

Marris, Peter and Somerset, Anthony, THE AFRICAN ENTREPRENEUR - A Study of Entrepreneurship and Development in Kenya. New York, Africana Publishing Corporation, 1972. x, 288 p.

\$10.00

It is becoming increasingly clear in a number of sub-Saharan countries that a chronic problem in the planning process lies in the weakness or absence of a number of structural links that are essential to economic development. With the granting of political independence to many areas during the 1960's, planning became an imperative to correct the inequities of the colonial experience. Initial attention focused on a number of technical gaps and means to overcome them. Yet planning in many countries has produced very mixed results, partly because of the initial assumptions concerning the presence of resources. One of these assumptions has been the presence of sufficient innovative skills to anticipate and absorb unfolding opportunities for economic change. If innovative talent is a critical variable, there is certainly a need for examining its origins and functions, and ultimately to foster its growth within developing countries. Peter Marris and Anthony Somerset have set such a goal for themselves in their study of entrepreneurship in Kenya, and have brought forth a number of useful insights into the development process.

In a study conducted in 1967, the authors employ a multi-methodological approach ranging from historical narrative to contemporary statistics. While this may strike dismay to methodological purists, anyone with experience in both the study of entrepreneurship and in Africa would pause before passing judgment. Indeed, as the authors point out, one of the major problems lies in the dearth of information on entrepreneurship, historically as well as in current research. Robert Levine's study of achievement motivation in Nigeria (1966), David McClelland's work in Ethiopia (1967), Abdoulaye Wade's study on the Mouride in Senegal (1970), and other studies are still too few and far between to provide a sufficient basis of understanding the subject, let alone to provide methodological refinement.

Four population samples are used for the study. The first examines the historical evolution of the Kikuyu trading specialization in pre-colonial Kenya, with a concentration on 55 contemporaries now working in various parts of the country. The second analyzes a group of eighty-seven individuals who

have received loans from the Kenyan Industrial and Commercial Development Corporation (ICDC). The third compares this group with a more random collection of non-ICDC individuals, all 848 of whom are Africans. The last examines the attitudes and practices of some 281 Asians working primarily in the larger metropolitan regions. The authors' observations on these four groups suggest a number of statements concerning the nature of economic development as well as entrepreneurship.

Economic development in its earlier stages involves structural changes that are pre-requisites for any further improvement. Continuing research on economic development has permitted a partial separation of several major and minor issues involved with the process of change. For example, we now know that, contrary to earlier impressions, the theory of inadequate savings is not nearly so accurate as once thought, mostly because of the presence of non-monetary savings in the subsistence sector. In addition, external capital resources have often been sufficient, and limited in use only by the capacity of the developing economy to make productive use of additional savings.

Second, we also know that economic development doesn't mean the instantaneous creation of a number of projects involving the latest technology. Not only are such projects frequently set up with dubious expectations, e.g., a political demonstration effect, and international economic efficiency, but they also have relatively little effect on the major part of the economy. Further, the technology employed is often so ill-adapted to the conditions of the developing country, having usually been produced in a developed economy for its own use, that the net effect may well be negative.

Third, the automatic association of economic development with rapid industrialization has also been found wanting. "Industrialization" may well ignore the varieties of economic development that should be considered consonant with a particular country's resource endowment over time. The inadequacy of equating industrialization with economic development may be seen in the persisting problems of unemployment and capacity underutilization in a number of countries, notably in the Ghanaian experience of the early 1960's.

The list of issues is not exhaustive, nor does it clarify adequately what in fact the process of economic development does

involve. The purpose here is not to examine such a compendium, but rather to focus on one critical prerequisite, namely the emergence of innovative talent that can assist the economy in adapting to new conditions. In so doing, the Kenyan study explodes a few widely-held myths concerning entrepreneurship.

Myth number one says that Africans had no innovative talent and that whatever economic change that did and was to occur in Kenya would come from other groups. This narrow view of Africa was based on outsiders' ignorance of the dynamics of African economies. When it was questioned, it was often too late, leading to growing tensions, as in the 1967 crisis over the status of Asians in Kenya, and the more recent crisis of a similar nature in neighboring Uganda. That the view was both myopic and tragic may be traced to the patterns of pre-colonial trade that existed in Kenya. Early Kikuyu specialization in trade and Masai development of pastoralism provided the basis for a growing commerce that was mutually beneficial, demonstrating beyond a doubt the local genius for exploring new patterns of economic activity, both in composition and in direction.

In Kenya, the climate for change was soon circumscribed by expanding European settlement patterns in the highlands and the colonial policy of importation of Asian middlemen. In the first case there were basic physical relocations that destroyed the rationale for the pre-colonial patterns of trade. In the second, any further innovation toward more sophisticated patterns was blocked by insular Asian middlemen, most of whom had already long passed through the earlier experimental stages of innovation. Indeed, those who were imported were already of a given minimal innovative and managerial talent to satisfy what the Europeans then considered to be the essential conditions for the administration and future development of Kenya. Unfortunately, initial European ignorance of their impact on African opportunities for advancement created a situation of economic and social dualism beyond the worst conditions present in both Asia and early industrial Europe.

Myth number two is that innovative talent is equivalent to administrative talent. This view places no border between the innovative role of entrepreneurship and the day-to-day accounting considerations of running any private (or public) enterprise, a vital distinction that traces back to Schumpeter's

Theory of Economic Development (1911), and subsequent writings on the subject. Even if a country possessed sufficient numbers of people with requisite skills for administering existing operations, the critical issue of how to move from one stage of development to another, frequently on a discontinuous basis, is left unanswered. The data in the Kenyan case demonstrate that organizational skills are not so difficult to produce, but that the more critical evolution of innovative talent is more elusive.

The pre-colonial experience suggests that rising frustrations and expanding opportunities together did elicit innovations in the Kikuyu-Masai relationships, a process that was interrupted by the colonial experience. Further, the gradual accretion of social contacts was essential to any further economic change. Had the colonial experience not occurred the way it did, the authors suggest that rising expectations and local opportunities would eventually have led to a number of changes in social organization more conducive to further innovation. This would imply a transformation in the extended family structure, particularly with regard to the use of credit relations among family members, but the authors do not specify further the nature of such changes. What did happen, of course, was a shift in African attention from economic changes to education, which emerged as the colonial structure of potential advancement.

Myth number three holds that entrepreneurial talent is associated with a particular class of individuals. The Lebanese in Francophone Africa, the Hausa in Anglophone west Africa, and the Asians in east Africa all suggest a class theory of entrepreneurship. Focusing on various criteria for a class of entrepreneurs, Marris and Somerset find difficulty in supporting the class theory in the Kenyan case.

Considering first the income distribution approach, only in the sample of ICDC individuals is there a slight correlation with similar activity and income of parents. Second, there is little evidence to support a particular religious explanation, as suggested by Weber, Tawney and others. In contrast, ethnicity is important among the African sample of ICDC loan recipients, where Kikuyu account for 64% of the recipients, in contrast with their 20% proportion in the Kenyan population. It appears, then, that the class characteristics of the African entrepreneurs are mostly ethnic. The authors suggest that the ethnic characteristics are the result of the peculiar historical

circumstances in Kenya, in particular that the Kikuyu experienced the brunt of British displacement, and turned to commerce repeatedly when new opportunities arose to meet the colonial challenge, and to education and politics when opportunities decreased.

The Kenyan Asian community presents a different picture. First, not only are its members ethnically homogeneous, they also have less religious differentiation. The authors do not provide a religious distribution among the Asians, but a high percentage are members of the Hindu faith. Another useful characteristic not brought out in the study would be the economic distribution among the Asian community, which has often been suggested as extremely favorable relative to the African community. Such a picture would differ little from the characteristics of entrepreneurial communities in other parts of Africa, particularly those that had migrated from another culture. To the extent that minority status in a number of different categories represents potential success in innovation remains questionable as the basis for promoting entrepreneurship, even though the Kenyan data support this general pattern of entrepreneurial structure. For most African countries, the problem lies in promoting entrepreneurship within their own populations.

The authors suggest a fourth myth, the antagonistic relationship between entrepreneurship and African socialism. Kenya, as with a number of other African states, defines part of its development efforts in the context of African socialism. Often the concept has been only vaguely defined, and the authors do not clarify the relationship to entrepreneurship in their study. They do argue, however, that part of the definition lies in pre-colonial references to methods of solving economic and social problems. To the extent that many Africans in the colonial era felt blocked by the Europeans in achieving economic advancement, many sought other means of demonstrating their equality with their conquerors. However, even among the African businessmen interviewed, Marris and Somerset find that many identify their roles with socialism, pointing out that Africans are indeed as capable as the Europeans.

At issue in the discussion on African socialism is whether collectivist ideology in a number of African countries would preclude innovative behavior, particularly where the sources of innovation may be largely individual. The authors do not attempt to expand on this question, a critical aspect of

policies to promote entrepreneurship in developing economies.

Kenyan development policy since independence has focused on two programs, both of which the authors find inadequate in encouraging the roots of innovation. The first involves the promoting of capital assistance to Africans. The ICDC is one form of such assistance. Yet, as has already been pointed out, the quantity of capital resources is frequently less a problem than the more difficult issue of promoting a dynamic social structure. Specifically, entrepreneurs need to learn of the possibilities of change, or basically to build from the framework of the pre-colonial experience, only now with better knowledge of the problem as well as more advanced technology to abet the process.

That the promotion of social contacts is a crucial aspect of promoting innovation may be seen in two inhibiting patterns in the social structure. One of these lies in the structure of family obligations, part of which consists in businessmen extending credit to relatives for personal rather than economic reasons, which leads to an inefficient allocation of resources from which all means otherwise have benefited. A second characteristic lies in the nature of traditional business organization. Most Africans interviewed showed a tendency for personal administration of all aspects of their operations. The reluctance to delegate authority limits the evolution of new forms, particularly geographic extensions and new types of production. Both of these patterns come from ingrained tradition. The extent to which they inhibit the process of innovation suggests a more awesome problem than even the colonial experience would imply. For if innovation were critically tied to the social capacity for new organization, then more radical solutions would be necessary. The authors do not explore these implications in their study.

The second development policy of Kenya focuses on the promotion of skills among Africans. But it is much easier to extend skills for existing managerial functions than to train people for specific innovation. The authors' suggestions concerning government equity in a number of enterprises, providing a bank advisory service for African businessmen, and related services may be necessary programs for further change, but the extent to which the problem lies in social organization, as suggested above, would indicate the failure not only of additional capital but training programs as well.

In conclusion, for developing economies in Africa, the role of entrepreneurship has remained and will remain a serious problem. Not only have numerous stereotyped ideas become ingrained in the popular mind, but the policies on which many development programs have been based depend also on such generalizations. The Marris and Somerset study offers important basic information on the historical failures of entrepreneurship and the limits of current policy, but does not provide sufficient clues for a more generalized theory of entrepreneurship which could be applied to a greater number of societies in Africa today. As more detailed studies become available, it is possible to move in the direction of explicitly permitting policymakers to utilize entrepreneurship more effectively in the process of economic development.

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