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

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Part Three

Utu-Ubuntu Enhancing Urban Resilience
Chapter 7

The utu-ubuntu business model

I spent my childhood and teenage years in the village of Ngethu in rural central Kenya, which exposed me to some of Africa’s indigenous economic and business logic, as well as its norms and values. My paternal grandfather was a farmer while my grandmother combined farming with selling agricultural commodities in local markets. My parents combined farming with formal employment in the civil service. My mother, a teacher, carried out her teaching duties between eight o’clock in the morning and three o’clock in the afternoon, returning to work on the farm when she got home. My father did his office work on weekdays but tended to his farm work on Saturdays and during vacations. My parents therefore straddled the world of modernity and the indigenous African world.

In 1987, I settled in Nairobi and, true to my roots, I established a habit of going to the market every Saturday. I became intrigued by the way traders share space, price their goods, collaborate and compete, differentiate between their products, treat their customers, acquire their supplies and adapt to the constantly changing modern business environment. Their agency and resilience ignited my desire to study the markets – their structures, functions, philosophies, regulations, abilities to adapt to change and their implications for urbanism and urbanisation.
As an economic geographer and scholar of small enterprises, I have searched for a business model that resonates with the values I experienced in Ngethu – values of resilience, self-reliance, solidarity entrepreneurship, economic justice, communal responsibility and inclusiveness. So far, the only model I have found that begins to fit these criteria is that practised by traders and artisans who run marketplaces in Kenya. As explained earlier, I have named it the utu-ubuntu business model. ‘Utu’ is a Swahili word for the state of being human and acting humanely. Ubuntu is a philosophical concept from southern Africa that refers to the inextricable interconnections between all human beings (Tutu 1999). The value system embedded in the philosophies of utu and ubuntu holds that all human beings occupy a single moral universe and share a moral sensibility that makes them recognise their duty to each other. As Kenyan philosopher John S Mbiti explains in his influential work *African Religions and Philosophy*, this is the understanding that ‘I am because you are, and because you are therefore I am’ (1969: 108).60

Few would suggest that economics can be divorced from our humanity even if solidarity and collaboration are not exactly championed in the world’s currently dominant economic systems. However, as Polanyi (1944) describes it, in the 19th century, ‘the great transformation’ driven by industrialisation led to the global economy becoming disengaged from social control. The supposedly self-regulating ‘free’ market forms the basis of capitalism’s entrenched inequalities. In response to the failures of the capitalist economy, many have advocated for an economy that serves everyone as opposed to rewarding only a small elite (see Hart et al. 2010). In previously published work, I have that the ethics and practices of traders and artisans in African markets offer a tangible example of a more humane economic system (Kinyanjui 2012, 2014). This is a system in which values and norms, combined with an awareness of how our actions impact on others, determine the economic strategies we deploy (De Dora 2011).
The basics of utu-ubuntu business practice

The business logic that informs traders and artisans in African markets is about endurance, loyalty, sharing, hard work, concern for the welfare of others, resilience and generosity. I make this claim based on examples drawn from the Agikuyu community in central Kenya.

For as long as anyone can remember, the Agikuyu have engaged in the manufacturing and trade of art and craft. They set up manufacturing centres or craft collectives where carvers and blacksmiths congregated, and were adept not only at carving and forging, but also at weaving, dyeing, ceramics and leather working. They produced a wide range of metal goods (including knives, farm implements, jewellery, chains and musical instruments), leather goods, wooden objects, cloths and complex ceramic work. They engaged in trade and manufacturing to satisfy their need for food, clothing, shelter and security, exchanging goods through bartering at markets and via trade caravans.

Community cohesion in relation to socio-economic transactions was maintained through membership of nyumba (households) and riika (age groups). As everyone belongs to both an age group and a household, these bonds contain and link communities into a shared lineage. It is in the best interests of both individuals and the community to preserve unity and good relations at these levels. Egalitarianism is maintained by controlling inequalities and disparities that might breed acrimony between people who share a common ancestry. Individual initiatives, related to negotiating a livelihood or facing personal challenges, for example, are always seen as being connected into a frame of community activities and social relationships.

Economically, community-based activities are supported by solidarity and collaboration, which I have termed ‘solidarity entrepreneurialism’. This is enabled and enhanced by accessing ngwatio (labour pools) and matega (resource pools) that exist within or are linked to household and age-mate communities. Its benefits are expressed by Mama Nguyai, a respondent from Kairi Village.
as follows: ‘Kunyitanira nokuo ngungituma andu mahote gukura. Gukura wi wi ka ti wega. Tondu mundu ndagiriirwo guikara nyike ta mbogo ya nduiki. No mubaka wite ucio ungi munyitanire’ (Solidarity and collaboration is the only way that people can grow and live together in harmony). There is general acknowledgement that no one can live well in solitude, and they maintain group agency by recognising the strength that lies in unity.

**Shared risks**

Mwalimu Gacheru, a respondent from Nguna, offers the following advice: ‘Mundu akihanda mwere ni eraga andu angi onao mahande nigetha ma gateithania nyoni’ (while planting ‘mwere’ [a type of grain], an individual invites others to do the same so that they would share the risk of the seeds being eaten by birds). In an urban context, traders share risk by inviting others to join their projects by sharing space, transport and security costs. They spread their risks by investing in similar businesses, thereby making collaboration more useful than competition. The general sense of not having to ‘go it alone’ encourages traders to stay in business.

**Building individual agency**

Sharing risks does not imply an absence of individual agency. Individuals are required to gather the willpower, capacity and skills to engage effectively in trade. Rather than using technologies to ease individuals’ workloads, the Agikuyu community invests in building individuals’ agency. Mostly, this involves enhancing people’s skills and perseverance when embarking on economic activity – for example, *ngwatio*, a form of pooled labour that beefs up an individual’s capacity to complete a particular task such as clearing bush from a piece of land. In an urban context, groups of construction workers use *ngwatio*, combining their energies to enhance their output and increase their bargaining power (Kinyanjui 2012). A similar example was provided by a respondent who noted, ‘atumia nima nyitanaga magathii ndunyu hamwe nigetha mowaniririe njira’ (women travel together to the market as a way of helping each other endure the long distances that have to be covered).
Similarly, individuals often pool their savings in a *chama* (cooperative), thereby enhancing their ability to afford certain kinds of transactions. In less formal ways, networks of friends, relatives and colleagues surround individuals with the social fabric within which they can strengthen their confidence to undertake economic actions. People transact economically, secure in the knowledge that they are both an individual and a member of the community. Being part of supportive networks and engaging collaboratively in work is seen as a way to guarantee thriving. The spirit of mutual reciprocity and trust built via shared effort also helps to ensure that transactions agreed to are fair.

**Economic justice**

In Agikuyu tradition, *ndunyu* (markets) and *iganda* (manufacturing sites) were where economic activity was carried out. Anyone was free to sell goods at a market and those with artisanal skills would sell their wares at manufacturing sites. Goods were bartered and relations between workers and employers were based on a reciprocal system of gifts and rewards that emphasised fairness. Importantly, all activities were carried out openly, which helped to minimise injustices such as hoarding, unfair trade terms, overpricing, undercutting and exploitation. The old adage *murimi ndaunagwo guoka* (‘never break the hand of a farmworker’), is still widely quoted.

**Savings and surpluses**

Johnson (2012) describes savings behaviour in Kenya in a paper titled ‘The rift revealed: The search for financial inclusion in Kenya and the missing social dimension’. She claims that Africans do not save, but rather store money in large sums and draw from this bit by bit. Johnson explains that villagers she spoke to conserved money for the future in what was known as *kuiga muthithu* (conserving in a chest). She also observed that villagers she got to know did not consume their entire harvest in one year. Nor did they take everything they had grown or made when they went to sell goods at the market. Instead, goods and produce were preserved for the longer term and in case of emergencies. Accordingly, every home
had a granary for storing grain. Similarly, goats owned by one household were periodically sent to a neighbour’s homestead for safe keeping. After some time, the goats would be returned with new offspring. In this way, communities preserved and shared their best breeding stock. Johnson argues that this kind of preserving and conserving is different from stockpiling goods for disposal via a stock exchange when prices are good.

To a large extent, similar norms, values and logic about sharing and conserving can be observed in African indigenous markets. The markets act as nests that contain the relational dynamics within which the production, exchange and conserving of surpluses take place. Traders often pool their resources to insure one another in a kind of crowd-funded group insurance. Labour and capital are organised around utu-ubuntu circles of family, friends, age-mates and ethnic ties.

Labour relations
In the indigenous economy, people worked collaboratively to grow crops, raise livestock and market their goods. At times, a gendered division of labour was clear. For example, men would cut sugar cane while women and children would carry the canes to the weighing bay. However, men, women and children all weeded maize and bean fields. In addition, communities pooled their labour in groups known as ngwatio, enabling neighbours to call on each other for additional help when necessary. They also pooled their resources in groups called matega, whereby neighbours shared seeds, cuttings and suckers.

Solidarity entrepreneurialism
This sharing of labour and resources is typical of what I see as the African business ethic, which foregrounds resilience, self-reliance and entrepreneurship, as much as solidarity, sharing risk, economic justice, building individual agency and conserving surpluses for the future. Business activities are seen as closely linked to, and embedded in, not just the life and work of any single individual,
but also to the life of the community and to its relationship with
the divine. That is, the links between these three spheres of life are
understood as interdependent and they therefore frame a moral and
ethical code that shapes relationships, business activities and the
deployment of surplus.

This African business model has struggled to coexist with the
capitalist ethos which reveres individualism and lauds those who
survive as the fittest, the smartest and the most intelligent. Yet,
on the fringes of the urban economy, the African model persists.
It still insists on the logic of interdependence, self-reliance and
community mindedness, and remains embedded in ethical norms
and religious values. In earlier work (see Kinyanjui 2010, 2012,
2013, 2014), I observe that this same set of African logic, norms
and values continues to drive the economic activities of traders and
artisans in Nairobi’s informal sector, and that their ways of working
exemplify the solidarity entrepreneurialism that characterises the
utu-ubuntu business model.

In my view, solidarity entrepreneurship is the key tenet of African
business values and ethics. It comprises group agency and individual
initiatives in which competitors aim to collaborate via collective
alliances rather than attempting to destroy each other (Kinyanjui
2013, 2014). Solidarity entrepreneurialism among women garment
traders in Nairobi sees entrepreneurs sharing spaces and transaction
costs, deciding together on which risks to take and which to avoid,
and inviting others to join them in their businesses. Every action
is illuminated by a sense of solidarity, and this underpins the utu-
ubuntu business model.

Figure 1 is a graphic representation of how individual traders
seem to perceive their choices within this African economic form.
Traders and artisans acknowledge that they live in a wider world of
political turbulence and economic crisis. They operate at the mercy
of stifling government policy and in the face of strong competition
from formal businesses that are generally supported by state policy
and thus have access to several sources of capital.

The utu-ubuntu philosophy encompasses both the business
and wider lives of traders and artisans. Traders see themselves as
embedded in both the divine and physical worlds and the ideals and objectives of life, work and spirit are equally nurtured. In the marketplaces, the interplay between the social, economic and spiritual domains is always evident. No individual is really separable from the business nor the business from the household, and both exist within the grace of a higher power. This approach to the totality of life defines the nature of all transactions and activities.

The role of divine forces in traders’ and artisans’ economic activities should be understood within the context described by Mbiti (1969) who notes that Africans are notoriously religious. This religiosity is evident in the large numbers of Africans who proclaim or profess one religion or another. Most of the market traders and artisans I spoke to said that they often hold prayer meetings at the markets in the early mornings before the stalls open for business. Their belief that divine forces are in overall control provides traders and artisans with the confidence to engage in business and to accept
its outcomes even when these are not immediately positive for them.

More mundane factors affecting traders’ and artisans’ economic behaviour include their family and community backgrounds. In the utu-ubuntu context, traders’ and artisans’ families usually provide the educational and monetary backing for new entrants to their businesses. Often, the wider community also offers support by providing ideas, finances, skills training and/or a base of loyal customers. The ability to invite new members into their businesses, and to train and support them initially, also serves as a yardstick for the success of families and communities, as the ability to share and be generous is an important social and economic indicator. In other words, business success is measured not only in terms of assets accumulated but also in terms of how people treat others and conduct themselves socially – how they take care of their children’s education and their parents’ welfare, the type of housing they choose and their contributions to church and community groups. Economic well-being is also judged by investments made in both urban and rural areas in terms of real estate, animal husbandry and forms of transport. Any event in the life of a household or business is shared and lived by the community as a whole.

In summary, the utu-ubuntu business model is characterised by its embeddedness in the personal, community and divine domains. It is driven by a spirit of solidarity as well as courage, endurance, resilience and hard work. Entrepreneurial behaviour is characterised by solidarity entrepreneurialism, which encourages individual initiatives in a context of group agency. Group agency is reflected in the sharing of transaction costs, such as transport, security and space rentals, learning from older traders and later mentoring new ones, agreeing to rules that regulate the group and pooling assets. Individuals are expected to work hard, live frugally and show determination, perseverance and a willingness to be self-reliant. This is the spirit of entrepreneurship that is nurtured and flourishes in African markets.