, very explicit about Lesotho’s historical conditions and regional integration. In regard to labor migration it stated, for example, that “[a]t present an estimated 60 percent of the male labor force is in South Africa” (World Bank 1975:xv). Further, the report devoted considerable attention to the history of migration, to wage differences between the two countries and to the social costs of labor migration, which had “disrupted family lives” in Lesotho. Somewhat culturalist undertones, such as the ahistorical statement that migration to the mines in South Africa had “penetrated into Lesotho culture” (World Bank 1975:xxv), were specified with reference to class as the World Bank reporters underlined that poorer families were much more likely than rich families to send out migrants. Overall, the report was very attentive to the fact that migration was of “critical economic importance” and insisted that the Lesotho government should “give as much assistance [...] as possible” to migrants affected by ever-stricter South African immigration laws (World Bank 1975:e.g. xvii, xx, 7, 21).

Ferguson not only misinterpreted the report’s take on migration. His diagnosis of fabricated histories of “aboriginality” and “traditional subsistence” agriculture in the report rested on declaring that the World Bank surveyors had ignored regional integration of Lesotho’s agriculture in the early 1800s and that they had identified a significant decline in agricultural production for the period from 1950 to 1970 based on flawed statistics.

First, regarding Ferguson’s comment on the use of statistics, it is important to note that this refers to secondary literature, which identified the 1949/50 colonial census of the Maize crop as an anomaly – an exceptionally good harvest or wrongly calculated (Ferguson 1990:50). Such evidence is insufficient to nullify the Bank’s overall concern with a declining agricultural output, however. If the 1949/50 census was flawed, the fact remains that absolute maize production in 1970 was only 50 percent of the 1960 output. Also, yield per acre in Lesotho declined for all crops (and not only for maize) from 1950 to 1970. Last but not least, the Bank report dated these issues back to the 1930s when the colonial government had first worried about soil erosion (World Bank 1975:38).
Second, and linked to the latter historical reference in the Bank’s report, to back his diagnosis of fabricated aboriginality Ferguson fielded historical data from a 1969 publication that reprinted statistics on 1837 grain reserves listed in a 1910 entry in The Oxford History of South Africa (Ferguson 1990:33). Considering the Bank’s attention to the history of migration and to soil erosion dating back to the 1930s, such evidence appears to be circumstantial at best. The issue of fabricated historical isolation in the Bank report that undergirds the anti-politics paradigm appears even more misconceived once we re-read the report with a focus on the global political setting and the global political economy of the 1960s and 1970s. For those were the years when the green revolution in agriculture introduced fertilizers and pesticides across the globe, when famines had ravaged across parts of the Soviet Union, the People’s Republic of China, Bangladesh and across Africa and when the world food crisis of the early 1970s had introduced the Western industrially advanced nations to the fragility of global commodity chains (Wemheuer 2014; Gerlach 2008). In some ways, these global crises already featured prominently in the anthropological literature of the time – think of Marshall Sahlins analysis of how US-Americans rejected on moral grounds to consume horse meat in times of shortages even though it was a central component of the canned food they fed their dogs (Sahlins 1976) – and it seems rather pertinent that the Bank would address issues in Lesotho’s agricultural sector and couple these with rapid population growth.

Beyond their individual profundity, Ferguson’s misrepresentations of the World Bank report point to methodological issues in the way the anti-politics machine paradigm addresses the historical integration of a given region into global processes. Put simply, the historical scope put forward to object to the World Bank’s invention of Lesotho’s economic isolation could be invoked to deconstruct any effort to change any nation’s positioning in the global economy – for any such nation’s territory will have had periods of full integration into regional trade at some point in its history. A critical anthropology of development should instead be open to consider political efforts to alter the unequal terms of global trade and not deconstruct such efforts per se. Otherwise, major global political projects are too easily excluded from the analysis.

This frame of analysis should be central to how anthropology analyzes development after 1945, as then development became a global political project. When President Harry Truman inaugurated the US’ aid programs for the Third World in famous 1949-speech, this policy shift reflected the competition between a capitalist and a socialist bloc of nations over alliances with and control over the rapidly growing number of
postcolonial nations (Edelman and Haugerud 2005:41). In response to this bi-polar world order, those nations developed their own project for development in the non-aligned movement (NAM), which culminated in the campaign for a new international economic order (NIEO) in the 1960s and 1970s. One core demand was to alter the terms of global trade, which allowed former colonial powers to buy raw materials from their former colonies cheaply, manufacture them into finished goods and sell those back at a high profit margin (Murphy 1984). The NIEO list of demands further included financial support for setting up manufacturing industries, sovereignty over natural resources, and the obligation for multi-national corporations to comply with national laws and labor standards. United Nations’ agencies such as the United Nations Conference on Trade and Development and the United Nations Industrial Development Organization (UNIDO) were founded due to political pressure from the NAM (Neveling 2017), leading neoliberal think tanks attacked the NIEO initiative (Bair 2009) and, somewhat ironically, aggravated exploitation in export processing zones spread the support of UNIDO (Neveling 2015a). The World Bank was not in favor of the NIEO initiative, but it was impossible for the Bank to ignore it in the 1960s and 1970s (Sharma 2015).

As the publication of the World Bank report on Lesotho in 1975 came at the peak of the NIEO initiative’s global influence, the Bank surveyors’ attention to the plight of migrant laborers and their families, to the issue of soil erosion and to the need for manufacturing industries should be analyzed considering the global political disjunctures sketched above. Given that Ferguson labeled the anti-politics machine paradigm as discourse analysis in Michel Foucault’s tradition and given that to Foucault historical research was central for uncovering the emergence of discursive regimes (Foucault 2008), it seems rather surprising how Ferguson fronts Lesotho’s grain reserves and exports in 1837 but shows no interest in Lesotho’s positioning within the histories of competing development discourses and practices (Ziai 2015).

In other words, Ferguson’s claim that if a given region was integrated into a larger regional economy in 1837 it could not be viewed as isolated in 1975, may be considered as a fabrication of history as well for it seeks to refute (alleged) ahistorical claims to isolation and aboriginality with an ahistorical declaration of integration and connectivity.

Instead, a critical anthropology of development needs to link discourse and practice in history and make use of the methods and analytical concepts at hand to enquire about the changing incorporation of a given postcolonial nation into a larger system. One proposal along these lines is to consider that capitalism’s drive to maintain rates
of profit means that all related economic activities either face the problem of exhausted resources (e.g. soil erosion) or the problem of growing organizational power of the exploited in a given region (Silver 2003). Partly in response to these historical limits of accumulation and coupled with a drive towards expansion that establishes competing sites of production for the same commodities in different regions and thereby encourages relocation, capitalism on a global scale means regional oscillation of development and underdevelopment – a “geographical seesaw” that over the past several hundred years has moved regions from the periphery to the semi-periphery or to the center of capitalist accumulation and in the opposite direction (Smith 2010). With these principles in mind and with awareness that the anti-politics machine paradigm ignores the wider, historical political economic setting in which development as a political project unfolds in each time and in each space, the following proposes by example a critical anthropology of development that focuses on the global and historical intricacies of World Bank reporting and development policies.

III. From Anti-Politics Machine to Political Economy Machinery

A first step for such a critical anthropology of development is to consider the institutional and contractual framework between the World Bank and its member states and to couple this consideration with the historical conditions under which survey missions are commissioned, reports produced, loans recommended and approved and development projects and technical assistance initiated and executed. Mauritius shall serve as case study here. While Mauritius and Lesotho differ in considerable ways they also share important similarities. Lesotho is landlocked as an enclave within South African territory whereas Mauritius is, say, sea-locked in the Indian Ocean with hundreds of kilometers distance to the likewise small-island economies of Reunion and Madagascar. Both nations were British colonies and gained independence in 1966 (Lesotho) and 1968 (Mauritius), respectively. Further, both nations had similar demographics at independence (below 1 million), had an established, yet mostly unemployed industrial workforce at the time and embarked on development policies aiming for economic diversification from export agriculture into export-oriented manufacturing (Murray 1980; Neveling 2012). Other than in Lesotho, World Bank documentation on Mauritius began in the colonial period already. First came a report entitled “The Economy of Mauritius”, published on September 10, 1963 (World Bank 1963a). This difference of twelve years between
the Bank’s first report on Mauritius and its first report on Lesotho is explained by institutional logic and conditions of contract. The Bank needed an “invitation” to survey a national or colonial territory. Such an invitation was commonly the first request for a project loan from a given political unit with member status in the Bretton Woods institutions.¹ In the case of Mauritius this had happened in December 1961, when the British colonial government applied for a loan of 7 million USD for the construction of a power plant and energy supply lines for the region around the Mauritian capital Port Louis (World Bank 1963b:i, 1963c:1; Neveling 2012:281). Importantly, Bank procedures for assessing the Mauritian loan request in the 1960s followed the same institutional procedures and economic logics as those of the 1970s and 1980s (e.g. World Bank 1973a, 1973b, 1982a, 1987).

Applications for individual loans, such as that for the power plant and supply lines, were assessed on a case-by-case basis. Staff Appraisal Reports were based on field missions. These commonly included visits to project sites, interviews with stakeholders such as government ministries, development agencies, and local corporations. A positive Staff Appraisal Report was the basis for a written recommendation of the Bank’s President to a committee deciding on loan approval. If approved, a contract between the parties was signed and filed. After project completion, a final report was published.²

Besides such continuities in institutional and contractual procedures of World Bank lending and auditing there are important variations that stem from the wider, changing geopolitical setting and from a given member nation’s positioning within that setting at a given time. It is these variations and their roots in contested practices

¹ The fact that only project-related loans were granted was the result of tense negotiations in Bretton Woods itself in 1944. Lending policies differed, of course, between the individual institutions comprising the World Bank as well as from one President to another. Other impact factors were credit needs of members and these were framed, for example, by the various regional debt crises beginning in the late 1970s or by the fact that the oil price shock of 1973 and rising global commodity prices flushed global markets with cheap credit from private lenders (Rischbieter 2015; Sharma 2015; Kapur et al. 1997).

² Commonly, such final reports appear many years after actual project completion. The World Bank Archives maintain an online repository of country reports and official project related documents (the said Staff Appraisal Reports, the President’s recommendations, the loan agreements, and the Project Completion Reports). Judging from several years of research in the Bank’s Archives this is comprehensive for any date more than twenty years past. The repository can be accessed here: http://documents.worldbank.org/curated/en/home (last accessed March 23, 2016).
of capitalism that provide insights into the manifestations of development’s political economy machinery.


Reporting continued throughout the 1980s, but by then the tone had been set for how the World Bank depicted Mauritian historical integration into the global system. When Mauritius received Structural Adjustment Loans (SAL) in 1981 and again in 1987 (World Bank (Legal ISC Files) 1981, 1987), reporting changed substantially and now had shorter intervals and was produced by “joint Economic/SAL mission[s, P.N.]” of eleven or more members working according to criteria set out in the SAL agreements between Mauritius and the Bank (World Bank 1982b:Preface). Before the World Bank ran the nation under the SAL terms from 1981 onward, it had been one of
several powerful actors within a rapidly changing Mauritian political economy. This status of an actor amongst equals is reflected in how the Bank’s survey missions reported and only gradually intervened in development policies.

A comparison of World Bank reporting on Mauritius and on Lesotho serves to illustrate the Bank’s uneven leverage across postcolonial national economies. Whereas the 1975 Lesotho report relied on a range of sources - colonial survey mission reports, the colonial and postcolonial states’ statistical data, and independent Lesotho’s first five-year plan - one reference dominated the 1963 “The Economy of Mauritius” World Bank report. This was a 1961 publication of the findings of a British colonial survey mission headed by James Edward Meade, a leading Keynesian economist of the day. They had been tasked to review the entire scope of Mauritian economic activity and to propose pathways for improving economic output so that a social welfare system could be put in place and funded by local tax revenues (Meade 1961). Meade’s key indicators for successful development were firmly rooted in a detailed analysis of Mauritius’ historical integration into global trade. The 1963 Bank report echoed that the island needed preferential international trading agreements for cane sugar exports and access to global markets.

Thus, historical fabrications of the “aboriginality” kind that Ferguson had diagnosed for Lesotho certainly never played a role in the World Bank’s reporting on Mauritius. If anything, ignoring the island’s plantation history and its overreliance on sugar cane as the only export commodity would have discredited the Bank. The Meade report had academic and political weight internationally and was backed by the British Colonial Office. Also the British public had been alerted to Mauritius’ struggles for economic diversification when former governor Sir Hillary Blood demanded a “New Deal for Mauritius” in the London Times in 1959 (New Deal for Mauritius 04/07/1959) and this put World Bank activities during the 1960s into the public spotlight. As the World Bank report seconded Meade’s demand for new manufacturing industries to substitute otherwise expensive imports it emphasized Mauritius’ over-reliance on the sugar industry, “which provides 95% of exports and nearly one-third of gross-domestic product” and had stalled since the 1950s, creating a static GDP and significant reduction of per capita income at a time of rapid population growth (e.g. World Bank 1963a:6-15).

At the time of Mauritian independence, in 1968, the import-substitution policies that Meade had recommended in 1960 had been discredited in international development policy circles (Jenkins 1991) and the Bank’s surveyors now put forward the “unavoidable question, whether the classical arsenal of protective and incentive
measures is sufficient”. As an alternative, they suggested to extend tax breaks and import-duty waivers for import-substituting industries to export industries. Export-promotion policies in Hong Kong and Singapore were listed as best-practice examples (World Bank 1968:9). This substantial shift in development policy was executed in 1970 when Mauritius opened an export processing zone (EPZ), which offered the same investment incentives as zones in Hong Kong and around a dozen other postcolonial settings. The EPZ would make Mauritius’ postcolonial economy famous. Foreign investment went through the roof in the 1980s and when EPZ employment peaked at around 100,000 in 1990 the island’s official statistics proclaimed full employment had been achieved. World Bank reports now had titles such as “Mauritius: Managing Success” (World Bank 1990 [1989]) and “Mauritius: Expanding Horizons” (World Bank 1992). In these high-gloss reports with wide public circulation, Mauritius was advertised as an example that capitalist, export-oriented development in EPZs could work.

The following zooms out from the World Bank’s reporting and survey practices and considers which actors and institutions were behind Mauritius’ development policy shift towards export-oriented industrialization in an EPZ. This also engages the new anthropology paradigm of development as a category of practice, in which “global” universalisms encounter “local” historical-cultural formations. In an extension and clarification of what the categories of such practice are, a historical realist perspective (Smith 2014) is put forward that emphasizes the relevance of historically situated power politics in the engagements between Mauritius, the World Bank and the global political economy’s various global development universals of the 1960s and after.

IV. Historical Cultural Formations in the Political Economy Machinery of Development

In general, and as a development policy prerogative, EPZs (nowadays often relabeled as special economic zones, SEZs) were part and parcel of the US Truman administration’s campaign for promoting capitalist development (instead of a turn to socialism) throughout the Third World in the late 1940s (Neveling 2015a). Besides the above-mentioned tax breaks and customs duty waivers for foreign and domestic investors in export-oriented manufacturing industries, such zones’ tenders for manufacturing relocations featured low cost leases of land cultivated for industry and of turnkey factories in government-owned industrial estates. Their emergence in the late 1940s makes EPZs the earliest large-scale neoliberal policy in world history. In 1970, the Mauritian EPZ was the first in Africa and came at a time when the zones
became a coherent global policy model promoted by a range of international organizations (Neveling 2015b).

Given the World Bank’s reputation as a pioneering institution in neoliberal development, it is important to note that its surveyors were skeptical about making the EPZ a centerpiece of Mauritian export-oriented development policy. They worried about the zone’s economic feasibility because “… for a wide range of possible export products the cost of production in Mauritius would be much higher than the prices of overseas competitors” (World Bank 1968:9). This indicates that it was not the World Bank imposing a policy change on a postcolonial Mauritian government with limited capacities for negotiation as anthropologists often assume (Anders 2008), but that other actors and institutions from within and from outside Mauritius promoted the EPZ policies.

The national parliament was already debating extensions of tax and customs incentives to export-industries in 1968 and many politicians came out in favor of these changes (Neveling 2014). Pressed by a local businessman, the British colonial government had informally extended preferences for import-substitution industries to an export-oriented jewelry and watch-making factory as early as 1965. Also, Eduard Lim Fat, a Mauritian economist, had conducted a government-funded survey missions to Hong Kong, Kaohsiung/Taiwan, Puerto Rico, Shannon/Ireland, and other locations with EPZs (Neveling 2014; Burn 1996). Where the World Bank surveyors considered Mauritius’ relative isolation from the major global trading routes, Lim Fat emphasized how its remote geopolitical location made Mauritius more secure for capital in a time when the Cold War was escalating across Asia and Latin America and the ghost of revolution haunted many multi-national corporations with interests in the Third World. Further, he put the spotlight on Mauritius’ low wage levels, a factor of production with which the local bourgeoisie was all too familiar and had enjoyed for the past decades already. The inaugural publication of Lim Fat’s findings in the monthly outlet of the Mauritian sugar industry, PROsi magazine, and in the leading Mauritian agricultural science journal, Revue Agricole, show that sugar corporations were a target audience and that they were developing an appetite for diversifying their activities and actively backing, or possibly influencing, government policies (Lim Fat November 1969, 1969).

This difference between local initiative and World Bank skepticism does not mean the Bank was outright opposed to establishing an EPZ and only came around because it was overwhelmed by the Mauritians’ Schumpeterian entrepreneurial genius, as some researchers have argued (Bräutigam and Diolle 2009). Instead, the turn to an export-
oriented development strategy in the EPZ and the Bank embracing that strategy was the product of several historical-cultural formations interacting and thereby shifting postcolonial Mauritian development policy from an emphasis on import-substitution industries to export-oriented industries. The following is an enquiry into the contested emergence of development policy changes over several decades.

An early example of a historical-cultural formation intervening in development policies is the 1930s push by members of the Mauritian sugar plantocracy for a colonial state-subsidized textile industry. This aloe-fiber industry involved planting sisal and processing it into ropes for ships and later into bags for packaging sugar (as documented in Chazal 1936). Competition from larger factories in India and Eastern Africa meant that profits did not materialize. So the entrepreneurs dumped the ailing import substitution industry on the colonial government’s portfolio and operations continued at considerable loss until the early 1970s, mainly to secure employment for hundreds of workers and to maintain a second sector besides sugar (Neveling 2012:207-224).

The Mauritian sugar industry itself was a historical-cultural formation of longer duration. Sugar had been a competitive export-oriented sector since its mid-eighteenth century emergence. Development, viewed here in a generic sense and not as defining a world-historical era beginning at the end of the Second World War (Edelman and Haugerud 2005), had come in many forms. French physiocrats had built a model mill on the island to encourage modernized processing in the 1700s. After invading the island in 1810, the incoming British colonial administration had supported the industry and funded scientific research into cane-breeding technologies since the mid-1800s. Most importantly for the industry, a series of local colonial administrations had, in alliance with the Mauritian Chambers of Commerce and Agriculture, lobbied in London for sustaining the industry’s inhumane labor relations – substituting slaves with indentured laborers in the 1830s – and had managed to secure preferential access to London markets throughout the industry’s history. Thus, when the opening of an EPZ was on the cards in the late 1960s, the business dynasties in the sugar sector had two centuries experience with global markets, international competition and labor exploitation. The major global crises of the 1870s and 1930s had brought bankruptcies of plantations and mills, mergers, and hostile take-overs and the surviving corporations were large conglomerates with ties of friendship, kinship, and joint shareholdership to major African multi-nationals of the day (Neveling 2012, 2013; Salverda 2015).
In the 1960s, Mauritius was thus an island with a long history of capitalist development, ranging from rather general economic strategies and efforts of the 1800s to conscious planning and funding of new industrial activities since the 1930s. Many local institutions had emerged in the process and had been actively involved in this. Such institutions had regional and sometimes global networks, some of which stretched back over centuries. On top of this, 1950s and 1960s Mauritius was bustling with private clubs, secret societies and racketeers, from Rotarians to Freemasons, while many Mauritians from the higher ranks of the state bureaucracy and from the economic elite had attended universities in the UK, France, and the US. Autobiographies and memoirs from former government ministers and expatriates involved in Mauritian politics describe the networking and information exchange between political parties, entrepreneurs, religious authorities, academics, and others in these spaces during the 1950s and 1960s (Cuttaree 2011; Boolell 1996; Moutou 2001; Raman 2001).

Such crosscutting ties between colonial capital and the postcolonial political leadership and the economic ambitions, knowledge and leverage commanded by these circles gives an important twist to the analysis of Mauritian late-colonial and postcolonial development. If postcolonial development policies were closely linked with historical accumulation and exploitation, Mauritian workers and anti-capitalist movements had histories and networks, too, but these could command much less power and influence. The following therefore considers how the Mauritian EPZ came about and how the World Bank engaged with it within this web of nested, multi-linear genealogies of capitalist historical-cultural formations.

Once attention turns to the many earlier global ventures and industries in Mauritius and links these with the competing global development agendas of the Cold War, the World Bank’s entry into Mauritian development policies appears in different light. There is neither an external institution imposing its agenda on a small-island postcolonial nation nor is there a single agenda on the global or on the national level. The challenge for a critical anthropology of development is to elaborate an encounter of several global development agendas — some of which had colonial legacies while others had early neoliberal legacies. The question then is further what difference lesser or stronger historical depth meant for the higher impact in the 1960s.

That question of impact is important not least because it adds to our understanding why the Mauritian alliance of a landed colonial bourgeoisie in the sugar sector and an emerging political ruling class could take the initiative for changing national development policies and take the World Bank along. The first postcolonial Mauritian
government turned to the United Nations Industrial Development Organization (UNIDO), an agency that had emerged from the NAM initiative in 1966 and was keen to establish itself as a major player in the global development circuits of the 1970s and 1980s. In 1969, UNIDO’s published the recommendations of a technical assistance mission that had assessed the feasibility of establishing an EPZ in Mauritius. This was a win-win situation as it helped complete the Mauritian EPZ planning phase while it helped UNIDO advertise its services to other postcolonial nations now that one mission had been commissioned and succeeded when the EPZ was opened in 1970 (Neveling 2015b, 2017).

The involvement of UNIDO in EPZ planning underlines that the World Bank was only one of several development agencies to which postcolonial nations could turn with requests for technical assistance in the late 1960s. The Mauritian government had the option to go “forum-shopping” among an array of institutions supporting development. At the same time, such institutions were eager to spread their developmental agendas and so they set up “shopping-forums” (von Benda-Beckmann 1981; Lund 2006) in search of potential clients.³

What set the World Bank apart from other development organizations was the fact that its policy primacy on projects, which it shared with UNIDO for example, came with the considerable lending capacities of one of its units, the International Bank for Reconstruction and Development. That lender status was most evident in the Bank’s procedures for assessing projects and for backing these assessments with the kind of regular surveys of national political economies that have been analyzed in section

³ The fact that UNIDO became active in planning the Mauritian EPZ opens another angle for a critical anthropology of development, which is that international institutions themselves did not produce consistent and coherent policy projects (for an insightful recent study on internal differences in the World Bank see Shakya 2011). As stated above, UNIDO was a United Nations agency emerging from the non-aligned movement and is generally considered to have supported that movement’s initiative for a new international economic order, an order in which postcolonial nation-states would have enjoyed stronger sovereign rights and the operations of multi-national corporations would have been restricted. Instead, as I have shown elsewhere in detail, one section within UNIDO followed a very different agenda, one in which multi-national corporations saw their autonomy strengthened as postcolonial nations set up EPZs in order to attract foreign direct investment and earn hard currencies (such as US Dollar, British Pounds or German Marks) via light-industrial assembling and the export of finished commodities to Western markets (Neveling 2017; other recent academic works highlight similar variations in global policies of the socialist bloc, where several nations were active agents of the capitalist world economy Sanchez-Sibony 2014; Lal 2015).
three of this article. Rather than searching for particular turning points in these procedures, think 1970s anti-politics bureaucratic rationality or 1990s neoliberal-governmentality (Anders 2005), it is advisable to consider them as rather trivial.

With the World Bank a global development lender emerged in the 1950s, whose operatives to large extent were preoccupied with standard auditing procedures as would happen before any lending operation was completed even on the level of a household buying new property. What made these operations so powerful was that they were inserted into an inter-state system shaken up by anti-colonial movements in the aftermath of the Second World War. The offer of credit lines for development policies and their backing by a number of advanced capitalist nation-states provided a lifeline to political and economic ruling classes in many postcolonial nations (Landsberg 1979). While these classes had the know-how and networks to plan development policies and survey missions, World Bank credit lines allowed them to keep the financial risk for new projects out of their own corporate budgets and instead bill the new postcolonial national economies and budgets for industrial development projects that barely created basic standards of living.

Seen from this angle, World Bank development programs have always been about politics and national and regional political economies. This does not mean, of course, that the Bank did not use its project lending to intervene in a given nation’s way of regulating, measuring and organizing its political economy. Instead, in Mauritius this happened not as a hidden transcript but in explicit and well-documented ways and had considerable impact on the balance of power between capital and the state. The above mentioned 1971 report on the “Current Economic Position of Mauritius” mentions a significant World Bank intervention in government planning:

“Since May 1970, the World Bank has seconded to the Government a director for the Economic Planning Unit. A number of experts, some of them expatriates, have recently joined the unit. It is expected that a five year plan, at least in a draft form, will be available in mid 1971.” (World Bank 1971:33)

This highlights that the World Bank was, from early on, capable of inserting its own personal into key-positions within the Mauritian bureaucracy. The Bank’s three-volume compendium of the Mauritian government’s 1972 five-year-plan discussed in section three was, considering the above quote, not only an evaluation of an independently designed document but an evaluation as to whether the collaboration between the Bank’s seconded personnel and the Mauritian civil servants had been
successful. Similarly, major changes in the Mauritian government’s calculus of development funding, such as a shift from a general emphasis on creating employment towards an emphasis on “productive employment” that “increases output and therefore total income” in the 1972 five-year-plan (World Bank 1972c:i), may well be attributed to the entry of Bank personnel into Mauritian government rank and file.

While details on the negotiations and debates preceding such shifts would require long-term research in the World Bank archives, the impact of the Bank’s financing of Mauritian government EPZ operations is easier to assess. One major expense was the construction of industrial estates and the cultivation of land for industry. For this, the Mauritian government requested a series of loans from the World Bank in the 1970s and 1980s. Although the government acted as debtor and guarantor the World Bank made it a condition that the loans were released to and expenditures controlled by the Development Bank of Mauritius (DBM).

This reveals another set of historical-cultural formations in the financial sector and how these became entangled in the era of the Cold War and post-colonial development. The DBM had been established on January 1st, 1964 in a merger of the Mauritius Agricultural Bank (MAB) and the Mauritius Housing Corporation (MHC).

The MAB had been founded by the British colonial government in 1937 to bail out larger sugar estates and mills during the crisis of the 1930s and had since been a central instrument for economic policy initiatives of the colonial state. The MHC was the product of the 1950s British colonial development initiative that also included the Meade report and had been tasked with the construction of large-scale working class housing estates. The DBM’s annual reports of the 1960s showcased housing construction and investment in new machineries for the sugar industry. Yet, more emphasis was given to funding for import-substitution industries such as a factory for toothpaste, intended as “the first step in an effort to produce a wide range of cosmetics [sic] locally”. The DBM also invested in the first air-conditioned beach hotel and thus, in some way, pioneered what today is Mauritius’ major economic sector, tourism. Even the “modern factory for processing of precision jewels used in watch movements” that would serve as a best-practice example for the turn towards export-oriented development from 1965 onwards was part sponsored by the DBM and advertised as requiring “a combination of fine machinery and skilled Mauritians” (Development Bank of Mauritius 1967:no pagination for pictures and subtitles).

The World Bank first evaluated the DBM and then required the postcolonial Mauritian government to put the DBM in charge of overseeing the disbursement of all credit lines attached to export-promotion policies in the EPZ. For the evaluation, the Bank
hired Dr. Phiroze B. Medhora of the Industrial Credit and Investment Corporation of India, who had already “visited Mauritius in 1962 to advise on the setting up of this Bank” (Development Bank of Mauritius 1971:3). Thus, the World Bank channeled its money via a British colonial structure and commissioned British colonial personnel at the very moment when its lending capacities made it the most powerful actors in development planning. As the Mauritian government borrowed more and more millions of US-dollars for EPZ-infrastructure and investment incentives throughout the 1970s, the World Bank helped another Mauritian historical-cultural formation gain oversight over loan money that the postcolonial government guaranteed.

One condition for releasing the loans was that the DBM enjoyed “greater independence from the Government”. A survey mission suggested that World Bank credits should only be granted to Mauritius if the DBM became an “eligible” recipient and requested that the Mauritian government provided the DBM with share capital, that the Board of Directors was enlarged so that private sector members had a majority vote of seven over five government appointed members, and that a new General Manager, an individual of the World Bank’s choosing who had been director of the Madras Industrial Investment Corporation Ltd., was appointed (World Bank 1972a:5).

In sum this meant that once the World Bank embraced Mauritian EPZ policies, the facilitation of credit lines enabled its staff to push through a part-privatization of the DBM. That “new” organization then became the caretaker for the most expensive and most significant development program of the young postcolonial Mauritian state. The DBM thus amalgamated a range of historical-cultural formations, the late colonial development bank, capitalists from the Mauritian private sector, and Indian development experts of the World Bank’s choosing to form a new formation.

Soon, the developed its own interpretation of how World Bank development policies and Mauritian government development policies related. The first DBM annual report under the auspices of the new general manager met the criteria of an anti-politics style fabrication of historical isolation as it slid over the Mauritian private sector’s role in the making of the EPZ and instead evoked that Mauritian “development of export oriented industries is very much in line with the ideas expressed by Mr. Mac Namara, President of the World Bank at the annual meeting of the World Bank and the International Monetary Fund.” (Development Bank of Mauritius 1972:5).

If anything, this fabrication gilded the historical process whereby historical-cultural formations from within Mauritius had pushed for the creation and funding of an EPZ. Instead, the DBM now created an image of Mauritius as model student of World Bank
policy recommendations. On its part, the World Bank ensured that the DBM would become the star and the key of export-oriented development policies, and did so with a considerable level of autonomy. Within only two years of auditing DBM-operations, the World Bank had altered the shareholder structure and institutional layout significantly. An enlarged board of twelve directors now gave the instigators of the EPZ, the Mauritian private sector, a majority of seven over five government representatives (World Bank 1974a:7-8).

At the end of that short maneuver, the World Bank and the Mauritian private sector controlled millions of US-dollars of public debt and disbursed that debt to build infrastructure and grant investment incentives to an increasing number of joint ventures between Mauritian and foreign corporation operating in the EPZ. Mauritian EPZ workers instead lived through years of highly exploitative and abusive labor relations while the governments they elected kept applying for more World Bank loans to build more industrial zones and grant more incentives to EPZ investors.

At the end of the 1970s, the Mauritian state was approaching bankruptcy, not least because World Bank loans channeled towards the DBM could no longer be repaid. Structural adjustment loans again altered the *modus operandi* of the political economy machinery and demoted the DBM to a caretaker role for small and medium enterprises in 1988. New institutions such as the Mauritius Export Processing Zones Development Authority took charge of EPZ investment and policies and the Mauritius Housing Corporation was outsourced and its services privatized and transferred to the New Housing Development Corporation. In the 2000s, an institution called Enterprise Mauritius took over EPZ-operations and the wheels of the political economy machinery that is development will certainly keep rolling on in Mauritius (Neveling 2012).

IV. Development’s political-economy machinery

This article has proposed and tested a historical-materialist approach to the anthropology of development as an alternative to prevailing approaches in the discipline. One such approach, commonly associated with Ferguson’s seminal anti-politics machine, considers development as a discourse-driven power politics sustaining Western supremacy over postcolonial nations. The need for development is established via a fabrication of histories of economic isolation and by promulgating de-politicized understandings of the (postcolonial) nation-state. However, a reassessment of World Bank reporting on Lesotho reveals that Ferguson
exaggerated the scale of historical fabrication and at the same time ignored the geopolitical setting of the Cold War and the existence of competing models of development in the 1970s, especially so the non-aligned movement's vision for a new international economic order. Once anthropology establishes a paradigm that researches the competing development agendas in world historical periods, development no longer can be framed as an anti-politics machine but as political economy machinery. That machinery is put in motion by the frictions and gravitations created when local, national and global historical-cultural formations engage in practices that seek to alter the positioning of a given political economy within a dynamic global system.

Such an understanding does not imply that development is a generic historical category. Instead, it nurtures an advanced and critical anthropological understanding of historical particularities. This highlights that there is something very particular to the period since the Second World War. With the onset of the Cold War, development was no longer only a category of practice but also a discursive category. As the examples discussed in this article show, development after 1949 turns into a dynamic set of contested practices aimed at changing the global political economy. These practices were further refined and sometimes amalgamated as they engaged historical-cultural formations that were the product of world making projects and promises of universalism of earlier eras and other spaces. The genealogies of these formations date back to colonial and imperial policies and economies. They embody the experience of earlier global crises or may be the product thereof. Seen in this light, development as a category of practice maintains or amends long-existing practices of capitalist accumulation and is central to how global, national and local political economies change. One manifestation of this political economy machinery is the globalization of industrial manufacturing in export processing zones.

This does not preclude that the political economy machinery of development always generates something that works in favor of capitalism and prevents outright conflict. What is important is that an analysis of the encounter between the synchronic and diachronic dimensions of competing capitalist practices engaging in the political economic machinery that is development turns our attention to the fact that some of the most powerful, most world-making historical-cultural formations involved in development are majorly concerned with capitalist exploitation. Development thus emerges as one manifestation of capitalism’s political economy machinery that is indeed best studied as a category of contested practice.
References


Chazal, Malcolm E. de. 1936. Une etude des différents aspects de notre industrie textile. Port Louis.


Neveling, Patrick. 2014. Three shades of embeddedness, state capitalism as the informal economy, emic notions of the anti-market, and counterfeit garments in the Mauritian export processing zone Research in Economic Anthropology 34:65-94.


