African Markets and the Utu-Ubuntu Business Model. A perspective on economic informality in Nairobi

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Published by African Minds

Kinyanjui, Njeri.
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Preface

I wrote this book to try to resolve some of the contradictions I have experienced as a student, a practitioner and also a subject of economic informality, urbanisation and development. As a student of development in the 1980s and 1990s, I was exposed to Karl Polanyi’s idea that development involves a ‘great transformation’ of social, cultural and economic ways of life, and that this is brought about through the establishment of self-regulating markets, the entrenchment of a money culture and the adoption of a new religion and formal education. Apparently, in Africa, the first steps towards this transformation were taken during the colonial period and further progress is being made by postcolonial states via the neoliberal policies they have since adopted.

I also learned that African culture presents certain obstacles to this transformation process. Punitive attitudes towards gender apparently prevent women from participating fully in economic activities while the fact that individualism and competition are generally discouraged supposedly suppresses entrepreneurship and innovation. So, to benefit from the great transformation, Africans are often advised to adopt the individualist mindset that will allow them to embrace economic competition, self-regulating markets, as well as new farming methods.

In the early 1990s, while reading for my doctorate at the
University of Cambridge in the United Kingdom, I realised that some of the prescriptions geared towards spurring economic growth in Africa – such as those directed at peasant farmers growing coffee in my village – were, in fact, perpetuating complex systems of exploitation. In 1997, in a bid to own a home in Nairobi, I began constructing a house in Kahawa Sukari on the outskirts of the city. This entailed hiring and sourcing materials from traders and artisans in the informal economy.

My transition from being a researcher on economic informality to being a consumer and participant in the informal economy gave me a deeper understanding and appreciation of the complexities and intricacies of this world. My perception of traders and artisans as hapless individuals, lacking in capital and entrepreneurial skills, changed completely. I soon saw them as people who knew their business well and commanded strong networks. They shared their business experiences with me in ways that they would not have done had I been a mere researcher. Their stories helped me to begin to conceptualise economic informality as an alternative business model and led me to research and write about this as I have done over the past several years.

Since independence, Kenya’s postcolonial governments have tried to play ‘catch-up’ by creating policies and institutions similar to those behind economic and development planning in Europe, North America and East Asia. In other words, the Kenyan government has been trying to replicate the great transformation that took place in Europe in the 19th century, which involved the establishment of so-called self-regulating markets and the growth of large corporations. Of course, such transformation has remained elusive in Africa, and Kenya is no exception. In my view, part of the reason why transformation has failed is because interventions by the state and corporations have either ignored the economic role and contribution of indigenous traders and artisans (who have accumulated capital and developed their own methods of doing business) or demanded that these groups abandon their own business strategies and adopt those acceptable to self-regulating markets instead. Traders and artisans have consistently resisted this.
In the Kenyan context, one of the earliest forms of resistance to the great transformation was expressed in one of my paternal grandmother’s favourite songs, Mbia ciokire (When money was introduced). The song decries the ways in which money alienates people from their humanity and undermines the values of solidarity, caring and nurturing in families, affecting relations between husbands and wives, mothers and sons. The song reflects the fact that prior to the colonial invasion, African communities placed the values of humanity and solidarity at the centre of production and exchange. These values served as the basis for mutual generosity and reciprocity. In contemporary Kenya, a similar view is expressed in another song, Shilingi yaua tena maua (A shilling is a beautiful flower but it kills), which challenges the entrenchment of neoliberalism, which values wealth above all.

Although resistance to the veneration of money is well-enough embedded in local culture that songs are regularly composed about it, this is seldom mentioned in analyses of African economies. Nevertheless, many Africans have resisted the great transformation. Rotating credit or savings associations such as susu in West Africa, chama in Kenya and stokvels in South Africa are one example of this resistance. Another key example, that is explored and examined in depth in this book is the efforts of traders and artisans to sustain the institution of African markets.

Despite enduring more than a century of disruption, first by colonial conquest and now by globalisation, African markets persist as complex and autonomous communities of exchange and production. They are spaces in which communities harness their agency to sustain and renew a network of households, some of which traverse the urban–rural divide, and which rely on flows of skills and resources that are largely independent of the formal economy.

Another popular song, Mucibi wa marigiti (The market belt), depicts markets in Nairobi as spaces in which traders have the power to survive and then thrive. In the song, the composer pays tribute to his mother who, by trading at the market, raises enough money to educate her son. He later acquires a job and reciprocates by building her a house. The composer acknowledges he was
once ashamed that his mother was not more affluent but now can appreciate how much his own success relied on what she was able to achieve as a trader. The song substantiates the notion that African markets empower people to harness their agency to perform the dual roles of economic production and domestic reproduction. In this process, the markets sustain traders’ sense of their own power as well as that of their families and communities. The tightening of the market belt can be seen as symbolic of a business model that entails resilience, hope, education, solidarity generosity, and reciprocity.

I call this mode of transaction the utu-ubuntu business model. Utu is a Swahili word meaning ‘humanness’ and ubuntu is a Zulu word for ‘solidarity’. As a philosophy, utu-ubuntu serves many purposes in the social and economic realms of many communities in Africa. It rests on the principle that all human beings are interconnected and interdependent. It refutes and resists Western culture’s exaltation of individualism and its veneration of wealth and technology as solutions to human problems. Instead, it affirms African culture by advocating and perpetuating the values of communality and reciprocity. For this reason, utu-ubuntu has been described as offering a workable model for restoring social and economic justice (Tutu 1999).

As a business model, utu-ubuntu acknowledges that all economic transactions are embedded in social relations. From this perspective, the main purpose of doing business is to build and sustain the autonomous and self-regulating networks that one belongs to. For example, traders and artisans in Nairobi share operational costs related to transport, security and space. They also share their knowledge through exchanging stories about their experiences. They engage in a kind of ‘crowd-funding’ – pooling their income to pay for capital investments or social insurance. Most of this activity is based on principles of reciprocity and sharing that weave individuals into a net of shared personal, social and religious ties. The model is inclusive and seldom leaves traders in debt.

Using this utu-ubuntu model to understand the activities of traders and artisans, I explore how, despite being consistently
excluded and disadvantaged, they have shaped urban spaces in and around Nairobi and contributed to the development of the city as a whole. With immense resilience, and without discarding their own socio-cultural or economic values, they have formed a territorial complex that I refer to as the African metropolis.

For me, the term 'African metropolis' refers to those parts of many African cities that have been established on the basis of African logic and according to the norms of self-sufficiency and self-determination. In these areas, places have African names, the work of traders and artisans is often the dominant mode of production, and individuals are closely connected to their neighbours and to the broader community via a range of kinship and other ties. In contemporary Kenyan slang, these areas are referred to as *kijiji* (villages), and they are substantially different to Nairobi's more affluent neighbourhoods (which bear English names), such as Westlands, Parklands and Lavington. In my view, if this utu-ubuntu way of doing business were to be mainstreamed and used to inform national economic and urban planning, inclusive and sustainable urban development might stand a chance. I therefore conclude the book with a brief discussion of how such villages could be enhanced and extended.