

## *Money, Value, and the State*

Decolonization in East Africa was more than a political event: it was a step toward economic self-determination. In this innovative book, historian and anthropologist Kevin P. Donovan analyzes the contradictions of economic sovereignty and citizenship in Tanzania, Kenya, and Uganda, placing money, credit, and smuggling at the center of the region's shifting fortunes. Using detailed archival and ethnographic research undertaken across the region, Donovan reframes twentieth-century statecraft and argues that self-determination was, at most, partially fulfilled, with state monetary infrastructures doing as much to produce divisions and inequality as they did to produce nations. A range of dissident practices, including smuggling and counterfeiting, arose as people produced value on their own terms. Weaving together discussions of currency controls, bank nationalizations, and coffee smuggling with wider conceptual interventions, *Money, Value, and the State* traces the struggles among bankers, bureaucrats, farmers, and smugglers that shaped East Africa's postcolonial political economy.

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# Money, Value, and the State

Sovereignty and Citizenship in East Africa

KEVIN P. DONOVAN  
*University of Edinburgh*

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*To my family, with much love and appreciation.*

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## *A Note on the Text*

Between the 1920s and 1965/66, the currency in Kenya, Uganda, Tanganyika, and Zanzibar was the East African shilling. A shilling was divided into 100 cents. Twenty East African shillings were equivalent to one pound.

Until 1971, the British pound was divided into 20 shillings (abbreviated by the letters “Shs.”). Each shilling was composed of 12 pence (abbreviated by the letter “d.”). As a result, £1 was equivalent to Shs. 20 or 240d. In 1971, the British shilling was eliminated, and the pound decimalized so that each £1 was worth 100 pence (abbreviated by the letter “p”).

Beginning in 1965/66, the countries of Kenya, Uganda, and Tanzania issued their own currencies. Each currency was called the shilling and was worth twenty pounds. The respective national shillings were abbreviated as KSh., USh., and TSh., though in non-comparative contexts, one national currency might simply be abbreviated Shs. For most of the time under discussion in this book, those three national currencies were maintained at a par value with gold, which was itself fixed to the US dollar until 1971.

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## *Introduction*

### *The Government of Value, 1945–1980*

#### **I.1 The Moneychanger State**

In early October of 1977, John Wesonga returned to the Office of the Governor for Southern Province in Uganda. Wesonga was “a desperate man,” exasperated by his repeated entreaties. He recently lost his wife and anxiously wished to return to Kenya, his home country. Yet, without the approval of the Governor of the Bank of Uganda, he was stuck, unable to exchange his Ugandan shillings for their Kenyan equivalent.<sup>1</sup> Like others at the time, he was required to apply to the country’s central government for foreign currency. Before he could be issued money that would be accepted across the border, he was forced to await a response from the Bank of Uganda, located nearly three hundred kilometers away.

The restricted access to foreign currency was not limited to would-be emigrants; it extended to all categories of residents and citizens who wished to travel or make purchases abroad. In the years after independence, Uganda expanded a system of currency controls that stipulated for what purposes and in what amounts foreign currency was legally acquired. The government assessed the worthiness of applicants according to a patchwork of laws and regulations. These frequently changing rules sought to calibrate the expenditure of precious US dollars, British sterling, and other foreign currencies earned through Uganda’s exports. In doing so, they differentiated between types of applicants: individuals studying in the UK, buyers of commodities only available in Nairobi, or immigrant laborers seeking to return home, each qualified for different amounts of foreign currency in exchange for their Ugandan shillings. All were, however, subject to the state’s monetary authority. The government sought to manage a severe shortage of foreign exchange by tying individuals to their infrastructure of

<sup>1</sup> Bank of Uganda (BoU) GOV.104.16: Governor, Southern Province, to Governor, Bank of Uganda, October 12, 1977.

value: the Ugandan shilling. Yet, given the limits of this currency – namely, its virtual absence of purchasing power outside the borders of the country – the effect for men like Wesonga was immobilizing. Without access to the means of external exchange, he and others found themselves constricted to the territorial boundaries of a country which, in his case, was not even his own.

For many postcolonies, a national currency – like a constitution, flag, or passport – was a necessary accompaniment to independence. Money was a potent symbol of decolonization, and it was a means of settling debt and saving wealth. But money was also an instrument of governing people and commanding commodities. More than a matter of markets alone, money constituted a new political order.<sup>2</sup> Mandated as the only legal tender within a country, national currency was a means of making postcolonial nation-states and ruling their territory and citizens. It helped define what was valuable and influenced how that value would be distributed. In doing so, national currencies were designed to further the goal of economic sovereignty, through which postcolonial states might meaningfully determine their own fortunes. Yet, as an infrastructure for governing value, money was contradictory and limited. A core contradiction was that the value of *national* currency depended on the accumulation of a reserve of *foreign* money. States were obliged to hold dollars and sterling in order to pay for imports and repay loans. In a regional political culture where claims to autochthony mattered a great deal, and in a political order where domestic authority was greatly valued, the national currency was fundamentally dependent upon alien money. This severely limited the capacity to use national monies to secure postcolonial sovereignty, and it occasioned struggles between citizens, states, and companies that are the subject of this book.

*Money, Value, and the State* examines the contradictions and tribulations of economic sovereignty and citizenship. It analyzes how the

<sup>2</sup> For the colonial period, see Wambui Mwangi, “The Order of Money: Colonialism and the East African Currency Board,” PhD dissertation, University of Pennsylvania, 2003. For arguments in this vein from the North Atlantic, see Christine Desan, *Making Money: Coin, Currency, and the Coming of Capitalism* (Oxford University Press, 2014); Brian Gettler, *Colonialism’s Currency: Money, State, and First Nations in Canada 1820–1950* (McGill-Queen’s University Press, 2020). Generally, see also the work of Michel Aglietta, including *Money: 5000 Years of Debt and Power* (Verso, 2018).

### 1.1 *The Moneychanger State*

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governments of Kenya, Tanzania, and Uganda sought to control the production and distribution of wealth, through monetary and other means, in the two decades after independence. Decolonization was more than a political event; for colonized people, political independence was a step toward economic sovereignty. The end of European empires set the stage for broader ambitions of self-determination, including transforming the racial capitalism inherited from the colonial era. Yet, the ensuing decades were marked by paradoxes and limits, not only ambition and opportunity. The experiences of men like John Wesonga are exemplary of these dilemmas of postcolonial statecraft and citizenship, where governing money for some purposes entailed subjugation and constraints. Whether self-determination – in its political, economic, or cultural valences – could be achieved without such incongruities, and where the limits to independence would be drawn, mattered deeply to East Africans. Throughout the work, I trace how different people – from bankers and bureaucrats, to farmers-cum-smugglers – differed over what counted as valuable and how it should be controlled. This book explores how such predicaments and disputes were worked out and how the project of economic sovereignty was transformed from the late colonial period through the end of the 1970s.

East African states sought a *monopoly on valuation* through which economic and social worth was defined and apportioned.<sup>3</sup> In determining who qualified for foreign exchange, postcolonial bureaucrats intervened in family life and trade networks, deeming some activities permissible and others proscribed. States claimed the sole right to govern a range of economic instruments and exchanges. Foreign money was the resource monopolized in Wesonga's case, but just as important to East African states was their monopoly on the export of key crops. Due to their need to acquire foreign currencies, states obliged citizens to earn export value, most centrally by

<sup>3</sup> I develop this term from Emma Park's important analysis of how European colonists in nineteenth-century eastern Africa struggled to assert sovereignty via taxation. Their novel "revenue regime" struggled against competing visions of legitimate authority and "metrics of value" among Africans, and the imposition of colonial money was a key mediator for the establishment of work. Emma Park, "The Right to Sovereign Seizure? Taxation, Valuation, and the Imperial British East Africa Company," in Gurminder K. Bhambra and Julia McClure (eds.), *Imperial Inequalities: The Politics of Economic Governance across European Empires* (Manchester University Press, 2022), pp. 79–97.

cultivating crops that could be sold abroad. At the time of independence, coffee and cotton were preeminent in Uganda. In Kenya, coffee and tea predominated. Tanganyika was especially reliant on sisal exports, and Zanzibar earned almost its entire export value from cloves. The history of export crop regulations in “East Africa is a history of a movement towards centralization and monopoly sales of crops,” and independent states built upon the colonial inheritance.<sup>4</sup> The institutionalized control of exports was most manifest in farmers’ obligation to accept for key crops the prices determined by the state. Oftentimes, this price setting was done at the cabinet level, or even by the president himself – such was the political importance of this monopoly on valuation.<sup>5</sup>

When states assigned price, they were intervening in more than the cost of buying coffee or cotton. They were enforcing a social order that had implications for political constituencies and familial relations. For instance, the price of coffee was issued with an eye toward maintaining support among cultivators who were also voters; the price was also set with an assumption that wives and children would do unpaid farm and domestic labor, allowing the state to pay less than otherwise. In other words, the material price carried with it ethical ideas about where effort should be expended, how allegiances should be formed, and who had authority to command others. Valuation is the ability to assign worth, and through explorations of export agriculture, currency controls, and commodity regulations I show that states endeavored to control how value was established to sediment their own sovereignty.<sup>6</sup> I demonstrate how the techniques of valuation – its pricing protocols, standards of measurement, and legal enforcement – were central to statecraft, and how the results had implications for a wider field, from the position of women to the power of executive office. Valuation often coheres into a price, but the calculations through which prices emerge

<sup>4</sup> R. M. A. van Zwanenberg with Anne King, *An Economic History of Kenya and Uganda, 1800–1970* (Macmillan Press, 1975), pp. 202–210.

<sup>5</sup> In the idiom of economists, this is a monopsony from the perspective of the farmers and a monopoly from the perspective of international buyers.

<sup>6</sup> On valuation, see Fabian Muniesa, “A Flank Movement in the Understanding of Valuation,” *The Sociological Review* 59 (2011): 24–38; Marion Fourcade, “Cents and Sensibility: Economic Valuation and the Nature of ‘Nature’,” *American Journal of Sociology* 116(6) (2011): 1721–1777.

### I.1 *The Moneychanger State*

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are rarely self-evident.<sup>7</sup> Economic value implicated ethics and politics, making a history of valuation techniques and justifications a history of struggle to establish worth.

These crop marketing regimes worked hand in glove with monetary controls, though the latter have received little historical study. Marketing boards earned foreign exchange while central banks preserved and allocated it. The intermediation of exports, as many have noted, allowed states to impose a margin between the international price received and domestic price paid, and it was through that surplus that states funded their expenditure. In Uganda, for instance, domestic coffee prices were set by subtracting the cost of state marketing and revenue needs from the expected international price; the remainder was divided among farmers, sometimes amounting to less than a third of the world price. Less well appreciated is that postcolonial economic statecraft depended not merely on the difference between international and domestic prices for cotton, coffee, or sisal. Perhaps more important was the *controlled conversion* between different monies. When East African farmers sold their produce to their governments, they were paid in domestic currency. When East African states sold these exports to international buyers, they were paid in US dollars, British sterling, or other foreign money. There was not only a quantitative difference that financed independent states (i.e., the price differential) but also a qualitative difference (i.e., the different instruments of payment). In other words, the state strategy was not only to mediate exports so as to pay farmers less than was received from multinational buyers. The fiscal model of postcolonial states depended on monopolizing currencies and controlling the conversion between them. This was *the moneychanger state*.

The different qualities of different monies had political effects and set in motion various dramas and struggles.<sup>8</sup> There are three

<sup>7</sup> Andrea Ballesterio, “The Ethics of a Formula: Calculating a Financial-Humanitarian Price for Water,” *American Ethnologist* 42(2) (2015): 262–278.

<sup>8</sup> In pointing to the different types and qualities of money, I am following an anthropological tradition that sees “moneyness” as a contextual result and not a universal status. When, where, and for whom something is valid money – and when that money reflects wider values – were the stakes of struggles in East Africa. See Allison Truitt, “Money,” in Felix Stein (ed.), *Open Encyclopedia of Anthropology* (Open Knowledge Press, 2020); Jane Guyer and Karin Pallaver, “Money and Currency in African History,” in Thomas Spear (ed.), *Oxford Research Encyclopedia of African History* (Oxford University Press, 2018).

implications of note. Most evidently, different monies had different geographic qualities. Payment in Ugandan shillings meant farmers were territorially restricted while the state commanded money with value beyond its territory. Historians of East Africa have pointed to a variety of ways independent states tried to enforce territorial identities, from the violent suppression of separatist projects to the promulgation of cultural nationalism.<sup>9</sup> For men like John Wesonga and many others, it was monetary infrastructure that produced the national territory as a consequential container of economic, political, and social life.<sup>10</sup> In addition to geography, money governed time. On the one hand, financial instruments – in the form of agricultural credit, or simply bank savings accounts – could remake time.<sup>11</sup> Farmers lacking liquidity would draw upon loans to buy inputs, repaying after harvest. The ability to access different money also shaped what futures one could reasonably envision and pursue. The national currencies of Kenya, Tanzania, and Uganda were potentially volatile and prone to erosion of their purchasing power, especially as economic slowdown and crises became commonplace in the 1970s. In this context, dollars or sterling – so-called hard currencies – better maintained their value, allowing those who held them to save or invest them on longer horizons than

<sup>9</sup> On Kenya's suppression of separatism, see Derek Peterson, "Colonial Rule and African Politics (1930–1963)," in Nic Cheeseman, Karuti Kanyinga, and Gabrielle Lynch (eds.), *The Oxford Handbook of Kenyan Politics* (Oxford University Press, 2020), pp. 29–42; Julie MacArthur, "Decolonizing Sovereignty: States of Exception along the Kenya-Somali Frontier," *The American Historical Review* 124(1) (2019): 108–143; Hannah Whittaker, "Frontier Security in Northeast Africa: Conflict and Colonial Development on the Margins," *The Journal of African History* 58(3) (2017): 381–402. For Uganda, see the discussion in Richard Reid, *A History of Modern Uganda* (Cambridge University Press, 2017). For Tanzania's cultural nationalism, see Kelly Askew, *Performing the Nation: Swahili Music and Cultural Politics in Tanzania* (University of Chicago Press, 2002). For its suppression of dissent, see James Brennan, "Julius Rex: Nyerere through the Eyes of His Critics, 1953–2013," *Journal of Eastern African Studies* 8(3) (2014): 459–477.

<sup>10</sup> For the start of a national currency in Sudan, see Alden Young, "A Currency for Sudan," in Stephen Macekura and Erez Manela (eds.), *The Development Century: A Global History* (Cambridge University Press, 2018), pp. 130–149. For the case of Ghana, see Harcourt Fuller, *Building the Ghanaian Nation-State: Kwame Nkrumah's Symbolic Nationalism* (Palgrave Macmillan, 2014).

<sup>11</sup> Cf. Thomas McDow, *Buying Time: Debt and Mobility in the Western Indian Ocean* (Ohio University Press, 2018), pp. 8–9.

## I.1 The Moneychanger State

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would be available to holders of “soft” money.<sup>12</sup> It was this differential durability that obliged central banks to hoard foreign monies in the service of domestic currency. Finally, monetary regimes were hierarchical, with control over more valuable types of money raising one’s rank and power. Access to less liquid or stable monies relegated others to more subordinate roles. This worked internationally, as postcolonial states struggled under the inequalities of the sterling and dollar regimes, and domestically, as only some citizens could access better money than others. Forming their own central banks and national currencies was an effort by East African states to carve out a measure of monetary independence from the international system, but in doing so they positioned themselves as the proper authority governing citizens.<sup>13</sup>

The moneychanger state was not, in other words, unique to Uganda. A shared set of predicaments animated states: from Stalin’s “quest for gold” to the *Banque de France* carefully calibrating credit to manage international payments, and across the decolonizing world where foreign reserves were an object of constant anxiety.<sup>14</sup> The very aspiration to self-determination – even autarky – depended on the reality of an international economic order that obliged states to mediate the relation between currencies.<sup>15</sup> And nor did the moneychanger state work merely through currency conversion; rather, it depended on a linked set of institutions, instruments, and ideologies. If, for Africans, currency controls were emblematic of a long history of extraverted statecraft, it is also a reminder that the politics of gatekeeping could extend far beyond territorial borders, to rural hamlets and even the structure

<sup>12</sup> Jane Guyer, “Soft Currencies, Cash Economies, New Monies,” *Proceedings of the National Academy of Sciences* 109(7) (2012): 2214–2221.

<sup>13</sup> Cf. Maha Ben Gadha et al., eds., *Economic and Monetary Sovereignty in 21st Century Africa* (Pluto Press, 2022); Ilias Alami et al., “International Financial Subordination: A Critical Research Agenda,” *Review of International Political Economy* 30(4) (2022): 1360–1386.

<sup>14</sup> Elena A. Osokina, *Stalin’s Quest for Gold: The Torgsin Hard-Currency Shops and Soviet Industrialization* (Cornell University Press, 2021); Éric Monnet, “Une coopération à la française. La France, le dollar et le système de Bretton Woods, 1960–1965,” *Histoire@Politique* 19(1) (2013): 83–100.

<sup>15</sup> The Bretton Woods monetary regime arrayed all currencies against the US dollar, which in theory was convertible to gold. Capital controls were widespread in the postwar decades, only eroding significantly after 1974. Eric Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Cornell University Press, 1996).

of family relations, for it was the productive labor of cultivating kin on which the moneychanger state ultimately depended.<sup>16</sup>

This necessary rapprochement between the domestic populace and moneychanger state did not always occur. Many citizens disputed the priorities of the postcolonial states, challenging their putative monopoly and rejecting the idea that monetary sovereignty suited their interests. In times of economic trouble, the consolidation of foreign money by central banks was even more significant, encouraging a desperate and sometimes coercive state effort to maintain a monopoly on the controlled conversion between national and international monies. While Wesonga expressed desperation at his confinement within Uganda's monetary territory, many others took matters into their own hands, smuggling and defrauding the state's government of value. East Africans often refer to such practices as *magendo*, a Kiswahili term that points to illegal but not always illicit acts. In the 1970s, *magendo* reached new heights as smugglers and counterfeiters rejected the terms of their unequal inclusion in the postcolony and demonstrated their own ideas about what was valuable and how it should circulate. They tried to escape the confines of the postcolonial monetary hierarchy, convinced their interests were best served by illegal trade and transactions.

In other words, any single monopoly on valuation was very much a matter of struggle. Over time, citizens' diverse ideas about how to govern value – what should be produced, how it should be distributed – fundamentally challenged state sovereignty. I demonstrate that the state's assertion of a right to govern value was one of many competing valuation practices, including those proffered by East Africans of various persuasions and the multinational corporations that operated across the region. No state attempted to determine all valuation, but even in the domains that were central, like export crops and currency conversion, the state could only do so much to convince, cajole, and compel adherents. Indeed, often the state's own regulatory efforts created new opportunities for what I gloss as “arbitrage,” meaning

<sup>16</sup> On gatekeeping, see Frederick Cooper, *Africa in the World: Capitalism, Empire, Nation-State* (Harvard University Press, 2014), pp. 30–31; Jean-François Bayart, “Africa in the World: A History of Extraversion,” *African Affairs* 99 (395) (2000): 217–267.



## I.1 *The Moneychanger State*

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the opportunistic, strategic, and pluralistic movement between regimes of valuation.<sup>17</sup>

Citizens had their own ideas about what was worthwhile, who should labor for it, and who deserved a cut. When Idi Amin upbraided a gathering of Buganda's elders in 1971 for only buying land, not investing in trade, he was joining a long tradition of insisting East Africans imbue some goods with value and not others.<sup>18</sup> Whether it was women using coins as jewelry or pastoralists refusing to bring their herds to market, officials have long struggled to channel worth in ways they deem productive and useful. Equally ethical and material, these ideas and practices competed and only sometimes aligned with states. This book builds on anthropological theories to explore the entanglement of economic value and ethical values. While the English language and some theories separate *value* and *values*, I am more interested in how these putatively divergent domains are the result of historical processes and the space of ongoing tensions. Put simply, the accumulation of economic worth implicates ethical ideas; likewise, ethical values reflect (albeit not mimetically) the prevailing economic systems. What people have reason to desire is something that is made in relation to each other – sometimes in relatively consensual ways, sometimes in more antagonistic dramas.<sup>19</sup> Value(s) – whether that be the accumulation of commodities, the spread of one's fame, or the maintenance of family honor – are the result of practical and imaginative activity, as well as sometimes more forceful impositions. This means that they are not uniform across a culture or society, nor are they settled once and for all.<sup>20</sup> They are, in other words, historical products of valuation. The chapters that follow examine the relationships between different sorts of production – including the production of subsistence goods, of human relationships, of ethical consciousness, of forms of wealth, and

<sup>17</sup> See also Jane Guyer, *Marginal Gains: Monetary Transactions in Atlantic Africa* (University of Chicago Press, 2004).

<sup>18</sup> Opening Conference of Buganda Elders, August 5, 1971, in *Speeches* (Kampala 1973).

<sup>19</sup> David Graeber, "It Is Value that Brings Universes into Being," *Hau* 3(2) (2013): 219–243.

<sup>20</sup> Brad Weiss, *The Making and Unmaking of the Haya Lived World: Consumption, Commoditization, and Everyday Practice* (Duke University Press, 2012).

of the forces that institutionalize and subvert this social order.<sup>21</sup> It shows how they aligned or conflicted as states and firms tried to install their own ethos on workers and cultivators.

States may have claimed unique legitimacy in the governing of value, but this was hardly a universal perspective. To pick one example, Chapter 5 discusses how people living around Mount Elgon did not think what was valuable could be reduced to money, but nor did they think their values were somehow purified of commercial concern. Rather, I demonstrate how value was understood as the careful arrangement among social relations and between people and commodities. The social hierarchies and material interdependencies were mediated by labor undertaken, property accumulated, and respect earned on extended timelines. If this was a locally hegemonic notion of value – that is, of the proper relationship between moral virtues and material resources – it was hardly immune from outside influence, let alone challenge. Interventions by the colonial and postcolonial states and the imaginative responses of residents were longstanding trends. It was also internally contested by those excluded from its rewards, or anxious to reap more quickly than they sowed. I analyze how external changes – not least of which the prevailing price for coffee beans – led to a situation where ethical challenges, economic rewards, and existential risks were all dramatically implicated.

### *Scaling History*

*Money, Value, and the State* is not a study of macroeconomics or monetary policy. It has little to say about how interest rates changed foreign exchange flows, or how the economic models of development plans were calculated. There is no quantitative analysis. It is, rather, a historical ethnography of economic action and its inevitable entanglement with political struggle, social life, and ethical ideas. Like Alden Young's attention to the economic "styles of reasoning" in Sudan or Ritu Birla's focus on "market governance" in India, I analyze how state infrastructures and imaginaries worked to transform economic and social life.<sup>22</sup> I position topics such as money and smuggling within

<sup>21</sup> Terence Turner, "Marxian Value Theory: An Anthropological Perspective," *Anthropological Theory* 8(1) (2008): 43–56.

<sup>22</sup> Alden Young, *Transforming Sudan: Decolonization, Economic Development, and State Formation* (Cambridge University Press, 2018); Ritu Birla, *Stages of*

a long horizon of decolonization, where competing ideas about self-determination and interdependence were worked out through arenas that were equally economic, cultural, and political.

In ranging across Kenya, Uganda, and Tanzania, this book departs from the typical scales of analysis in East Africa – the ethnic community or the nation-state. There are important reasons to narrate history along these axes, yet as Toby Green writes in his history of Atlantic Africa, the localism of African historiography has militated against more expansive geographies of scholarly analysis.<sup>23</sup> Likewise, Derek Peterson has argued that “East Africa’s historians have been seduced by the logic of the archivist, the administrator, and the census taker. The administrative grid structures the way we write history.”<sup>24</sup> The result is an inattention to the fact that even parochial projects were motivated by supranational concerns. Diverse communities faced shared predicaments, not least of which was how to secure well-being and self-determination. My approach joins an emerging “regional turn” in African studies, working at the various scales East Africans produced and subverted in the course of the twentieth century.<sup>25</sup>

Ugandans receive the most attention in what follows, while Kenyans appear in the most sustained discussion in Chapter 5. In part, this unevenness reflects the contingent nature of all research projects; in part it reflects the purposeful foregrounding of key elements of economic sovereignty and citizenship. Uganda was a fertile research site because I benefitted from the considerable expansion of archival access in Uganda over the past two decades.<sup>26</sup> In addition to central and district government records, I was provided access to the collection of the Bank of Uganda, which to my knowledge has only been studied by

*Capital: Law, Culture, and Market Governance in Late Colonial India* (Duke University Press, 2009). See also Timothy Mitchell, *Rule of Experts: Egypt, Techno-Politics, Modernity* (University of California Press, 2002); Manu Goswami, *Producing India: From Colonial Economy to National Space* (University of Chicago Press, 2004).

<sup>23</sup> Toby Green, *A Fistful of Shells: West Africa from the Rise of the Slave Trade to the Age of Revolution* (Penguin Books, 2020), pp. 6–7.

<sup>24</sup> Derek Peterson, *Ethnic Patriotism and the East African Revival: A History of Dissent, c.1935–1972* (Cambridge University Press, 2014), p. 26.

<sup>25</sup> Ismay Milford, Gerard McCann, Emma Hunter, and Daniel Branch, “Another World? East Africa, Decolonisation, and the Global History of the Mid-Twentieth Century,” *Journal of African History* 62(3) (2021): 394–410.

<sup>26</sup> Derek Peterson, “The Politics of Archives in Uganda,” in *Oxford Research Encyclopedia of African History* (Oxford University Press, 2021).

the institution's official historian.<sup>27</sup> These archival sources provided surprising insights that encouraged me to foreground the findings. Not least among these were the continuities between the Obote and Amin eras when approached through the perspectives adopted in this book. I was likewise pleased at the detail available in the archive of Barclays Bank, much of which provided insights into Tanzanian policymaking that is otherwise quite difficult to grasp given the status of archives in that country. Other chapters reflect more local concerns, the sort of findings best approached through fieldwork and oral histories. Chapter 5, for instance, was the result of interviews on both sides of the Kenya–Uganda border, as well as participant observation on more contemporary dynamics. Subsequent archival research in the two countries provided additional evidence, but my understanding of the relationship between gender, generation, money, and smuggling was only evident through the conversations I had with residents around Mount Elgon, which straddles the border.

### *The Horizon of Decolonization*

The effervescent historiography of decolonization has focused on the political and cultural work that produced an indeterminate and multi-valent experience. Rather than a straightforward transition, as Luise White writes, decolonization “took place in fits and starts, with overtures exploited and procedures scaled back.”<sup>28</sup> The nation-state was not a self-evident scale for independent polities, nor was it a very agreeable one in the eyes of many Africans. Some loyalties and aspirations were smaller than the colony, as ethnic patriots promulgated a vision at odds with the nation.<sup>29</sup> Other visions were larger than the nation, linking people across the borders drawn by European powers.<sup>30</sup> There was considerable inventiveness, as histories were written and futures projected in order to build new constituencies

<sup>27</sup> Phares Mutibwa, *The Bank of Uganda (1966–2006): A Historical Perspective* (Bank of Uganda, 2006).

<sup>28</sup> Luise White, *Unpopular Sovereignty: Rhodesian Independence and African Decolonization* (University of Chicago Press, 2015).

<sup>29</sup> Peterson, *Ethnic Patriotism*.

<sup>30</sup> Frederick Cooper, *Citizenship between Empire and Nation: Remaking France and French Africa, 1945–1960* (Princeton University Press, 2014).

and cartographies.<sup>31</sup> A major strand of scholarship focuses on the remaking of identities during the 1950–1960s, as cultural pioneers promoted new sorts of subjectivities, behaviors, and solidarities. Some of these were expansive, as previously distinct peoples were called forth as fellow believers, nationals, or Africans. For instance, the adept politicians within the Tanganyika National African Union enrolled local concerns into a territorial movement.<sup>32</sup> Others came to identify as “East Africans,” layering a regional sensibility onto more local identities.<sup>33</sup> In contrast, some cultural politics were more exclusive. Jockeying for political power hardened divisions.<sup>34</sup> In Uganda, the question of who would rule the so-called Lost Counties not only cast Bunyoro and Buganda as antagonists; it made it impossible for the central government to be seen as anything but friend or foe.<sup>35</sup> In Kenya, *majimboism* arrayed smaller groups against the fear of Luo and Kikuyu dominance.<sup>36</sup> Elsewhere, demands for unanimity minoritized some people.<sup>37</sup> Throughout East Africa, Asians were cast as an internal other, insufficiently loyal and native to the

<sup>31</sup> Kate Skinner, *The Fruits of Freedom in British Togoland: Literacy, Politics and Nationalism, 1914–2014* (Cambridge University Press, 2015); Paul Nugent, *Smugglers, Secessionists & Loyal Citizens on the Ghana-Togo Frontier* (James Currey, 2002).

<sup>32</sup> Susan Geiger, *TANU Women: Gender and Culture in the Making of Tanganyikan Nationalism, 1955–1965* (Heinemann, 1997); Paul Bjerk, *Building a Peaceful Nation* (University of Rochester Press, 2015).

<sup>33</sup> Chris Vaughan, “The Politics of Regionalism and Federation in East Africa, 1958–1964,” *The Historical Journal* 62(2) (2018): 519–540.

<sup>34</sup> In Kenya, see Justin Willis and George Gona, “Pwani C Kenya? Memory, Documents and Secessionist Politics in Coastal Kenya,” *African Affairs* 112 (446) (2013): 48–71; Jeremy Prestholdt, “Politics of the Soil: Separatism, Autochthony, and Decolonization at the Kenyan Coast,” *Journal of African History* 55(2) (2014): 249–270; James Brennan, “Lowering the Sultan’s Flag: Sovereignty and Decolonization in Coastal Kenya,” *Comparative Studies in Society and History* 50(4) (2008): 831–861.

<sup>35</sup> Derek Peterson, “Violence and Political Advocacy in the Lost Counties, Western Uganda, 1930–64,” *The International Journal of African Historical Studies* 48 (1) (2015): 51–72; Shane Doyle, “Immigrants and Indigenes: The Lost Counties Dispute and the Evolution of Ethnic Identity in Colonial Buganda,” *Journal of Eastern African Studies* 3(2) (2009): 284–302.

<sup>36</sup> David Anderson, “‘Yours in Struggle for Majimbo’: Nationalism and the Party Politics of Decolonization in Kenya, 1955–64,” *Journal of Contemporary History* 40(3) (2005): 547–564.

<sup>37</sup> Jonathon Glassman, *War of Words, War of Stones: Racial Thought and Violence in Colonial Zanzibar* (Indiana University Press, 2011).

postcolonies.<sup>38</sup> Over all, this new historiography links the opportunities and alternatives of decolonization to the cultural work of making identities, detailing the rhetorical, cultural, and sartorial politics of the era.

This book shifts focus to the economic aspirations and experience of decolonization, tracing how self-determination was understood by citizens and states to require remaking money and markets. In doing so, it also challenges the timeline of decolonization, concurring with Young's argument about "the distinctiveness of the late colonial and early postcolonial state."<sup>39</sup> Decolonization was neither an "event" nor a "moment." It was not coterminous with a changing of the political guard, nor was it only an interlude of foreclosed opportunity. Rather, decolonization was – and in some corners is – an expansive horizon marked by the gap between experience and aspiration.<sup>40</sup> It was debated in a variety of idioms, including "independence," "self-determination," and "neocolonialism" in English, *madaraka* and *uhuru* in Kiswahili, and *eddembe* in Luganda.<sup>41</sup> Across the 1950–1970s, the meaning of decolonization and the means to achieve it shifted between political, legal, cultural, and economic registers. Nowhere were these domains clearly delineated.

My focus is economic sovereignty and economic citizenship. By elaborating these notions, I account for what could make

<sup>38</sup> Sana Aiyar, *Indians in Kenya: The Politics of Diaspora* (Harvard University Press, 2015); James Brennan, *Taifa: Making Nation and Race in Urban Tanzania* (Ohio University Press, 2012); Edgar Taylor, "Claiming Kabale: Racial Thought and Urban Governance in Uganda," *Journal of Eastern African Studies* 7(1) (2013): 143–163; Anneeth Kaur Hundle, "Insecurities of Expulsion: Emergent Citizenship Formations and Political Practices in Postcolonial Uganda," *Comparative Studies of South Asia, Africa and the Middle East* 39(1) (2019): 8–23.

<sup>39</sup> Young, *Transforming Sudan*, p. 6.

<sup>40</sup> Compare to the gap between the space of experience and the horizon of expectation: Reinhart Koselleck, *Futures Past: On the Semantics of Historical Time* (Columbia University Press, 2004).

<sup>41</sup> On Tanzanian debates about *uhuru*, see Emma Hunter, *Political Thought and the Public Sphere in Tanzania: Freedom, Democracy and Citizenship in the Era of Decolonization* (Cambridge University Press, 2015). On *eddembe*, see Edgar Taylor, "Eddembe," in Dilip Menon (ed.), *Changing Theory: Concepts from the Global South* (Routledge, 2022), pp. 111–126. For wider Ugandan debates about politics, see Jonathan Earle, *Colonial Buganda and the End of Empire: Political Thought and Historical Imagination in Africa* (Cambridge University Press, 2017).

decolonization meaningful – a practical and substantive ambition rather than a formal status.<sup>42</sup> Matters of income, finance, and trade were necessarily correlates of self-determination. They were subject to popular struggle in which cultural values framed the debate. But they were often contradictory promises that could undermine liberation and belonging. I am especially interested in how economic aspirations and constraints unfolded after political independence. While the ferment of political imagination may have waned with the assumption of territorial power by national politicians, the imperatives of economic sovereignty remained alive. The idea that production, exchange, and consumption needed to be transformed in order to meet the needs and aspirations of East Africans motivated political and social life for at least the two decades after political independence.<sup>43</sup> Economic matters were not divorced from debates about political authority, social belonging, or ethical life. Historians of the region have perhaps been less attentive to this in recent decades, but a new wave of diplomatic and intellectual historians have emphasized the continuities.<sup>44</sup> Most prominently is Adom Getachew's important reconstruction of African and diasporic political thought in which questions of self-determination are equally political and economic. Tanzania's Julius Nyerere features prominently.<sup>45</sup> His vision of *ujamaa* (literally, familyhood; more commonly, African socialism) and *kujitegemea* (self-reliance), as well as his championing a New International Economic Order (NIEO) – in which African economies would escape their continued subordination to metropolitan interests – were visions for a future without arbitrary domination. Only by remaking monetary orders, trade regimes, and international law would self-determination be achieved. Yet, for Getachew and others, these are ultimately tragic narratives, as the

<sup>42</sup> On how Africans have pursued “meaningful freedom” and “meaningful citizenship,” see Phyllis Taoua, *African Freedom: How Africa Responded to Independence* (Cambridge University Press, 2018); Lahra Smith, *Making Citizens in Africa: Ethnicity, Gender, and National Identity in Ethiopia* (Cambridge University Press, 2013).

<sup>43</sup> Dharam Ghai, ed., *Economic Independence in Africa* (Kenya Literature Bureau, 1973).

<sup>44</sup> Christopher Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization* (Cambridge University Press, 2017). See also Christopher Lee, *Making a World after Empire: The Bandung Moment and Its Political Afterlives* (Ohio University Press, 2010).

<sup>45</sup> Adom Getachew, *Worldmaking after Empire: The Rise and Fall of Self-Determination* (Princeton University Press, 2019).

inspiring alternatives run ashore and succumb to more restrictive models that reproduce Africa's marginalized position.<sup>46</sup>

This book shares the view that political changes need to be seen in a longer horizon of economic struggles, but its focus is less on diplomatic or intellectual maneuvering. Rather, it starts from productive activity and the everyday struggles to govern it. In order to understand self-determination, it is necessary to see something like Nyerere's speeches in the context of domestic circumstances, not only international argumentation. Likewise, ideas about the international regulation of commodities must be understood from the perspective of African cultivators, the practical struggles to convince soil and seed to bear fruit, and ideas about what use such labor should be put toward. The most prominent imaginaries for economic sovereignty – in the writings of Nkrumah or Nyerere that anchor recent scholarship – were often rejected or refused by the African citizens for whom the leaders claimed to speak. My approach is more attentive to these uncaptured, dissident practices and their implications for state-centric accounts of self-determination.<sup>47</sup> For while the dynamics of international capitalism and neocolonialism did much to circumscribe sovereignty in East Africa, ultimately, the divergent trajectories and values of East Africans cannot be discounted.

## **I.2 Colonial Subjects and Economic Claims**

Economic self-determination was so salient in the mid-twentieth century because East Africans did not only experience colonialism as a denial of political rights. They also clamored for long-denied commercial liberties, including the right to open shops, export their crops, and receive loans. Oftentimes, the political and economic were so entwined as to be indistinguishable, and economic uplift was seen as formative of political advance. This section briefly explores how Africans made claims to economic rights in the late colonial period before returning in the next section to the postcolonial era on which this book largely focuses.

<sup>46</sup> Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Belknap Press, 2018).

<sup>47</sup> "Uncaptured" is Goran Hyden's term for popular refusal of Nyerere's economic regime in *Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry* (University of California Press, 1980).



Although colonialism did encourage some cases of African commercial production, the more common experience was one of official impediment and popular frustration. The push into export production was often thwarted, not least by “experts in colonial economy [who] were too steeped in images of African backwardness” to effectively support their commercial advance.<sup>48</sup> European planters – wary of competition – claimed Africans’ unkempt coffee would provide a breeding ground for disease and sully the quality of their exports.<sup>49</sup> When African production was facilitated, it often produced contradiction and crisis. Communities willing to further colonial export agriculture might receive support, especially after the Second World War, but most East Africans were denied economic opportunities or relegated to subordinate roles.<sup>50</sup> Land alienation and conservative regulations inhibited agricultural production in some locations. A combination of burdensome taxation, neglectful policy, and austere underinvestment constrained other areas. African employees received paltry wages with few benefits and only the lowest rungs of employment were open to Africans. Likewise, entrepreneurial ventures such as shopkeeping, trade, or transportation were long reserved for non-Africans, especially the Asian diaspora that colonial policy positioned as an intermediary commercial minority in East Africa.<sup>51</sup>

Colonial subjects responded with a variety of tactics. Frustration about pay and conditions animated a series of protests, strikes, and riots beginning in the 1930s.<sup>52</sup> In Kenya, Mombasa and Nairobi were hotbeds of industrial action, often sparking agitation far along the railways they served.<sup>53</sup> Farmers, too, disputed the terms of their economic incorporation into the empire. All across the region, illegal trade

<sup>48</sup> Cooper, *Africa in the World*, p. 25.

<sup>49</sup> C. C. Wrigley, *Crops and Wealth in Uganda: A Short Agrarian History* (East African Institute of Social Research, 1959), p. 40.

<sup>50</sup> D. A. Low and J. Lonsdale, “Introduction,” in *The Oxford History of East Africa*, vol. 3 (Oxford University Press, 1976).

<sup>51</sup> In a large literature, see van Zwabenberg with King, *An Economic History*; Bruce Berman, *Control & Crisis in Colonial Kenya the Dialectic of Domination* (James Currey, 1990).

<sup>52</sup> Frederick Cooper, *Decolonization and African Society: The Labor Question in French and British Africa* (Cambridge University Press, 1996).

<sup>53</sup> Frederick Cooper, *On the African Waterfront: Urban Disorder and the Transformation of Work in Colonial Mombasa* (Yale University Press, 1987); R. D. Grillo, *African Railwaymen: Solidarity and Opposition in an East African Labour Force* (Cambridge University Press, 1973).

challenged colonial economic rule.<sup>54</sup> The early Kikuyu political organizations led by Harry Thuku protested, among other things, the restrictions on African coffee cultivation.<sup>55</sup> The Luo Thrift and Trading Corporation established by Oginga Odinga in 1945 combined ethnic patriotism and entrepreneurial retail.<sup>56</sup> Both of Tanganyika's successful coffee-growing communities, the Chagga and Haya, rioted in 1937 over the limits imposed on their cultivation, and leading politicians like Paul Bomani got their start organizing African traders and growers.<sup>57</sup> In Buganda, a series of widespread protests in the 1940s were galvanized by frustration over the price paid for cotton, the role of Asian intermediaries, and the regulation of farmer cooperatives.<sup>58</sup> Baganda organized mass boycotts of Asian traders and foreign imports to challenge the structure of colonial racial capitalism.<sup>59</sup> To the east, Gisu coffee farmers insisted on better prices and protocols for selling their crops.<sup>60</sup> To the west, the Bwamba Rwenzori Growers Association carried on an extended campaign for their own coffee processing plant and less exploitative middlemen.<sup>61</sup> In both cases, they carried their produce to neighboring countries to protest the colonial monopoly on valuation. And, of course, at the core of the Mau Mau crisis was a struggle for self-mastery and freedom understood in terms equally material and moral.<sup>62</sup>

<sup>54</sup> David Anderson and David Throup, "Africans and Agricultural Production in Colonial Kenya: The Myth of the War as a Watershed," *Journal of African History* 26(4) (1985): 337.

<sup>55</sup> Phoebe Musandu, *Pressing Interests: The Agenda and Influence of a Colonial East African Newspaper Sector* (McGill-Queen's University Press, 2018), pp. 189–200.

<sup>56</sup> E. S. Atieno-Odhiambo, "'Seek Ye First the Economic Kingdom': A History of the Luo Thrift and Trading Corporation 1945–1956," in B. A. Ogot (ed.), *Hadith 5* (East African Publishing House, 1975).

<sup>57</sup> John Iliffe, *A Modern History of Tanganyika* (Cambridge University Press, 1979), pp. 274–286.

<sup>58</sup> David Apter, *The Political Kingdom in Uganda: A Study of Bureaucratic Nationalism*, 3rd ed. (Routledge, 1997 [1961]), pp. 181–194.

<sup>59</sup> Edgar Taylor, "1959 and 1972: Boycott, Expulsion, and Memory," *Awaaz*, [www.awaazmagazine.com/volume-19/issue-2-volume-19/cover-story-issue-2-volume-19/1959-and-1972-boycott-expulsion-and-memory](http://www.awaazmagazine.com/volume-19/issue-2-volume-19/cover-story-issue-2-volume-19/1959-and-1972-boycott-expulsion-and-memory).

<sup>60</sup> Stephen Bunker, *Peasants against the State: The Politics of Market Control in Bugisu, Uganda, 1900–1983* (University of Chicago Press, 1991).

<sup>61</sup> Kabarole District Archives 628/1: Economic Crops, 1950–1970.

<sup>62</sup> John Lonsdale, "The Moral Economy of Mau Mau," in Bruce Berman and John Lonsdale, *Unhappy Valley Book 2: Violence & Ethnicity* (James Currey, 1992), pp. 265–468.

East Africans were often vocal and lucid in petitioning for the transformation of commercial regulations. They appeared at government inquiries, wrote letters, and made submissions to official commissions. For instance, when the East African Royal Commission was established in 1953 to investigate “economic development” and the “social problems” arising from urbanization, population growth, and industrialization, many wrote to and appeared before the commission to present their troubles and propose solutions.<sup>63</sup> They saw the official inquiry as an appropriate stage for positioning themselves as worthy economic actors. Commodity markets, individual property rights, and concerns about inequality were not novel concerns for East Africans, as the Commission posited, but rather the subject of extensive reflection and debate. As Emma Hunter argues, the extensive meetings and tours by the Commission provided a platform for Africans to work through the proper place of “a distinctive form of capitalism” within African social life, and the submissions provide a trove of insights into their concerns.<sup>64</sup>

Some reflected personal concerns and interests, but there was also a shared discourse into which Africans placed their concerns, united in the promise of agricultural productivity and commercial advance. The Catholic Mission Elders of the Nyeri Diocese, for instance, called for adult farming courses and critiqued existing agricultural instruction for being coercive rather than persuasive.<sup>65</sup> Restrictions against African traders should be lifted, they contended, and the color bar in jobs be removed. Hezekiah Asamba of Maragoli in western Kenya agreed with these concerns. In his submission, he detailed the extent of African exclusion, not only from government and religious roles, but also from employment and trading. Asamba asserted that whatever activities the Europeans or Asians were undertaking in Kenya, “the African is ready to do.” Unfortunately, these interlopers “help themselves with the best

<sup>63</sup> Scholarly assessments of the Commission have largely dismissed it as misguided, obsessed with private land ownership and “detrribalization,” but see Andrew James Hood, “Developing the East African: The East Africa Royal Commission, 1953–1955, and Its Critics,” PhD dissertation, Rice University, 1997.

<sup>64</sup> Emma Hunter, “‘Economic Man in East Africa’: Ethnicity, Nationalism, and the Moral Economy in Tanzania,” in Bruce Berman, André Laliberte, and Stephen J. Larin (eds.), *The Moral Economies of Ethnic and Nationalist Claims* (UBC Press, 2016), pp. 101–122.

<sup>65</sup> UKNA 892/5/1: Submission by the Catholic Mission Elders of the Diocese of Nyeri, Kenya, May 29, 1953.

jobs.” To justify their lucrative positions, “all the foreigners including the Government join together and say that the African is lazy and untrustworthy.” Against this slander, Asamba appealed to the Commissioners as upright arbiters of industriousness, asking,

Since you came here, have you visited a place and found people at work? What did you see? Did you confirm the saying that Africans work for five hours a day?

Answering in the negative, Asamba explained that the trouble was not so much African sloth but foreigners’ deceit. The government, he explained, defines the workday as eight hours during the week, with work stopping at 1:00 p.m. on Saturday “so that he may get time to wash clothes and to prepare for the Sunday as God commanded that that day shall be the day of rest.” However, “The Indians are robbing the Africans of their time. Instead of working for 8 hours, they work for 9 hours or ten hours a day.”<sup>66</sup>

Asamba thought Africans were deprived of economic liberties by a combination of official controls, moral impugment, and foreign subterfuge. Stephen Gichina of Naivasha similarly condemned “being debarred from wealth.”<sup>67</sup> Such a condition threatened his own masculine standing in the world and simultaneously contributed to the political problems in Kenya:

Being given freedom to advance . . . will make an African feel that he is a man like the men of other races here and show him that they are not envious of him, and it will free him from fear of them, because he will realize although these other races continue to dwell here, he will be happy here in his own country and not be afraid of being deprived of his right.

Asamba’s and Gichina’s concerns about economic subordination were echoed across the region. The Nyamwezi chief Abdullah Fundikira believed that native agriculture needed “nothing short of a revolution in methods and systems.”<sup>68</sup> This would require mechanization which, in turn, would require more financial resources for African farming,

<sup>66</sup> UKNA 892/5/4: Submission by Hezekiah Asamba, Maragoli, December 26, 1953.

<sup>67</sup> UKNA 892/5/4: “Memorandum on Things to Be Done in Future” by Stephen Gichina, Naivasha, December 15, 1953.

<sup>68</sup> UKNA 892/10/3: Memorandum presented by Abdullah Fundikira, n.d., but 1953.

“preferably for a start by Government funds.” Others called on the government to expand its financial role, approving of the Royal Commission’s suggestion that more loans be provided to Africans. The Kenya African Union branch in Nyanza noted that only non-Africans receive bank loans, despite the needs of African traders and farmers. C. N. W. Siganga, president of the Abaluyia People’s Association concurred, saying credit must be matched by improved commercial training and facilities for obtaining commodities from abroad.<sup>69</sup> Even submissions that disagreed on the virtues of registering and commodifying land – widely seen as a prerequisite for expanded lending – were united in the belief that Africans deserved more loans.<sup>70</sup> The Uganda Growers Co-operative Union, an organization with more than 10,000 Ganda members, rued that African interest in commerce was “submerged and chilled by poverty and lack of capital.”<sup>71</sup> Others emphasized the restrictive role of government regulations: the Bagishu Khuheentsa Co-operative Union in eastern Uganda complained about the official price and the “oppressive” rules around selling cotton.<sup>72</sup> A letter from Bataka of Busoga pointed to the same rules, saying as a result agriculture was suffering because it is “only the Indians who earn enormous profits from it.” The effort, cost, and risk taken by African farmers were not reflected in the “fixed” prices paid to them; meanwhile, “the Indian simply sits in his chair” and reaps the higher profit of a racially discriminatory pricing formula.<sup>73</sup>

### **I.3 Money, Borders, and the Remaking of Transactional Territories**

The result of these frustrations was a widespread sense that political independence would entail a remaking of the economic order. Citizens demanded the ability to trade, open shops, and receive fair payment for their crops and work. They wanted respectable jobs with good wages

<sup>69</sup> UKNA 892/6/1: Submission by C.N.W. Siganga, President, Abaluyia People’s Association.

<sup>70</sup> Hunter, “Economic Man.”

<sup>71</sup> UKNA 892/15/1: Submission from the Uganda Growers, Co-operative Union, 1953.

<sup>72</sup> UKNA 892/15/1: Memorandum from Bagishu Khuheentsa, Co-operative Union, Mbale, April 1953.

<sup>73</sup> UKNA 893/15/1: Memorandum from Bataka of Busoga, May 10, 1953.

and the training to carry out those duties. When opportunities arose, they were frequently embraced: by 1966, for example, there were reportedly 300,000 sewing machines sold in Uganda on the basis of hire-purchase contracts.<sup>74</sup> Independence leaders surrounded themselves with an array of expatriate advisors and a new generation of African technocrats who filed into ministries and parastatal companies. Some changes were a matter of policy decisions, such as raising the minimum wage. Other changes required new economic institutions and infrastructures. I argue that this economic statecraft was preeminently shaped by the imperatives of sovereignty, rather than “development.” While development was a potent discourse – all the more so given its protean, shifting qualities – it was especially important as a means to secure and advance the self-determination of East African countries. Economic progress was necessary to maintain legitimacy in the eyes of citizens and to meet the monetary imperatives of statehood. Postcolonial nation-states required a substantial reserve of foreign money; therefore, expanding exports, calibrating imports, and growing the commercial domain were the bases on which the new countries would both survive and thrive. In other words, behind the aspirations of development often lay the imperative to expand and sustain a reserve of foreign money. Such an imperative existed across the region, despite rhetorical and policy divergences.

Economic sovereignty needed both to change how money was governed and to secure more of it. In the 1960s, considerable effort went into a series of financial initiatives that tried to change how value was produced and governed. Some of these were short-lived experiments: Chapter 2, for instance, analyzes the difficulties of selling “development bonds” to Ugandan citizens in 1964–1965. Doing so was intended to provide additional financing to meet the state’s ambitious spending goals, but ultimately not enough Ugandans were willing to invest in the novel debt instruments to provide a lasting fiscal model. Other projects were of lasting consequence. Fundamental to the analysis that follows is the creation of central banks and national currencies in 1965–1966. The colonial economy was based around the East African shilling, a currency common to the region and administered by the East African Currency Board. As Wambui Mwangi showed, the Board was a political force used to discipline and dominate the

<sup>74</sup> Walter Tessier Newlyn, *Money in an African Context* (Oxford University Press, 1967), p. 60. The population in 1959 was 6.5 million.

region.<sup>75</sup> Chapter 1 discusses African dissatisfaction with this monetary regime, not least for how it facilitated the export of wealth to Britain and constrained long-term investment in East Africa. By allowing for the free conversion between shilling and sterling, the Currency Board facilitated the easy international movement of capital.<sup>76</sup> In its place, the three independent states created national currencies, independently administering Kenyan, Tanzanian, and Ugandan shillings under the direction of central banks. The central banks were important and novel institutions, designed to not only administer a national money but also influence commercial banks and credit. They worked to consolidate wealth in usable forms (e.g., foreign reserves) and influence its distribution among deserving citizens. As the national leadership put it at their respective opening ceremonies, the central banks and the currencies they controlled were the next step to secure independence. As I discuss in Chapter 1, doing so provided a measure of autonomy compared to colonial money, but it also compelled citizens to fall in line with the centralization of monetary authority within nation-states.

This reformulation of money and power in East Africa was not the only path out of empire. In Francophone West Africa, the monetary regime continued to be controlled by the former metropole, despite political independence. The CFA franc maintained the currency at a fixed exchange rate with the French franc and enshrined free convertibility between the African and French monies. Sixty-five percent of foreign exchange reserves were to be deposited with the French Treasury. Those who resisted were undermined, starting with Guinea whose vote to leave France in 1958 resulted in, among other subterfuge, France printing fake currency to undermine Sékou Touré's rule.<sup>77</sup> In the eyes of its critics, the CFA franc remains a "colonial currency," denuding African countries of monetary sovereignty, subsidizing European livelihoods, and giving French firms preferential access to West African markets.<sup>78</sup> The currency is an element of wider political

<sup>75</sup> Mwangi, "The Order of Money."

<sup>76</sup> John Loxley, "The Development of the Monetary and Financial System of the East African Currency Area, 1950 to 1964," PhD dissertation, University of Leeds, 1966.

<sup>77</sup> Elizabeth Schmidt, *Cold War and Decolonization in Guinea* (Ohio University Press, 2007), p. 172.

<sup>78</sup> Fanny Pigeaud and Ndongo Samba Sylla, *The Last Colonial Currency: The CFA Franc Story* (Pluto Press, 2021).

and military subordination, so-called *Françafrique*.<sup>79</sup> Others acknowledge the desirability of greater exchange rate stability, lower inflation which may result from being yoked to France, and fewer impediments to cross-border movement.<sup>80</sup> In this case, the situation is at best “voluntary servitude.”<sup>81</sup> Whichever the case may be, the commitment in East Africa to managing money locally marked a departure from British colonialism and postcolonial Francophone countries.

In East Africa, the creation of national currencies allowed for the centralized consolidation and controlled conversion between different types of money, thereby expanding the economic power of the post-colonial state in ways that were impossible in the colonial monetary system.<sup>82</sup> In this way, central banks and national currencies exemplify a monopoly on valuation. By promulgating a singular standard for valuation, the national currency jostled with alternative measures of worth; by doing so across the entire territory, the state tried to eliminate the types of arbitrage and niches in which citizens made their own value. In other words, currency was less a reflection of national identity or imagined community than an instrument for the national government of value. To be sure, this was spatially uneven – areas producing export value, more heavily commodified cities, and transportation corridors were different from less monetized areas – yet national currency worked as an infrastructure to rescale exchange away from imperial circuits toward territories governed by nation-states.<sup>83</sup>

Nationalisms had limited power in East Africa, but nationalized money worked to bind people to the nation-state and its territory.<sup>84</sup>

<sup>79</sup> Ian Taylor, “France à Fric: The CFA Zone in Africa and Neocolonialism,” *Third World Quarterly* 40(6) (2019): 1064–1088.

<sup>80</sup> Rahmane Idrissa, “Countries without Currency,” *London Review of Books*, December 2, 2021.

<sup>81</sup> Kako Nubukpo, “Politique monétaire et servitude volontaire,” *Politique africaine* 105(1) (2007): 70–84.

<sup>82</sup> For a comparison, see Tinashe Nyamunda, “Money, Banking and Rhodesia’s Unilateral Declaration of Independence,” *Journal of Imperial and Commonwealth History* 45(5) (2017): 746–776.

<sup>83</sup> As Dodd correctly insists, “state currencies have intermingled with other monetary forms for as long as they have been in circulation.” Nigel Dodd, *The Social Life of Money* (Princeton University Press, 2014), p. 212; Eric Helleiner, *The Making of National Money: Territorial Currencies in Historical Perspective* (Cornell University Press, 2002).

<sup>84</sup> Jeffrey Herbst appreciated the territorial power of currency, but his analysis was mired in the questions of urban bias and “overvaluation,” *States and Power in*



They were akin to what Etienne Balibar calls the “networks of apparatuses” necessary to maintain the nation-state in popular life.<sup>85</sup> For holders of national currency, the territory and the nation-state assumed new significance.<sup>86</sup> Bearing *Tanzanian* shillings in one’s pocket – rather than Kenyan ones, or US dollars, or gold jewelry – subordinates one to the Tanzanian government of value. It translates other forms of value into an infrastructure designed and managed by the state. It fastens users of Tanzanian shillings to the perturbations in its value and obliges them to consider its future prospects. It also confines their purchasing power to the jurisdiction of that money. In other words, national currency is an important bordering technique, as Gustav Peebles has argued.<sup>87</sup> When combined with other controls – including controls on the conversion into foreign money – currency worked to enclose people within a territorial jurisdiction.

National currency was part of a wider project of delineating territory and categorizing people.<sup>88</sup> This book approaches money and statecraft from the territorial margins, for residents of the border regions were never far from the concerns of East African central banks.<sup>89</sup> The imperative of maintaining sufficient foreign reserves encouraged states to view some populations with suspicion. In particular, borderland residents and Asian communities were seen as improperly extraterritorial in their management of goods and money. An iconic example is the stepwise expansion of Asian diasporic family businesses across East Africa. Facilitated by colonial regulation and the common East African currency, marriage and merchant trade created a regional formation. As the

*Africa: Comparative Lessons in Authority and Control* (Princeton University Press, 2000).

<sup>85</sup> Etienne Balibar, “The Nation Form: History & Ideology,” *Review* 13(3) (1990): 329–361.

<sup>86</sup> For the geography of African states, see Catherine Boone, *Political Topographies of the African State: Territorial Authority and Institutional Choice* (Cambridge University Press, 2003).

<sup>87</sup> Gustav Peebles, “Inverting the Panopticon: Money and the Nationalization of the Future,” *Public Culture* 20(2) (2008): 233–265.

<sup>88</sup> Nandita Sharma, *Home Rule: National Sovereignty and the Separation of Natives and Migrants* (Duke University Press, 2020).

<sup>89</sup> Veena Das and Deborah Poole, *Anthropology in the Margins of the State* (SAR Press, 2009); Aidan Russell, *Politics and Violence in Burundi: The Language of Truth in an Emerging State* (Cambridge University Press, 2019); Paul Nugent, *Boundaries, Communities and State-Making in West Africa* (Cambridge University Press, 2019).

government of value became increasingly territorialized, these regional networks became an object of popular opprobrium and official sanction. “We have records of Asians,” wrote Bank of Uganda officials in 1972, “who claim to be based in Zaire and Rwanda” but are operating in Uganda. Their lack of clear residence allowed Asians to transfer funds out of Uganda, draining the already limited foreign reserves.<sup>90</sup> And the ambiguity of their location confounded attempts to confine them within the territorial limits of monetary sovereignty.

It was not only Asians who crossed the borders of money.<sup>91</sup> Tanzanian, Rwandese, and Burundian migrant workers returning home from Uganda’s fields brought nearly half a million shillings with them in only six weeks in 1970.<sup>92</sup> In the frontier between Uganda and Kenya, cross-border lives and livelihoods were historically maintained by kinship ties, as well as ritual and commercial exchange. Chapter 5 details how Bagisu and Babukusu people along the border drew on shared cultural resources and language to facilitate a spectacular coffee smuggling trade in the second half of the 1970s. This was an especially notable perforation of a monopoly on valuation, but all along East Africa’s borders were transactional territories that could present a threat to territorial money and a resource for “fiscal disobedience.”<sup>93</sup>

These frontier livelihoods and kinship reflected popular ideas about what sorts of production and exchange should take place, as well as the uses to which wealth should be put. Cattle, for instance, frequently eluded state control as it was passed back and forth in cross-border dowries.<sup>94</sup> Bureaucrats saw in these international families and exchanges an affront to the monopoly on valuation. In response, currency and border controls tried to remake *transactional territories*,

<sup>90</sup> Bank of Uganda (BoU), “Director of Exchange Control to Governor, 20 July 1972. Reciprocal Banking/Currency Exchange Arrangements Between Uganda and Rwanda.”

<sup>91</sup> On “hybrid identities” across the Congo–Uganda border, see Timothy Raeymaekers, *Violent Capitalism and Hybrid Identity in the Eastern Congo* (Cambridge University Press, 2014).

<sup>92</sup> BoU GOV.120.9: General Manger to Governor. “Border Posts,” 1970.

<sup>93</sup> Janet Roitman, *Fiscal Disobedience: An Anthropology of Economic Regulation in Central Africa* (Princeton University Press, 2004); Dereje Feyissa and Markus Hoehne, *Borders & Borderlands as Resources in the Horn of Africa* (James Currey, 2015).

<sup>94</sup> MBL/6/25: Cattle Imports into Uganda, including Dowry, 1974.

those geographies of economic exchange and social conviviality.<sup>95</sup> Given the histories of colonial cartography, labor migrancy, and extended family networks, many transactional territories crossed state borders.<sup>96</sup> Sometimes, postcolonial states could countenance these frontier practices; in cases where it contributed to their own revenue or trade interests, cross-border networks were even actively supported.<sup>97</sup> Yet, when they subverted the monopoly on valuation – drawing off foreign exchange or export commodities – the states often worked to interrupt and reorient transactional geographies to be more territorial. Their success was hardly guaranteed, and I show that central bankers and police worked to stop illegal trade in export crops or currency only to find their controls to falter in the face of such deep-seated networks.

#### I.4 State and Corporation as Competing Monetary Authorities

It was not only workers and farmers whose cross-border ties became a target of official rebuke. The British companies who dominated the capitalized economy were, to varying extents, also a source of state consternation. Colonial economic policy supported a relatively narrow set of dominant firms, often with regulations that created near-monopoly conditions.<sup>98</sup> Banking, for instance, was dominated by three firms: Barclays, Standard, and National & Grindlays.<sup>99</sup> Because of their role in financing other sectors, the banks were especially important for the wider economy, yet they routinely frustrated African

<sup>95</sup> My thinking on this is inspired by Lana Swartz's idea of "transactional communities" in *New Money: How Payment Became Social Media* (Yale University Press, 2020) and by Francis Nyamnjoh, "Incompleteness: Frontier Africa and the Currency of Conviviality," *Journal of Asian and African Studies* 52(3) (2017): 253–270.

<sup>96</sup> Achille Mbembe, "At the Edge of the World: Boundaries, Territoriality, and Sovereignty in Africa," *Public Culture* 12(1) (2000): 259–284.

<sup>97</sup> On shifting regimes of territoriality, see Brenda Chalfin, *Neoliberal Frontiers: An Ethnography of Sovereignty in West Africa* (University of Chicago Press, 2010). On divergent interests, Gregor Dobler, "The Green, the Grey and the Blue: A Typology of Cross-Border Trade in Africa," *Journal of Modern African Studies* 54(1) (2016): 145–169.

<sup>98</sup> Colin Leys, *Underdevelopment in Kenya: The Political Economy of Neo-Colonialism, 1964–1971* (University of California Press, 1975).

<sup>99</sup> Compare to the role of expatriate banks in colonizing the Caribbean. Peter James Hudson, *Bankers and Empire: How Wall Street Colonized the Caribbean* (University of Chicago Press, 2018).

entrepreneurs and policymakers. The expatriate banks overwhelmingly issued short-term loans to export-oriented firms, especially agricultural brokers who borrowed in order to pay cultivators and then repaid the banks when the crops were sold internationally. This was lucrative and largely risk-free work, and the banks stubbornly refused to expand their lending into other sectors that required taking more risk and issuing loans for longer terms. Moreover, they maintained the vast majority of their financial reserves and profits in Britain, where it was invested in London's capital markets, to East Africa's detriment. As decolonization advanced and Africans envisioned an economy responsive to their demands, the foreign banks became a frequent target of opprobrium. Oginga Odinga, for instance, told a cheering crowd in Embu in May 1965 that their independence was not yet complete. Recalling the violent struggle for independence, the vice president said it was necessary "that Africans became masters of the wealth in Kenya as soon as possible." Controlling the banks that exported money to London and New York was essential, he explained. Drawing on an East African idiom that linked exploitation to selfish consumption, Odinga insisted that it was necessary to cut the straw through which "imperialists sucked the pot and grew fat."<sup>100</sup>

Foreign banks were of the most concern in Tanganyika.<sup>101</sup> The territory had long been the poorest and least diversified economy, and the leadership of the Tanganyika African National Union (TANU) had an especially strong territorial sensibility.<sup>102</sup> As a result, the refusal of British banks to finance new industries or invest their surplus at home was all the more frustrating. Leading policy intellectuals like Amon Nsekela distinguished between banking in the service of people's needs versus banking in the pursuit of profit. It was clear to TANU that the latter predominated, even after independence. They took various steps to redirect capital toward citizens' needs, including establishing entities to compete with British firms. Ultimately, these proved insufficient, spurring the complete nationalization of all foreign

<sup>100</sup> *East African Standard*, May 10, 1965. See James Brennan, "Blood Enemies: Exploitation and Urban Citizenship in the Nationalist Political Thought of Tanzania, 1958–75," *Journal of African History* 47(3) (2006): 389–413.

<sup>101</sup> Tanganyika and Zanzibar became Tanzania in 1964.

<sup>102</sup> As argued in Iliffe, *A Modern History*. The class composition of TANU – largely civil servants – likely contributed to the direction of its economic policy. Issa Shivji, *Class Struggles in Tanzania* (Tanzania Publishing House, 1976).

banks in 1967. “Our independence is not yet complete,” announced Julius Nyerere when taking the action, and only by repurposing banking could political sovereignty be secured through economic independence.<sup>103</sup> Nationalization would stop the easy export of capital, allowing a more purposeful control of foreign exchange. Chapter 3 provides a detailed reconstruction of the ensuing struggles between the Tanzanian government and Barclays. Tanzania was obliged to pay for the expropriated business, but how exactly the banking operation would be valued was another matter. The state and corporation had competing perspectives on banking. Where Barclays claimed its global reach was productive of Tanzanian development, TANU thought financial value had to be governed by the state and cooperatives on behalf of workers and peasants. I analyze how both the state and corporation tried to impose their own ideas about valuation. Technical accounting standards fused with political considerations, and the resulting price for decolonizing banking reflected less the state’s ability to monopolize how value was affixed than a compromise between competing ways of organizing the economy – a socialist state or a multinational corporation.

Nationalization tried to tame the international circuits of capital inherited from the empire by using banking as an instrument of state planning. It was indicative of how international capital constrained politically independent states. Nyerere was a vocal advocate for what a 1974 UN declaration called a New International Economic Order. The NIEO tried to reorganize global property and trade regimes in the interest of postcolonial states, but it was often at the scale of the nation-state that such ideas could actually be implemented. Chapter 3 provides insights into the practical work of implementing new economic orders, attending both to notable events like nationalization and the mundane drudgery that followed. In this regard, institutions like the National Bank of Commerce (NBC), which amalgamated the expropriated banks, were on the frontline of remaking finance to meet people’s needs. The NBC became a lynchpin in Tanzania’s muscular implementation of African socialism and self-reliance, the philosophy elaborating Julius Nyerere’s vision for economic sovereignty. The NBC was the key parastatal in Tanzania, serving to finance an elaborate range of state

<sup>103</sup> “Tanzania Nationalises Banks,” *East African Standard*, February 7, 1967; Paul Bjerck, “Sovereignty and Socialism in Tanzania: The Historiography of an African State,” *History in Africa* 37 (2010): 275–319.

enterprises after the 1967 Arusha Declaration. These aimed to more closely monopolize a range of production and exchange, including an expanding price control regime. The NBC also became a workshop for pioneering new economic morality. Under the leadership of Amon Nsekela, discriminatory credit policies would be equalized, commercial profitability balanced with social costs and benefits, workers organized into management councils, and financial “superstition and ignorance” in the public overcome through public cinema and radio.<sup>104</sup>

### I.5 Savings, Loans, and Citizens

Just as important as government takeovers was the creation of new financial institutions, directed by government to pursue official policy goals. Postcolonial governments created a range of new banks that would serve agricultural cooperatives, traders, and farmers. Some of these initiatives aimed at remaking the racial structure of colonial capitalism. British banks were historically reticent to lend to Africans, and what credit was available from Asian merchants to purchase vehicles, hoes, or other manufactured goods was costly and embroiled in wider resentments at the middlemen.<sup>105</sup> Decolonization offered to change this status quo.<sup>106</sup> In Kenya, for instance, state lending was combined with the revocation of trade licenses to displace Asian merchants who lent to Africans.<sup>107</sup> The Kenyan government worked with external donors to establish the Agricultural Finance Corporation in 1963, and three years later the Cooperative Bank of Kenya was created to lend to farmers and other cooperative groups.<sup>108</sup>

<sup>104</sup> Amon Nsekela, “The Public Corporation as an Instrument of Economic Development in Africa,” *Mbioni* 7(3) (1972): 5–37.

<sup>105</sup> The small but lucrative loans that Asians provided to African growers in northwest Tanganyika earned the merchants the appellation *wachuluzi*, from the Swahili “to trickle” – a reference to the relative pittance received by indebted farmers. Brad Weiss, *Sacred Trees, Bitter Harvests: Globalizing Coffee in Northwest Tanzania* (Heinemann, 2003), p. 94.

<sup>106</sup> Though it hardly eliminated it: In 1972 Kenya, one leading Asian businessman estimated £10 million outstanding in loans to Africans. Robert Gregory, *Asians in East Africa* (Westview Press, 1993), pp. 104–112.

<sup>107</sup> David Parkin, *Palms, Wine, and Witnesses* (Intertext Books, 1972), p. 51.

<sup>108</sup> Parker Shipton, *Credit between Cultures: Farmers, Financiers, and Misunderstanding in Africa* (Yale University Press, 2011). In addition to establishing its own bank, the Kenyan government also negotiated equity stakes in previously private corporate banks. Alice Amsden, “A Review of Kenya’s

Just as important as lending was unearthing the “considerable currency which is sterilized by hoarding on the part of the African population.” Postcolonial states worked to overcome the “psychological attitude” that militated against depositing savings with banks.<sup>109</sup> In the 1970s, the Cooperative Savings Scheme grew to include 150,000 depositors and more than KSh. 60 million within just a few years. This was an explicit part of producing citizens.<sup>110</sup> In Tanzania, despite a wariness about the monied economy, it was an ambition of African socialism to expand banking in order to “extend the monetary sector to people at the subsistence level.”<sup>111</sup>

Chapter 2 draws on internal records to explore the Uganda Commercial Bank (UCB), a government-owned entity established in 1965. The UCB was intended to cultivate the “banking habit.” As Joseph Mubiru, the Governor of the Bank of Uganda, put it in 1967, “mobilizing savings” would help the country “deal with the problem of encouraging the small man to save his current earnings for his future but also for the overall well-being of the economy.”<sup>112</sup> This was a political and economic project, but it was also cultural: it would convert wasteful subjects into economizing citizens. Citizens were encouraged to adopt new technologies for ensuring credibility, including cooperative farming and bookkeeping. These would reform citizens to align with the demands of economic sovereignty, turning individual wealth into a collective resource without depriving individuals of their earnings.<sup>113</sup> Even more importantly, UCB would expand the amount of money available for development financing. Expanded banking would serve a critical role in wider economic systems, whereby increased export productivity would be achieved through

Political Economy since Independence,” *Journal of African Studies* 1(4) (1974): 418. See also Peter Marris and Anthony Somerset, *African Businessmen* (Routledge, 1971).

<sup>109</sup> Kenya National Archives (KNA) MAC/KEN/56/2: Scope for a ‘Commercial Bank of Kenya,’ n.d. [but 1965?].

<sup>110</sup> Government pamphlets to “Teach Yourself Citizenship for Self-Government” included one on money. KNA MAC/KEN/86/2: “Jifunze – Uraia No. 11 Pesa,” 1962.

<sup>111</sup> “Banks Take-Over Legalised,” *East African Standard*, February 15, 1967.

<sup>112</sup> BoUG.56.70, GOV.806.4: Oral Evidence of Mubiru, July 18, 1967.

<sup>113</sup> The key was that people could keep their wealth (in a savings account) while simultaneously permitting others to use that wealth (as a bank loan). Gustav Peebles, “Rehabilitating the Hoard: The Social Dynamics of Unbanking in Africa and Beyond,” *Africa* 84(4) (2014): 595–613.

mechanization and other inputs purchased on credit. While historians of development have focused on the role of foreign aid, international financing was often too little in the eyes of East African policymakers. “We need more money than ever before,” said Uganda’s Minister of Finance in late 1964, yet it was not forthcoming from abroad. When it was available to meet their spending goals, it would arrive late, with conditions and other drawbacks. At worst, “gifts and loans” would turn independent countries into subservient states.<sup>114</sup> By collecting citizen savings domestically and converting them into loans, UCB could provide capital to priority sectors, at a cost and timeframe that would further export earnings.

Ugandans vocally demanded an expansion of banking, seeing it as the proper role for the state. While urban centers were sufficiently served by the 1950s, citizens demanded in the coming decades an expansion of branches to smaller towns and the use of mobile banking vans for more rural areas. In 1977, for instance, UCB sent J. M. Kasobya to Kagadi, a town in western Uganda. The trip was meant to be an exploratory visit, seeing whether the area could support a bank branch, yet it turned into a spectacle. Residents appeared in droves to insist Kasobya open them accounts. More than US\$ 50,000 was deposited that day “to show the support they had for the Bank,” he reported to superiors. The offerings worked: a convinced Kasobya reported that Kagadi was populated by “outstanding progressive farmers” who can grow almost anything. A UCB branch in Kagadi would be an “undoubted” success, he decided. Elsewhere, too, citizens decried the absence of resources to further their productive activities, and they drew upon a variety of registers to position themselves as both worthy investments and deserving of assistance – including calling on the state’s finances as youthful clients of a senior patron. Citizenship moved across the scholarly ideal types of dependent subordination or egalitarian individuals.<sup>115</sup>

<sup>114</sup> This was Nyerere’s position in the Arusha Declaration, but such a sensibility was also evident elsewhere, including in Kenyatta’s insistence on *harambee*, wherein self-help would drive development.

<sup>115</sup> Code-switching between rights and patronage, and the importance of productive inequalities, are central to Kristin Phillips’s sensitive ethnography and idea of “subsistence citizenship.” *An Ethnography of Hunger: Politics, Subsistence, and the Unpredictable Grace of the Sun* (Indiana University Press, 2018). See also James Ferguson, *Give a Man a Fish: Reflections on the New Politics of Distribution* (Duke University Press, 2015), pp. 160–162.



Access to credit could also provide the material trappings of modernity, yet in practice there were always those left behind. Its political and moral significance also made credit the subject of fractious dispute. In Kenya, agricultural credit was part of the independence settlement for land-deprived citizens, but troubles with repayment brought into focus the competing loyalties of borrowers and obligations of the state.<sup>116</sup> A narrow idea about what constituted legitimate value – namely, economic output – led to continual conflicts with citizens whose more expansive values led them to spend loan money on funerals, weddings, education, or a new bicycle or radio.<sup>117</sup> Farm credit flowed most readily to large landholders, and only 15 percent of smallholders received loans by 1973. It was also ethnically stratified.<sup>118</sup> In Tanzania, as the government came to control the levers of finance, bank loans entered a fraught contest over the distribution of wealth and prestige. For instance, an NBC subsidiary that provided loans to civil servants to purchase cars became the target of leftist students at the University of Dar es Salaam. Private cars were insufficiently socialist and a drain on the national reserve of foreign currency. They critiqued the vehicle loans as the exclusive preserve of ‘Nizers – a derogatory term for those few beneficiaries of Africanization. ‘Nizers were condemned as “slothful and decadent,” and populist periodicals sensationalized young women being picked up in glamorous private cars. Even poetry was used to complain that the ‘Nizer “does not pay his debt.”<sup>119</sup> Such accusations of improper privilege were salient enough to eventually find a home in parliamentary debate in June 1966, and in 1970 the loans for private vehicles were banned.<sup>120</sup> By objecting to preferential access to credit and conspicuous consumption, these citizens mobilized the state’s own rhetoric against its

<sup>116</sup> Shipton, *Credit between Cultures*; Kara Moskowitz, *Seeing Like a Citizen: Decolonization, Development, and the Making of Kenya* (Ohio University Press, 2019), pp. 135–142; Ambreena Manji, *The Struggle for Land & Justice in Kenya* (James Currey, 2020).

<sup>117</sup> Parker Shipton, *The Nature of Entrustment: Intimacy, Exchange, and the Sacred in Africa* (Yale University Press, 2007); Parker Shipton, *Mortgaging the Ancestors: Ideologies of Attachment in Africa* (Yale University Press, 2009).

<sup>118</sup> Amsden, “Kenya’s Political Economy,” pp. 425–431.

<sup>119</sup> Joshua Grace, *African Motors: Technology, Gender, and the History of Development* (Duke University Press, 2021), p. 148.

<sup>120</sup> Andrew Ivaska, *Cultured States: Youth, Gender, and Modern Style in 1960s Dar es Salaam* (Duke University Press, 2011), p. 203.

policies; they demanded state banks live up to the goals of conserving foreign reserves and reducing social stratification.

## **I.6 Cultivating Credible Citizenship**

As is clear in the case of banking, the government of value was not merely a state imposition. Certainly, bureaucrats could be unwelcome arbiters of worth – mandating prices, intervening in farming, and extracting taxes. Many of the disputes I examine in the pages to follow are the result of conflicting ideas about these very topics. Chapters 4 and 5, for instance, depict the widespread smuggling economies of the 1970s as subversive offenses against the state’s control of commodities. Fraudulent cheques or the contravention of currency controls were not simply criminal malfeasance; they were an insistence that wealth circulate at odds with state dictates. When farmers loaded cotton on canoes to cross Lake Victoria, they did so because they thought the product of their labor was worth more than their own state would pay and because they had enduring commitments to cross-border transactional territories. When Kenyan farmers around Bungoma were in arrears a “staggering” KSh. 14 million to the Agricultural Finance Corporation, as they were in 1975–1976, they likewise revealed that certain obligations were more important to them than financial debts owed to banks.<sup>121</sup>

In other cases, though, citizens assented to the state direction of resources, its setting of prices, and its limits on international trade. Indeed, popular economic ethics could be important drivers of state monopoly. In the 1970s, the Idi Amin state oversaw an elaborate crackdown on “economic crimes” such as hoarding, smuggling, and overpricing goods. In Chapter 4 I discuss how many citizens demanded the government intervene when the Ugandan economy buckled. They petitioned and protested against economic criminality deemed to cause inflation and shortages. Indeed, even the Asian expulsion – so often reduced to the whims of one man – reflected a wider demand to remake the racialized economic order in ways befitting popular ideas about the ethical distribution of wealth.<sup>122</sup> These ideas had various influences – from the inequalities of income and taxation, to histories of personal

<sup>121</sup> KRC AGB/1/127: Bungoma District Annual Report, 1976.

<sup>122</sup> Edgar Taylor, “Asians and Africans in Ugandan Urban Life, 1959–1972,” PhD dissertation, University of Michigan, 2016.

indignity and mistreatment, to expectations of personal and collective benefit.<sup>123</sup> Yet, common to the history was an expectation that the state could and should remake economic relations, property, and regulations. In the face of widespread shortages, Ugandans denounced bureaucrats as corrupt, neighbors as smugglers, and shopkeepers as hoarders. And they demanded official intervention. Nor was this unique to Uganda: Tanzanians and Kenyans likewise called for the state to more closely intervene in a variety of domains, from providing credit to redistributing trade licenses and policing economic crimes.<sup>124</sup>

Petitioning the state, calling upon it to act, and offering one's voluntary assistance were modalities of economic citizenship. The chapters that follow trace the emergence and contradictions of what I call *credible citizenship*. Citizens of Kenya, Uganda, and Tanzania positioned themselves as reliable producers. Elements of this formation were already evident in the 1950s. As the submissions to the East Africa Royal Commission convey, Africans insisted that they were trustworthy recipients of loaned capital, viable managers of shops, and essential producers of cash crops. For many, access to land – including the land expropriated by colonial forces – was foundational to such project. With independence, the colonial discrimination and political interests that made it possible to deny economic liberties to Africans faded, and citizens were better able to demand their entrance into further market domains. In each case, the commercial rights of credible citizenship were yoked to responsibilities. Shopkeepers were expected to contribute taxes; income was to be saved in bank accounts where it might be converted into loans for others. Above all, the responsibility of credible citizenship was to contribute to the expansion of export value. Credible citizenship was therefore formative of a productivist ethos, in which the virtues of output were extolled and those who were unable to yield fruitful work were consequentially

<sup>123</sup> On inequality, see Vali Jamal, "Asians in Uganda, 1880–1972: Inequality and Expulsion," *The Economic History Review* 29(4) (1976): 602–616; on interpersonal experience, see Taylor, "Claiming Kabale"; on expectations of benefit, see Chapter 4.

<sup>124</sup> On credit, see Brennan, *Taifa*, pp. 185–186; on trade licensing, see Aiyar, *Indians in Kenya*, chapter 6; for economic crimes in Tanzania, see Ronald Aminzade, *Race, Nation, and Citizenship in Postcolonial Africa* (Cambridge University Press, 2013), pp. 230–234.

denigrated. Merit was revealed through industrious contributions to the collective. Deviations from this responsibility incurred discipline, sometimes to the point of state violence.<sup>125</sup>

Engaging in productive market activity was a way to earn both money and esteem. As I discuss in Chapter 4, commercial contribution was also a key means of justifying access to consumer commodities, especially as shortages prevailed in the 1970s. Credible citizenship provided a means to achieve a range of culturally salient aspirations, from affording the material trappings of married life to educating one's children. It was also a way of legitimating one's position within a regime of economic self-determination. In one register, it was through productive activity that belonging in the polity was justified; in this way, its effect was generally felt throughout the populace. More often, though, it was a means of justifying access to limited resources by fashioning oneself as more deserving than others; in this way, it was a practice of distinction. Credible citizenship was always an unequal and exclusionary formation, as the standards of citizenship were routed through economic modalities characterized by risk, competition, and profit. The areas conducive to export crops produced a class of cultivators who could advocate on their own behalf. States had a material incentive to privilege these enclaves, directing more resources to boosting output (and sometimes income). What resulted from this productivism were masculine regimes of control, as export crops were sold and money governed in ways that diminished the role of many women – even as they labored in the fields. Over time, more women found a form of freedom in the markets of East Africa's cities and towns, trading the obligations and inequities of rural patriarchy for a mixture of economic opportunity and precarity.<sup>126</sup> Yet, just as frequently their burden was doubled as the compulsion to produce and earn was coupled with the work of caring and raising children.<sup>127</sup> And there was no guarantee their commercial contributions would be

<sup>125</sup> On productivism, cf. Ferguson, *Give a Man a Fish*, pp. 51–60.

<sup>126</sup> Bessie House-Midamba and Felix Ekechi, eds., *African Market Women and Economic Power: The Role of Women in African Economic Development* (Greenwood Press, 1995).

<sup>127</sup> Esther Boserup, *Woman's Role in Economic Development* (George Allen & Unwin, 1970).

recognized as such. The result, as Kara Moskowitz argues in her study of Kenya, was uneven, multivalent, and pluralistic citizenship.<sup>128</sup>

Such an approach departs from those who see African citizenship principally through the lens of legal identity.<sup>129</sup> Legalism risks extracting dichotomies of political belonging from the imperatives of accumulation and the struggles to define and control wealth. Rather than distinct domains, the borders of *political* inclusion were *economic* matters. The lens of credible citizenship also brings into focus the insufficiency of Euro-American theories, especially the genealogy of “social citizenship.”<sup>130</sup> In contrast to the situation prevailing in 1940s Britain – where welfare institutions promised to soften capitalist volatility and immiseration – colonial officials were “very reluctant about implementing international standards of social security.”<sup>131</sup> Social citizenship was fundamentally tied to a waged industrial working class that never prevailed in the colonies; as a result, the idea of using state institutions to redistribute economic surplus to those temporarily unable to work – due to being young, old, or unwell – never had much purchase in East Africa. Far more important was the state fostering economic opportunity for the unwaged producers who predominated. Issuing trade licenses or agricultural loans may have changed who could truck, barter, and trade, but credible citizenship made little claim to egalitarian redistribution. Few thought that the resources existed for meaningful redistribution, and in many cases hierarchical ideas about dependence and worth militated against it. Stratification was the result. Insofar as inequality was a concern, the promise of “development” – that there would be more tomorrow than today – justified deferring redistribution. Yet, the fluctuations of the market, the deepening of under-development, and the ghostly presence of indebtedness as the flip side of credit ultimately stymied many of the aspirations of credible citizenship.

<sup>128</sup> Moskowitz, *Seeing Like a Citizen*, p. 9.

<sup>129</sup> The most important of which is Mahmood Mamdani, *Citizen & Subject: Contemporary Africa and the Legacy of Late Colonialism* (Princeton University Press, 1996).

<sup>130</sup> T. H. Marshall, *Citizenship & Social Class* (Cambridge University Press, 1950). Cf. Niraja Gopal Jayal, *Citizenship and Its Discontents: An Indian History* (Harvard University Press, 2013).

<sup>131</sup> Andreas Eckert, “Regulating the Social: Social Security, Social Welfare and the State in Late Colonial Tanzania,” *Journal of African History* 45(3) (2004): 467–489.

## I.7 Inclusion, Exclusion, and Enforced Belonging

Like all forms of citizenship, credible citizenship was double-edged.<sup>132</sup> It had both assimilating and exclusionary aspects. As the rights and responsibilities of citizenship were extended to some, they were necessarily refused to others. Nationality could define the boundaries of inclusion, but it intersected with class, gender, race, and ethnicity. The poor faced uphill battles. Despite often doing much of the farm labor and provisioning for children, women had less access to credit and the proceeds of their work. Sometimes entire ethnic groups were cast as backward, draining the economic vitality of the nation. The Maasai, for instance, were depicted as stubbornly traditional Others who needed reform in order to enter postcolonial modernity.<sup>133</sup> It is perhaps not an accident that they frequently subverted the state's monopoly on valuation by moving their valuable livestock across the Kenya–Tanzania border.<sup>134</sup> The racial divisions of East Africa were among the most evident zone of conflict in regard to economic citizenship. It was not that the Asian residents of Kenya, Uganda, and Tanzania were unproductive *per se*, but many believed that their productivity came at the expense of others. Because Asian earnings were posited to come at the expense of the nation, their position of economic and legal belonging was suspect. This antinomy between citizenship as inclusion and exclusion is well recognized by African studies. In moments of economic and political stress – including the divisions of decolonization or the xenophobia of the neoliberal era – cultures of assimilation give way to more exclusive, competitive positioning. Expulsion and violence may result.<sup>135</sup> As I have suggested, national currency was an instrument of such bordering dynamics, used

<sup>132</sup> Emma Hunter, ed., *Citizenship, Belonging, and Political Community in Africa: Dialogues between Past and Present* (Ohio University Press, 2016); Frederick Cooper, *Citizenship, Inequality, and Difference* (Princeton University Press, 2018).

<sup>133</sup> Leander Schneider, “The Maasai’s New Clothes: A Developmentalist Modernity and Its Exclusions,” *Africa Today* 53(1) (2006): 101–131.

<sup>134</sup> Perhaps as many as 100,000 heads of cattle from Tanzania were annually sold illegally in Kenya during the 1970s. Dorothy Hodgson, *Once Intrepid Warriors: Gender, Ethnicity, and the Cultural Politics of Maasai Development* (Indiana University Press, 2001), pp. 202–222.

<sup>135</sup> Peter Geschiere, *The Perils of Belonging: Autochthony, Citizenship, and Exclusion in Africa and Europe* (University of Chicago Press, 2009).

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to socially sort insiders and outsiders in the pursuit of material resources.

A focus on monetary infrastructure and governance also suggests a different dynamic, not well captured by the dualism of inclusion and exclusion. Rather than seesawing between assimilation and expulsion, money has been used to *enforce* membership, enclosing people within political and economic jurisdiction. Here, the trouble is not rejection or removal but rather the imposition of belonging. Confining citizens within a particular way of governing money and wealth served to raise the barriers to exiting, often with troubling effects for East Africans whose attachments were not limited to one state, nation, or territory.<sup>136</sup> “Inclusion,” in this approach, is not an unalloyed good. Instead, it can subject communities to extraction and predation.

Enforced belonging was not only a problem for extraverted residents with cross-border ties. The inclusion in monetary infrastructures could further inequality within these circuits. This began before political independence: anticolonial activists argued that the financial regime inherited from Britain drained wealth from across East Africa to, first, Nairobi and, then, London. What is less appreciated is that the system built after independence had similarly unequal effects. In 1972, a Bank of Uganda study found that “the banking system operates to pump money from poorer counties into the most developed parts of Uganda, adding to the processes of concentration.”<sup>137</sup> In other words, credible citizenship offered no guarantee of collective benefit. The dynamics of capitalist production and economic inequality within and between nation-states continued to deprive some areas to the benefit of others. Here the trouble was more akin to what scholars working elsewhere have called “adverse incorporation” or “predatory inclusion.”<sup>138</sup>

Many East Africans recognized it was wise to equivocate about one’s inclusion in a given monopoly on valuation. In the chapters that follow, I show how the enforcement of inclusion led to various forms

<sup>136</sup> MacArthur, “Decolonizing Sovereignty,” p. 113; Keren Weitzberg, *We Do Not Have Borders* (Ohio University Press, 2017).

<sup>137</sup> BoE OV75/9: The Banking System and Regulation of Liquidity in Uganda, by G. Durin, 1972.

<sup>138</sup> For the former, see Rama Salla Dieng, “Adversely Incorporated Yet Moving Up the Social Ladder?” *Africa Development* 47(3) (2022): 133–166; for the latter, see Keeanga-Yamahtta Taylor, *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership* (University of North Carolina Press, 2019).

of subterfuge, not least of which was smuggling, as citizens resisted limits to their transactional territories and captured arbitrage opportunities. For many, states remained coercive and capricious at the same time they were ineffective. Asian East Africans are perhaps exemplary, though hardly alone, in this regard: wary of their standing and obligated to relatives in multiple territories, those who could afford to do so “salted money away” and invested in ties across the borders.<sup>139</sup> Borderland residents were also purposefully pluralistic, holding a bit of savings in both currencies, making claims to land and kin in both territories, and perhaps acquiring identity cards from both states. Rarely was this formally dual citizenship; it was rather an ethic of spreading one’s resources across territories in order to provide alternative pathways when others closed down.<sup>140</sup> Extraterritorial ties were especially effective, but similar hedging strategies were available within countries, too. For instance, urban Kenyans have long maintained what access to rural land they can, not least to support themselves in times of economic slowdown.<sup>141</sup> The ability to rely on subsistence production proved a valuable backstop against the risks of market and state. What this suggests is that although citizenship was routed through economic circuits, and although the state was called upon to have an active role in that effort, East Africans did not reduce their attachments to the state alone. Credible and legal citizenship remained one tactic, arrayed with others, for securing a decent life and belonging. As I discuss in Section I.8, the practice of state sovereignty had to unfold in ways that reflected this popular dispensation.

## **I.8 Between Domination and Hegemony**

The pluralism of many citizens – their ability to flee, to turn to subsistence, or to smuggle in the face of government coercion – obliged sovereign power to work through more than coercion. Historians of Africa have long recognized this for earlier eras, where the relative

<sup>139</sup> BoE OV75/11: Uganda Asians, August 21, 1972.

<sup>140</sup> Scholars of pastoralism have perhaps been best attuned to these pluralistic practices, including Peter Little et al., “Avoiding Disaster: Diversification and Risk Management among East African Herders,” *Development and Change* 32 (3) (2001): 401–433.

<sup>141</sup> Lyn Ossome, “Can the Law Secure Women’s Rights to Land in Africa?” *Feminist Economics* 20(1) (2014): 155–177.



abundance of land made it difficult to corral followers and laborers without a degree of persuasion. Scholarship has been particularly attentive to how reciprocal obligations attached people to certain polities. Leaders proved their worth through hospitality, healing, and other ways of winning assent; followers earned their membership through decorous behavior, industrious contributions, and ritual incorporation.<sup>142</sup> In the colonial era, too, large-scale migrations were referenda on European presence, and Africans' ability to materially provide for themselves often served as a bulwark against colonial demands.<sup>143</sup> Such insights are less explored in postcolonial settings, and an attention to economic statecraft gives new insights into the exercise of sovereign power.

Economic sovereignty required persuading citizens that a state monopoly on valuation was in their interests. A national currency would be rejected or unused if it seemed otherwise. This was very clear in the case of Uganda: at the time the Bank of Uganda began issuing its own currency in August 1966, the central government and Kingdom of Buganda were in the midst of a violent struggle over political supremacy. A few months before, Uganda's Prime Minister Milton Obote abrogated the constitution and drove the Kabaka into exile after a bloody confrontation.<sup>144</sup> Longstanding antagonisms by Ganda patriots toward the central state were never more vehement. The technocrats and politicians planning to introduce the new Ugandan shilling were worried that Baganda would refuse to use the money. Not only was it a symbol of the central state's power, some people complained that the security features on the notes depicted the emblem of Obote's political party, now even more loathed in Buganda.<sup>145</sup>

<sup>142</sup> Steven Feierman, "Reciprocity and Assistance in Precolonial Africa," in Warren Ilchman et al. (eds.), *Philanthropy in the World's Traditions* (Indian University Press, 1998), pp. 3–24.

<sup>143</sup> A. I. Asiwaju, "Migrations as Revolt: The Example of the Ivory Coast and the Upper Volta before 1945," *Journal of African History* 17(4) (1976): 577–594.

<sup>144</sup> I. R. Hancock, "The Uganda Crisis, 1966," *Australian Outlook* 20(3) (1966): 263–277.

<sup>145</sup> Mutibwa, *Bank of Uganda*, p. 108. On East African monetary symbolism, see Wambui Mwangi, "The Lion, the Native and the Coffee Plant: Political Imagery and the Ambiguous Art of Currency Design in Colonial Kenya," *Geopolitics* 7(1) (2002): 31–62; Catherine Eagleton, "Designing Change," in Ruth Craggs and Claire Wintle (eds.), *Cultures of Decolonisation: Transnational Productions & Practices, 1945–70* (Manchester, 2016), pp. 222–244.

Economic boycott and activism were nothing new to Buganda, and the refusal in the country's richest area to take up the national currency would thwart the massive, consequential undertaking. Fortunately, from the perspective of central government planners, the introduction of the new currency coincided with the payment to coffee growers in Buganda. As long as marketing boards, banks, and brokers paid farmers in the new currency, Buganda's patriotic cultivators would have little option but to accept the new money. They were, technically, able to refuse payment, but in practice they were confined by circumstance and interest to use the Ugandan shilling.<sup>146</sup>

This situation is akin to what Max Weber called "domination by virtue of a constellation of interests." This form of power "has its source in a formally free interplay of interested parties," who are not under any obligation to submit but do so because they find it suits their purposes. Weber suggested domination through a constellation of interests is especially apt in situations of monopoly power, including "any large central bank or credit institution." They may dominate an economy, but they do not do so through explicit coercion. Rather,

they simply pursue their own interests and realize them best when the dominated persons, acting with formal freedom, rationally pursue their own interests as they are forced upon them by objective circumstances.<sup>147</sup>

A monopoly on valuation through a central bank and national currency is exemplary of this type of domination. States promulgated and maintained their own monetary infrastructures because they had a perceived interest in doing so: it provided better control over credit, it allowed them to monopolize foreign money, and it put their symbolic presence in pockets across the country. Citizens used the national currency because it was the sole legal tender, required to pay taxes and purchase goods, thus allowing them to pursue their own ends.<sup>148</sup>

When Ugandans adopted the Ugandan shilling in 1966 – and Kenyans and Tanzanians did similarly with their national monies – they did so because it was in their perceived interest to do so. In the settling of

<sup>146</sup> BoE OV75/3: Commonwealth Office to British High Commission, Kampala, August 6, 1966.

<sup>147</sup> Max Weber, *Economy and Society* (University of California Press, 1978), pp. 942–945.

<sup>148</sup> Paul Nugent has discussed similar dynamics in terms of social contracts in "States and Social Contracts in Africa," *New Left Review* II(63) (2010): 35–68.

debts and the buying of commodities, they were “formally free” to use other instruments, but they adopted the money “simply [to] pursue their own interests and realize them best.”<sup>149</sup>

That a monopoly on valuation unfolded best through a constellation of interests provides a new lens on sovereignty, citizenship, and the state in East Africa. It emphasizes the ambiguity of domination, where opportunity and complicity – not merely deprivation – characterize subjects of sovereign power.<sup>150</sup> States are heterogeneous ensembles, with competing components and pressures.<sup>151</sup> In contrast to a literature that winnows the state to spectacle and violence, *Money, Value, and the State* demonstrates how overlooked entities such as central and parastatal banks mediated conflicting demands through their government of value.<sup>152</sup> Weber is, of course, better known for defining states as “a human community that (successfully) claims the monopoly on the legitimate use of physical force within a given territory.”<sup>153</sup> Pointing to a monopoly on valuation – and disputes over its legitimacy – is intended to clarify how African states rule through mundane matters of money and pricing, not merely coercion. Violence is not always absent in this form of domination, and such histories did undergird currency and crop regulation in East Africa.<sup>154</sup> But in contrast to those who think coercion is the “prevalent mode of political rule” in postcolonial Africa, I argue that state force is insufficiently compelling without exercising domination through a constellation of interests.<sup>155</sup> The violence of East Africa was evidence of the weakness of rule, and sovereignty worked in more layered ways.<sup>156</sup> To see the

<sup>149</sup> Weber, *Economy and Society*.

<sup>150</sup> Srirupa Roy, *Beyond Belief: India and the Politics of Postcolonial Nationalism* (Duke University Press, 2007).

<sup>151</sup> Bruce Berman and John Lonsdale, *Unhappy Valley*, Book One (James Currey, 1992).

<sup>152</sup> Achille Mbembe, “Necropolitics,” *Public Culture* 15(1) (2003): 11–40.

<sup>153</sup> Max Weber, “Politics as a Vocation,” in H. H. Gerth and C. Wright Mills (eds.), *From Max Weber: Essays in Sociology* (Routledge, 1948), pp. 77–129.

<sup>154</sup> As Weber notes in his own discussion, large credit institutions can shift into more overt relations of command and obedience, as in the case of a debtor who is required to give a creditor a seat on a management board to receive a loan.

<sup>155</sup> Issa Shivji, “The Rule of Law and Ujamaa in the Ideological Formation of Tanzania,” *Social & Legal Studies* 4 (1995): 147–174.

<sup>156</sup> David Graeber, “Dead Zones of the Imagination: On Violence, Bureaucracy, and Interpretive Labor,” *HAU: Journal of Ethnographic Theory* 2(2) (2012): 105–128.

state as brutish Leviathan is to ignore the plurality of people's values and how they articulate with sovereign power.

In this way, the history discussed in *Money, Value, and the State* reflects a view of sovereignty as necessarily a limited achievement. A monopoly on valuation was in practice never totalizing, even if it did serve as a regulatory ideal shaping state and popular action. From the perspective of state regulators, this incompleteness drove ambitions to further their economic sovereignty. From my perspective, it is a reminder that sovereignty is never a characteristic of an autonomous actor working through autocratic decree or generalized consent.<sup>157</sup> Rather, it is characterized by a series of interdependencies, pluralized and fragmented.<sup>158</sup> In working to attain economic sovereignty, East African states were interdependent on maintaining shared interests with their citizens, as well as negotiating their connections overseas. The result was a political formation less characterized by the pronouncements of a singular sovereign than the indeterminant composition of a sovereignty distributed across currency notes, coffee fields, and smuggling routes.<sup>159</sup>

Considering aligned interests also reframes theories of the relationship between citizens and states. Many have noted that patriotism can encourage a contribution to wider, often abstract, virtues – including through self-sacrifice. At times, belonging and allegiance in East Africa have indeed been matters of life and death. More prosaically, they have frequently inspired restraint and renunciation as loyal members contribute to projects in support of larger publics. In her study of Buganda, Holly Hanson emphasized that submission and giving to monarchical authority were virtuous acts through which individuals upheld collective well-being. Tribute, gift-giving, and labor given freely were the basis on which reciprocity would sustain the proper order of Ganda society.<sup>160</sup> Such loyal sacrifices for a higher good similarly motivated

<sup>157</sup> Thomas Blom Hansen, "Sovereignty in a Minor Key," *Public Culture* 33(1) (2021): 41–61.

<sup>158</sup> As Jessica Cattelino writes in her study of Florida Seminole sovereignty, "both money and sovereignty are more usefully understood as constituted by relations of interdependency than imagined to be based on autonomy." *High Stakes: Florida Seminole Gaming and Sovereignty* (Duke University Press, 2008), pp. 199–200.

<sup>159</sup> Achille Mbembe, *On the Postcolony* (University of California Press, 2001), 25; p. 128.

<sup>160</sup> Holly Hanson, *Landed Obligation: The Practice of Power in Buganda* (Heinemann, 2003).

Ugandans to contribute at personal cost to Britain's struggle in the Second World War.<sup>161</sup> After independence, the politics of self-reliance (*kujitegemea*) in Tanzania and self-help (*harambee*) in Kenya were calls of personal forbearance for collective advance.<sup>162</sup>

In contrast, credible citizenship worked less through self-sacrifice than self-interest.<sup>163</sup> The enterprise and labor of citizens were called upon equally in the service of the nation and as a means of advancing one's own ambitions. Rather than forbearance and restraint, credible citizenship was premised on a merger of individual and collective interest. As discussed above, this was most evident among the commercially oriented denizens of East Africa's productive export enclaves and towns. Yet, whether enunciated by citizens demanding loans or by politicians distributing trade licenses, there was a perception that the pursuit of commercial advance would serve the collective and the individual. For instance, when citizens were called upon to save their wealth in bank accounts, they were not being asked to sacrifice their earnings to another; they were promised their money back – plus interest – while simultaneously furthering national development. Their interests were not purely financial, even if they were routed through monetary infrastructures: a wider range of motivations – from honor and prestige, to ethical obligations and a sense of daring – are evident in why various people aligned, or did not, with the state architecture.<sup>164</sup> There was nothing inevitable about such a lamination of personal and collective purpose, and, indeed, the rights of economic citizenship were matched by corresponding duties: in return for loans,

<sup>161</sup> Carol Summers, "Ugandan Politics and World War II," in Ahmad Alawad Sikainga et al. (eds.), *Africa and World War II* (Cambridge University Press, 2015), pp. 480–498.

<sup>162</sup> Peter Ngau, "Tensions in Empowerment: The Experience of the 'Harambee' (Self-Help) Movement in Kenya," *Economic Development and Cultural Change* 35(3) (1987): 523–538.

<sup>163</sup> See a related discussion in Holly Hanson, *To Speak and Be Heard: Seeking Good Government in Uganda, c.1500–2015* (Ohio University Press, 2022), chapter 4.

<sup>164</sup> As Bayart put it when describing an ethic of accumulation that characterized postcolonial politics, the power to "amass and redistribute wealth" can be productive of socially sanctioned honor, too. Yet, while his view is grounded in the 1980s – and therefore emphasizes "the highly personalized regulation of the State rhizome" – a perspective based on archival evidence from earlier decades shows patrimonialism is only one form of action and legitimation. Jean-Francois Bayart, *The State in Africa: The Politics of the Belly*, 2nd ed. (Polity Press, 2009).

agricultural inputs, or trade licenses, citizens were obliged to produce the sorts of goods and revenue on which the state depended. Yet, the economic and political model of the postcolonial period worked best insofar as a constellation of interests held together, and divergent values among citizens could make that hard to do. East Africans positioned their financial architecture to overcome such antagonisms. Where conflicts between the individual and collective were perceived, the idea of “development” promised to ameliorate them; that is, by depicting a more prosperous future through industrious action, the shortcomings of the present were justified as temporary experiences, not permanent conditions.

### I.9 Unmaking Economic Sovereignty from Within and Without

By the second half of the 1970s, it became ever more difficult to maintain this careful choreography. After years of exporting capital around the world, the United States’ departure from the gold standard in 1971 encouraged wealth to flow back to New York and increased the cost of borrowing in Africa.<sup>165</sup> The spike in oil prices beginning in 1973 wreaked further havoc on the foreign exchange positions of East African states, as they had to spend considerably more for declining amounts of petrol, fertilizers, and industrial inputs.<sup>166</sup> A series of bad rains and harvests also set in. In some cases, crisis was averted by the especially good price received for coffee beginning in 1976, but in other cases long-term declines in export revenue prevailed. In Uganda, Idi Amin’s government proved especially ill-equipped to maintain a constellation of interests, and the Asian expulsion in 1972 deprived the country of considerable expertise and capital.

The second half of this book explores how farmers, workers, and others pursued their own interests in the face of shortages, slowdowns, and inflation. The states did not concede the government of value, but more and more citizens insisted on their own authority to determine

<sup>165</sup> Giovanni Arrighi, “The African Crisis,” *New Left Review* II(15) (2002): 21–22.

<sup>166</sup> Emily Brownell, *Gone to Ground: A History of Environment and Infrastructure in Dar Es Salaam* (University of Pittsburgh Press, 2020). Subsequently, Aili Tripp, *Changing the Rules: The Politics of Liberalization and the Urban Informal Economy in Tanzania* (University of California Press, 1997).

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what was valuable and how to achieve it. For instance, many refused to sell crops to the cooperative organizations that states used to monopolize export value. In response, exhortations and regulations in each of the countries tried to boost production and regulations tried to conserve foreign exchange. On the front lines were men like Chief Amini Keresi who moved about Uganda's Kibaale county and turned to radio broadcasts to convince citizens to "put much effort on digging . . . [for] that is where most of our wealth comes from."<sup>167</sup> Yet, Keresi often met disinterest and resistance as citizens believed their interests served otherwise. In practice, Ugandans were displaying alternative ideas about what was valuable, coming to see subsistence and other activities as worthy of their time and labor rather than the export-oriented production on which the state depended.

Instead of relying on government jobs or financial regimes, more and more East Africans turned to alternative networks. They still called upon the state to rectify the situation and provide effective economic stewardship, yet few reduced their aspirations to the state – struggling as it did to coordinate between popular and official interests. Instead of monopoly, the practice of citizenship pluralized, with belonging best achieved through multiple attachments to various relations beyond the state. This pluralism was a hedge against the failure or volatility of any one livelihood or identity. As a repertoire of belonging and survival, it often existed at odds with state efforts to secure a monopoly on valuation, but as conditions worsened in the 1970s, pluralism became a generalized condition.<sup>168</sup> Emily Brownell has depicted how Dar es Salaam residents balanced between multiple tactics in the 1970s, as inflation ate away at wages. They moved between what employment they could secure and other livelihoods that were relatively insulated from what she calls the "foreign exchange economy."<sup>169</sup> In place of a finished cement home, they relied on piecemeal brickmaking; in place of purchased foods, they cultivated a garden on the edges of the city. In Kenya, too, more and more citizens found themselves making ends

<sup>167</sup> KDA 270: Amini Keresi to Information Officer, Toro, January 26, 1978.

<sup>168</sup> The pluralization of "regulatory authority" is a focus of Roitman, *Fiscal Disobedience* and Raeymaekers, *Violent Capitalism*.

<sup>169</sup> Emily Brownell, "Re-territorializing the Future: Writing Environmental Histories of the Oil Crisis from Tanzania," *Environmental History* 27(4) (2022): 747–771.

meet through *jua kali* – earning an income under the “hot sun” in labor ranging from carpentry to street vending.

Uganda’s citizens likewise turned to alternative tactics for making a living. After 1972, many factories came to a standstill and shortages of spare parts became the order of the day. Uprooting coffee to plant vegetables and absconding from urban employment for rural homes, they used subsistence farming to avoid the increasingly ungovernable world of commodities. Many others relied on trade that was criminalized by the state, not least for depriving it of essential revenue. By 1974, illegal access to foreign currency was “very common.”<sup>170</sup> Chapter 5 shows how coffee farmers marshalled relations between Uganda and Kenya to facilitate access to wealth and security. Drawing on extended families, mutually understandable languages, and histories of ritual exchange, frontier residents smuggled coffee and other commodities in the magendo circuits.<sup>171</sup> In Kenya, this trade allowed previously marginalized populations to enjoy a new range of commercial goods, while in Uganda – where the situation was more dire – smuggling provided the basic goods through which a decent life might be secured.

States tried to clamp down on these subversive practices. Kenyans came to think too many of their consumer goods were being smuggled into Uganda, driving up prices. The Price Control Office for Western Province “had to work around the clock” in 1978, but it was only able to bring a few smugglers to magistrates in Bungoma and Busia. They scoured the entire province to find shopkeepers “over-charging, failing to issue cash sale receipts, ticketing of goods, price lists, hoarding, refusing to sell, obstructing authorities, and failing to stop.” In all, they charged 168 with offenses against the state pricing regime and raised KSh. 150,000 in fines in 1978.<sup>172</sup> In both Tanzania and Uganda, “economic crimes” became a public panic, as merchants refused to sell goods at the price or timing demanded by the state. Tanzania’s Preventive Detention Act was used to arrest 500 people for foreign exchange violations in 1975–1976 alone.<sup>173</sup> In Joshua Grace’s

<sup>170</sup> BoU GOV.305.1: Minutes of EA Exchange Controllers Meeting, January 18, 1974.

<sup>171</sup> Peter Wafula Wekesa, “The History of Community Relations across the Kenya-Uganda Border,” PhD dissertation, Kenyatta University, 2011.

<sup>172</sup> KRC AUS/1/5: Provincial Price Control Office, Annual Report, 1978.

<sup>173</sup> Aminzade, *Race, Nation, and Citizenship*, p. 233.



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discussion, what the Tanzanian state called “economic sabotage” was in fact a threat to its own power to spread socialist development “across national space . . . through set government prices.”<sup>174</sup> In other words, the transactional territories of smugglers were an affront to the state’s own territorial government of value. In Chapter 4, I discuss the work of Uganda’s Economic Crimes Tribunal, which was established in 1975 and arraigned thousands of citizens for hoarding or smuggling goods. It was in part a response to the desperate cry by Ugandans for “essential commodities” such as salt and sugar that were no longer readily available, upsetting their ideas about economic ethics. Such juridical interventions, though, were of limited utility. Already by 1974, the situation was so dire the directors of the Bank of Uganda thought the country faced an existential threat due to the “problem of foreign exchange.” If “the country is not to perish,” the Bank’s management argued, they needed to “break the vicious circle” that drained the national reserves through limited exports and currency smuggling.<sup>175</sup> Pulling their various levers – credit restrictions, border controls, and public pronouncements – was only getting them so far. The result threatened not merely pocketbooks and bottom lines, but the very survival of the nation. As commodities slipped out of controlled channels and money lost its value, it was an ever more desperate effort to govern value.

Kenya, Uganda, and Tanzania mobilized money and finance to help constitute independent nation-states, but the infrastructural power of currency and finance was ultimately limited. It proved incapable of consistently controlling citizens and commanding commodities. In this way, by the late 1970s, the project of economic sovereignty was being undone from within, as farmers and workers refused the state’s authority to govern value. The ethical values and economic interests of citizens diverged from the state’s putative monopoly on valuation. Living a decent life, fulfilling moral obligations, and achieving one’s ambitions were less compatible with the legal circuits of value. Central banks, national currencies, and economic crimes tribunals tried to govern popular value and values, but they increasingly stumbled. Just as importantly, they could not govern *capital*. This may seem

<sup>174</sup> Grace, *African Motors*, p. 238. See also T. L. Maliyamkono and Mboya Bagachwa, *The Second Economy in Tanzania* (Ohio University Press, 1990).

<sup>175</sup> BoU Minutes of the Board of Directors, December 6, 1974.

counterintuitive; after all, money and credit are often equated with capital. But undergirding my analysis is a distinction between capital as an abstract form of value and money as the temporary instantiation of capital. Capital is a social relation of unceasing “value in motion,” sometimes manifest in commodities, sometimes in labor power, sometimes in money. It is what David Harvey calls “an immaterial but objective force” – immaterial because it is not reducible to its physical manifestation in commodities or money, but objective in its real-world consequences.<sup>176</sup> It works through impersonal and abstract force which is, nevertheless, a coercive sort of power.<sup>177</sup> In other words, while a state currency (or a cheque or another monetary token) might represent and embody capitalist value, capitalist value supersedes money in its material forms. At times, East Africans could harness capital; at other times, they could suppress it. In many cases, they actively facilitated it. But ultimately, the contradictions of capitalism relegated many East Africans to further immiseration and crises. In such a situation, economic self-determination slipped out of reach. As their exports were replaced by less expensive substitutes and their money could purchase less and less, East Africans faced a receding horizon of sovereignty. What came in the 1980s under the sign of “structural adjustment” was an effort to install a new government of value – one that traded national economic sovereignty for the sovereignty of capitalist markets – and it is where this book will conclude.

<sup>176</sup> David Harvey, *The Limits to Capital* (Verso, 2006 [1982]), p. xx.

<sup>177</sup> Søren Mau, *Mute Compulsion* (Verso, 2023).