Understanding The Rules That Govern Economic Life: 
A Study Of “Business On The Streets” In Lagos

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Exploring The Rules That Govern Economic Life:
A Study of “Business On The Streets” In Lagos

By

Adeolu Adesanya

Abstract
This study investigates the rules that govern economic life in Nigeria by exploring the diverse ways business is conducted on the streets of Lagos, the country’s economic hub. It challenges the current hegemonic economic imaginaries in Nigeria to find out what important aspects have been excluded and filtered out from economic practices; what imaginaries have gone unstated or silent, repressed or suppressed, in this specific context. Imaginaries is the way the world is understood, after sense and meaning making.

Nigeria has experienced three failed economic development plans, with the current economic developmental model falling apart. The dominant ideology in Nigeria thus far is the purely market-mediated, competitive and profit-oriented pursuit. Therefore, this is a good time to challenge the prevailing economic imaginary. This study makes sense of the lived experience of business practitioners, and the lessons therein. Hence, the significance of this study lies in understanding this lived experience in order to come up with a fitting economic imaginary and this could lead to economic transformation in Nigeria.

The researcher conducted a seven-month ethnography study and used discourse analysis procedures to examine how cultural and economic factors interact through an analysis of actors in this urban space. From data gathered, a number of conclusions are offered as to rules that govern economic life in this context. The principal findings are: firstly, sense and meaning making are necessary to give a detailed picture of economic life and, development need not be only economistic in nature. Secondly, the economic ideology which is purely market-mediated, competitive and profit-oriented faces resistance at certain levels in this context hence the repeated failures, but rather an economic ideology which encourages an interdependencies of competition mixed with cooperation, profit-orientation, communal and private property ownership will flourish. Therefore, propose a “working” model for development called Competitive Collective Enterprise (CCE). This research bridges the disconnect between international development policy and the actual reality of business on the street.
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Abstract

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<tbody>
<tr>
<td>ASA</td>
<td>Association for Social Advancement</td>
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<tr>
<td>BDB</td>
<td>Bank Dagang Bali</td>
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<td>BDC</td>
<td>Bureau de Change</td>
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<td>BRAC</td>
<td>Bangladesh Rural Advancement Committee</td>
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<td>BRI</td>
<td>Bank Rakyat Indonesia</td>
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<td>CB</td>
<td>Community Banking</td>
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<td>CBN</td>
<td>Central Bank of Nigeria</td>
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<tr>
<td>CCE</td>
<td>Competitive Collective Enterprise</td>
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<td>CET</td>
<td>Community Employee Test</td>
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<td>CGAP</td>
<td>Consultative Group to Assist the Poorest</td>
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<td>CPE</td>
<td>Cultural Political Economy</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<td>DISCOs</td>
<td>Distribution Companies</td>
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<td>FEAP</td>
<td>Family Economic Advancement Programme</td>
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<td>FDI</td>
<td>Foreign Direct Investment</td>
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<td>GENCOs</td>
<td>Generation Companies</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>KAI</td>
<td>Kick Against Indiscipline</td>
</tr>
<tr>
<td>LASG</td>
<td>Lagos State Government</td>
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<tr>
<td>LASTMA</td>
<td>Lagos State Traffic Management Authority</td>
</tr>
<tr>
<td>LBS</td>
<td>Lagos Bureau of Statistics</td>
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<td>LIRS</td>
<td>Lagos Inland Revenue Service</td>
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<tr>
<td>MFB</td>
<td>Microfinance Bank</td>
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<td>MFI</td>
<td>Microfinance Institution</td>
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<tr>
<td>NAFPP</td>
<td>National Accelerated Food Production Programme</td>
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<td>NAPEP</td>
<td>National Poverty Eradication Programme</td>
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<tr>
<td>NBS</td>
<td>National Bureau of Statistics</td>
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<tr>
<td>NEEDS</td>
<td>National Economic Empowerment and Development Strategy</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
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<tr>
<td>OAU</td>
<td>Organisation of African Unity</td>
</tr>
<tr>
<td>PBN</td>
<td>People’s Bank of Nigeria</td>
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<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<tr>
<td>ROSCA</td>
<td>Rotating Savings and Credit Association</td>
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<tr>
<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>USAID</td>
<td>United State Agency International Development</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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CHAPTER ONE: INTRODUCTION

1.1 Introducing the Thesis

This thesis explores the complexity of business and economic development by analysing the everyday economic life of business-owners in Nigeria against the backdrop of various adopted economic developmental policy towards achieving poverty alleviation such as microfinance. It examines how incomes are generated in an urban context and identifies the unwritten rules that govern economic life in Nigeria. This thesis further explores how businesses are constructed, what they do in practice, what effects they have beyond their stated aims, and how they are perceived and experienced by ordinary Nigerians: Who trades with whom? How do businesses determine price? What non-economic issues come into play? What is actually happening ‘on the street’? These are some of the key questions that were explored in this thesis.

The initial aim of this research was to analyse the potential for sustainable economic development in Nigeria, particularly through a ‘social entrepreneurship’ perspective. Scholars, policy makers and social commentators have repeatedly proposed an enabling environment for aid and social enterprise as a solution to economic development in Africa. However, what emerged from the initial stages of the research was a widespread heterogeneity of the concept of social entrepreneurship. This insight has spawned a new direction for this research, which seeks to understand how business actually proceeds ‘on the street’.

Scholars within and outside the country (Pleskovic and Stern, 2000; Obadan, 2002; Omotola, 2008; Oshewolo, 2010, Okosun et al, 2012), opine that Nigeria should not be poor considering the amount of petro-dollars that have accrued since it first discovered oil in 1957 and its abundant natural resources. Omotola (2008) notes that the continuous prevalence of poverty in Nigeria is not understandable, especially in light of the country’s rich endowments and wealth potential in the forms of both natural and geographical factors. In addition, Nigeria is the 8th highest exporter of oil
per day in the world, and it has been one of the top exporters since the 1960s (Igwe et al., 2003). However, the latest figures from the National Bureau of Statistics put the country’s relative poverty rate at 69%, or 112 million people, as of 2010 (NBS, 2012).

For many years, the reduction of poverty and attainment of economic growth have been a key policy concern in Nigeria, and various governments devised interventions to achieve this objective. The literature mentions several programmes adopted by successive governments, which include: The National Accelerated Food Production Programme (NAFPP), the Family Economic Advancement Programme (FEAP), the Structural Adjustment Programme (SAP), the People’s Bank of Nigeria (PBN), Community Banking (CB), the National Poverty Eradication Programme (NAPEP), and several others (Iganiga, 2007; Acha, 2012; Garba et al., 2013). Even with the implementation of many of these programmes, the country still witnessed an increase in percentage of people living in poverty. The evidence presented in the literature suggests that their impact was not felt by the citizens, and that the majority, if not all, of the interventions failed to achieve their purpose (Okosun et al., 2012; Oshewolo, 2010; Ebimbowei et al., 2012; Iganiga, 2007; Obadan, 2002).

Most of the interventions might have been capable of alleviating poverty and bringing economic growth, but many reasons have been put forward as the cause of the failures. Possible explanations include an insufficient focus on the poor as part of the intervention policy (Obadan, 2002), the political instability that was prevalent in the country (Oshewolo, 2010), the inappropriate implementation of the interventions (Ntunde and Oteh, 2011), and widespread corruption (Ugoh and Ukpere, 2009). In fairness to the policy makers, these were not the only reasons, which contributed to the failure of the policies.

In light of these limitations, one of the programmes, the NAPEP, launched in 2001, was expected to be different as it was a policy pushed by the newly democratic government. The policy implied that the reliance on microfinance institutions, non-governmental organisations (NGOs) and an enabling environment for businesses to flourish would constitute a viable means to achieve growth (Iganiga, 2007; Ebimbowei et al, 2012). It was also suggested that the programme would have a potential for poverty reduction, as it was thought that the poor would become more
entrepreneurial via access to credit – a belief supported by the success of microfinance initiatives witnessed in other parts of the world (Okonjo-Iweala, 2005).

Wennekers and Thurik (1999) provide extensive literature on the relationship between entrepreneurship and economic performance. While much of this literature suggests that entrepreneurship contributes to economic growth, few empirical analyses actually prove this link. Wong et al. (2005) are also of the opinion that a rise in the number of entrepreneurs should lead to economic growth, due to a link between new business formation and job creation. However, it can also be argued that there exist people out of employment market who are engaged in businesses that might not necessarily generate growth for the economy, which according to Wong et al. (2005) could be common in countries such as Nigeria. Whatever the case may be, the financing of new business and entrepreneurship is often seen as key to poverty reduction. Although there are already various initiatives underway, including social entrepreneurship and microfinance activities led by NGOs. However, government intervention that compliments these activities in this sector would be necessary to increase access to finance.

Recognising this need for provision of access to credit to poor and low-income households in order to spur entrepreneurship, the new ‘microfinance policy’ was introduced in 2005 by the government for commercial banks and formal financial institutions. Although community banks already existed in Nigeria to meet the needs of this segment of the population, they were then directed to convert to microfinance banks (Ebimbowe et al., 2012; Iganiga, 2007). The policy’s principal objectives included: promoting mainstreaming of the informal sub-sector into the national financial system; contributing to rural transformation; and promoting linkage programmes between universal banks, specialised institutions and microfinance institutions.

Like most of the other interventions mentioned, critics have pointed to the failures of this microfinance policy, mostly because it does not fulfil one of its major objectives: the creation of access to credit for small business. In fact, the microfinance institutions hardly loaned to any individuals, after being forced by the Central Bank of Nigeria to recapitalise (Abraham and Balogun, 2012). Although the microfinance
policy might be regarded as failed or failing, we must continue to carefully observe its more recent developments. As pointed out by Aguirre, “the ideal model of a state institution and their actual operation is complicated by the very process which they come into being” (2005; p. 11). Therefore, we should not forget that state institutions do not come into being once and for all: rather, they are always in a process of creation and transformation.

This thesis also argues that the importation or adoption of Western economic development models vastly overestimates the efficacy of such interventions on the receiving economy. Different suggestions have been put forward as possible solutions to poverty alleviation and economic growth, including the promotion of non-profit organisations, especially those that are community-based or led by local business actors (Emmanuel, 2012; Sesan et al., 2012); the promotion of entrepreneurship (Igwe et al., 2012); redesigning the country’s education curriculum (Onu et al., 2013); and the promotion of government and private sector partnerships (Ogatu, 2012).

Despite such policy recommendations, not many academics have gone to the ‘streets’ to truly understand what is happening, especially in Nigeria. While many have looked at the impact of NGOs (Smith, 2010) and community-based organisations in the economy (Abegunde, 2009) or at the role of microfinance institutions in promoting economic growth (Douglas, 2012), they never really investigated how business is conducted ‘on the street’, nor tried to understand bottom-up, income-generating activities. Researchers have usually started from offering a theoretical definition, before going out in the field to find out what exists in reality. Sometimes, they have attempted to replicate a successful approach achieved in another country into the Nigerian context as mentioned above. What this thesis will propose, on the other hand, is not a broad overview of business creation, but a detailed analysis of how business and economics work in practice in the Nigerian context. This research presents a journey in the process of ‘self-discovery’ for Nigeria, which is not based on prior notions as to what will work best, but constitutes an attempt to discover practical solutions through empirical investigation (Kwon and Kang, 2011).

As Hubbard put it: ‘Facts aren’t just out there. Every fact has a factor…’ (1988, p. 5). Therefore, researchers have to search for the factors that can explain economic
behaviours in this setting. Why is Nigeria the way it is? What roles do the majority of Nigerians play in their economic situation? Why are non-profit community-based organisations and similar initiatives being preached as the most viable solutions for economic development? What do we actually know about how they interact in their economic space and how they got there? How do they trade with each other, and what non-economic issues arise? Investigating these issues can certainly prove helpful when coming up with an adequate policy intervention.

The most important issue at hand is the existence of a wide range of actors engaged in economic activities that are not yet properly understood. A more robust understanding of their activities is necessary before a poverty-reduction policy or intervention can be established. Economic growth measures could be problematic to measure the specific activities of this type of actors. However, when we look at people on the streets of Nigeria we find they are engaged in various activities that might be classified as entrepreneurial and have the potential to lead to economic growth. This research focuses on economic behaviour of individuals at the bottom of the economic pyramid for two reasons: because this behaviour influences economic actions and because economic actions in turn influence economic growth -- which development economists too often try to achieve by proposing the adoption of successful models from other environments.

1.2 What is Poverty in Nigeria

In order to devise effective policies aimed at reducing or eliminating poverty, a good starting point will be to understand the meaning of poverty and its occurrence in the Nigerian scene. Various definitions of poverty abound and ways of measuring poverty varies depending on the method used and even who is doing the measurement. The various methods can lead to the classification of different people as poor even in the same geographical space (Laderchi et al, 2003).

Townsend (1962) defines poverty as the lack of material resources of certain duration and to such an extent that participation in normal activities and possession of amenities and living conditions become impossible or very limited. In similar vein, Olamejeye (1994) defined poverty as, the degree of difficulty encountered in making
ends meet. The World Bank defines poverty as income of less than a dollar-a-day (Ravallion, Chen and Sangraula, 2009). Jeffrey Sachs (2006) defines poverty, as an inability to meet basic needs, which usually are food, water, shelter and education. Also in the same line, Omotola (2008) observes that poverty is reflected in low income, malnutrition, poor health, clothing, shelter and many others.

Piachaud (1987) argued that none of these definitions could ever give an objective definition of poverty. There are obviously varying definitions with each including indicators that makes the actual measurement of poverty an extremely difficult task. So it will be more productive if a standard measuring method is settled on and used although it might not be all encompassing, which in Nigeria is the dollar-a-day poverty threshold. This measurement was developed by economist at the World Bank in the 1980’s to be used as a common international poverty line. This definition does have its critics amongst academics and economist, which probably led to its revision to $1.25 per day. The National Bureau of Statistics of Nigeria uses the dollar-a-day threshold, and with this measurement, it declared that about 61.2 per cent of Nigeria’s population which translates to over 100 million people, live on less than $1 a day as at 2010 (NBS, 2012).

Nigeria has experienced increasing poverty and stagnated economic growth, following several years of military rule and poor economic management. Nigeria is currently witnessing a high level of poverty, with Alayande and Alayande (2004) tracing the records and showing that in 1980 the poverty level was 28.1 per cent, which later rose to 43.6 percent in 1985, and then 67 per cent in 1996, then moving to 61.2 percent in 2010 (NBS, 2012).

1.3 Nigeria at a Glance
Nigeria has a population of almost one hundred and seventy million people (World Bank, 2014), divided among three major tribes namely (Hausa, Igbo and Yoruba) in two major regions the North and the South in thirty-six states of the federation. Nigeria is a multi-ethnic society consisting of about two hundred and fifty ethnic groups, speaking over four hundred languages, which became one entity in 1914 after the amalgamation of the then northern and southern protectorates along with Lagos (Adogame, 2010; Adeyemi, 2012). History records that this amalgamation of Nigeria
was not by the request of the people living in the geographical territory but by the British authority that ruled the region at the time (Kirk-Greene, 1992). There was hardly any consideration for cultural, economic and geographical similarities (Afigbo, 1991; Adeyemi, 2013). For the British it was more convenient in terms of administration and the exploitation of the natural resources for them to bring these territories and varying people under a single state (Akpan, 1978; Afigbo, 1991).

According to Otite (1988) peoples in the pre-colonial geographical region now occupied by Nigeria and her neighbours such as the Cameroun, Chad, Niger and Benin Republics, were people linked by blood, trade and commerce, by relations of friendship and even conflict. Meaning as a result of the amalgamation, there were relatives now separated due to the draw up of the boundaries. It will be noteworthy to understand how this has impacted continued poverty in the land, unequal income distribution, corruption, infrastructural development, and economic growth. This will also be discoursed further in chapter two while talking about the dependency theory and how it affected the country.

Then in the 1960s there was a spate of decolonization that occurred in Sub-Saharan Africa. Scholars such as Mazrui and Tidy (1984) and Hargreaves (1988) regard the process was driven by a wide range of factors of which nationalist movements played a significant role. Also the economic situation, which Britain found itself facing after WWII, led to it being financially too weak to support expensive military overseas commitments yet relying more than ever upon its empire to produce a financial dividend (Kirk-Greene, 1992). Following the war, America had developed into a major political force all over the world and also supported the nationalist movement and their call for self-determination in the various colonies influenced the decolonisation (Hoogvelt, 1997). Although some scholars argue that this is not the case, that during this period the British actions were contemplated as a means of strengthening their economic and international influence as against the rising influence of the Americans (Flint, 1983).

All these demonstrate that some countries in Africa and Nigeria inclusive were not allowed to develop into a nation; because questions like --what size should the independent Nigeria be? Should it be based on ethnic boundaries, geographic boundaries, colonial boundaries, territorial boundaries or a new relationship within
the existing empire? -- persisted. Without drifting too far from the subject matter, it can be said that although a few nationalists agitated for Nigeria’s independence, the wider population of Nigerians were not properly put into perspective and their interest was not pursued when the plan for the formation of a Nigeria state was put in place.

1.4 Nigeria after Independence

The Colonial rule had already created a distorted social structure, therefore after the British left, Nigeria was governed regionally comprising of: The North, the Southwest and Southeast. Cultural and political difference exists amongst the ethnic groups that lived in these regions, the Hausa ('Northerners'), Igbo ('Easterners') and Yoruba ('Westerners'). The regions would later expand to four with the creation of the Midwestern region. And as power struggle began to emerge amongst the ethnic groups in the new country, different policies of personal interest were established; but the one most particular to this discussion is the “State creation” policy.

In 1967, President Gowon moved to split the existing four regions of Nigeria into twelve states six in the north and six in the south. General Gowon in his broadcast to the nation, dividing Nigeria into states gave the following reasons; --this period Nigeria was experiencing civil war with the eastern region wanting to separate and become a sovereign state--

“Nigeria... will never survive if any one section of the country is in a position to hold the others to ransom. This is why the item in the Political and Administrative Programme adopted by the Supreme Military Council last month is the creation of states as a basis for stability. This must be done first so as to remove the fear of domination. Representatives drawn from the new states will be more able to work out the future constitution for this country, which can contain provisions to protect the powers of the states to the fullest extent desired by the Nigerian people. As soon as these states are established, a new Revenue Allocation Commission consisting of international experts will be appointed to recommend an equitable formula for revenue allocation taking into account the desires of the states. … in these proposals our desire for justice and fair play for all sections of this country and to accommodate all genuine aspirations of the diverse people of this great country.” (Gowon, 1967).

Here the problem was that the forming of states in Nigeria didn’t seem to be for the purpose of easiness of political and administrative conveniences, it was for stability as President Gowon said (Omoigui, 2011). These creations were attempts to balance the
imbalance in the political structure of the Nigerian polity (Akinyele, 1996). But latter creations that expanded Nigeria from twelve states to nineteen states (Ten in north and nine in the south) by General Murtala, and later 30 states (sixteen in the north and fourteen in the south) by General Babangida, before General Abacha made it the current 36 states (nineteen states in the north and seventeen states in the south) (Ikporukpo, 1986).

All states creation ever made was under the military dictatorship of Northern Heads of state. Jinadu (1985) and Alapiki (2005) are of the opinion that the creation was just for political numeric advantage by the northern elites who were in power at the time. This simply corroborates Scott’s (1998:76) conclusion that “officials of the modern state are, of necessity, at least one step (often several steps) removed from the society they are charged with governing”.

Cities and states are ordered and formed to be legible, and in a way that would facilitate policing and control, social and economic planning (Scott, 1998). They take into consideration ethic affinity; geographical contiguity; population; land area; viability of new and old State; cultural incompatibility. A well planned state apart from ensuring proper administration and control will also have the following areas covered, a plan in place for electric cables for electricity, population census, planned public transportation, water supply, collection of taxes, building of housing schemes, natural gas lines and many more (Scott, 1998). These are some of the problems faced in Nigeria, and the government as continually failed in meeting these needs.

With the forgoing we can see that Nigeria was formed from the amalgamation of the south and the north, not minding the needs and features of the people in the geographical territory. Then came the wind of change of decolonization in the early 1960s, with the founding fathers sceptical about the nationhood status of Nigeria. Lack of proper planning leading to independence and even the evolution of the country as a state has in turn come to affect Nigeria in terms of the economy, security, public health, lack of investment in key infrastructures like transport and electricity, commercial development-improper tax collection procedure, low revenue generation for the country. And this factor that has also led to poverty in the land,
mismanagement of resources, unequal income distribution and corruption cannot be ignored while making economic plans and putting in place economic models.

1.5 Religious Interplay in Nigeria
Apart from ethnic differences, religion brings another level of diversity to Nigeria; and it was also brought about by the partitioning exercise. Nigeria is a very religious country that comprises of varying religious traditions, including the indigenous religions, Christianity and Islam. Christianity and Islam are the two dominant religions in the country, and religion dominates everyday life of Nigerians. Researchers have alluded to it that Nigerians are more loyal to religion than the state (Falola, 1998; Adogame, 2010; Onapajo, 2012). Akwara and Ojomah, (2013) argue that most Nigerians are guided by religion in most affairs of their lives; saying that it is used as a way through which many Nigerians seek understanding of their existence and the way they should live their life. “Religion or spirituality has served as a significant source through which many Nigerians seek understanding of their complex reality and existence, and it serves as a panacea for their various existential problems of day-to-day living” (Adogame, 2010:480).

In Nigeria it is relatively difficult to get accurate statistics for the composition of the religion, or what religion is practiced by a percentage of the population. At the last national census conducted, religious indices were excluded from the data. This could be because, in the past it has been said that there is a sense of politics in religious statistics in the country resulting in unreliable religio-ethnic demographic data (Adogame, 2010). This politicization arose from the fact that Nigeria uses population statistics in sharing national revenue and other resources; hence the manipulation for political, economic, and religious ends (Osoba, 1978).

The religion most predominant in the North is Islam with seventy-five percent said to be Muslims, while in the West Christianity is just slightly dominant, and in the East ninety percent of the population are Christians. The role of religion is evident in the public as well as the private life of a vast majority of Nigerians. In most parts of Nigeria, a typical morning starts with the Muslims call to prayer at 5am. For most people regardless of their religious belief this “call to prayer” serves to tell time. Then it is common for most organisations be it public or private enterprises, to start the day
praying to God. For the landscape of Nigeria, churches and mosques could be found all over the streets of Nigeria. One particular Christian denomination actually has a goal of “planting a church in every five minutes drive of Nigeria”; it is regarded as the biggest Church in the Country and most past and present president of the country have made it point of duty to visit the church’s main branch regardless of the person religion.

In the northern states, there was the introduction of Sharia Islamic legal system starting with Zamfara state in 1999 to replace the penal code in existence, although the penal code existed in these states, which is similar to the criminal code that was in existence in the southern states (Osoba, 1978; Onapajo, 2012; Kingsley, 2013). The adoption of sharia law was fuelled by the support the government of northern states were getting by implementing the rule from the Hausa-Fulani Muslims who populated this area.

The Nigerian religious environment reveals a manifold, complex interplay of religion, economy and society. It is almost impossible to see a Christian from Anambra state (Eastern region) getting a government or business contract in Borno state (Northern region) and vice versa, they will rather patronize a fellow northern or Muslim or a fellow easterner although not necessarily Christian. Another revelation of this interplay is in the cosmopolitan Lagos with the three major tribes fully represented: with the Hausa’s and Muslim Yoruba’s seen as major operators of bureau de change, and if an Igbo person is seen operating one, he is looked at with suspicion and would only majorly receive patronage from fellow Igbos and few Yoruba’s. It is therefore important to interrogate the role of religion in Nigeria as a non-economic issue that affects economic life.

1.6 Why Lagos?
If the city of Lagos is to be considered as a country, it will be one of the largest economies in Africa. Lagos is the largest city and commercial capital of Nigeria and it is cosmopolitan (Akinmade and Salami, 2010; Kingsley, 2013). The population of Lagos is disputed, while the Federal Government of Nigeria puts it at over nine million in 2006 (National Population Commission, 2006), the Lagos State Government’s bureau of statistics says it is well over seventeen million in the same
year 2006 (LBS, 2013), although the United Nation estimates the population of Lagos to be circa twelve million as of 2013 (United Nations, 2013). Whichever one is chosen, Lagos remains the largest city in Nigeria, it has a number of Nigerian tribes, living and working alongside each other. In earlier discourse I made mention of the existences of how Nigeria is constituted by three major ethnic groups (Hausa, Igbo and Yoruba). These varying ethnic groups are all fully present in Lagos but the Yoruba are in the majority due to the fact that Lagos is a South Western state (Osaghae, 1991; Sijuwade 2011).

The multi-ethnic nature of Lagos is attributed to the fact that individuals have always sought to migrate to Lagos seeking business and employment opportunities and also it was formerly the capital of Nigeria (Langer and Ukiwo, 2008). Lagos was the capital of Nigeria (Crown Colony) at the amalgamation in 1914 during the British rule up until 1991 and was chosen due to its closeness to England because of its coastal position. Even before that, in 1861 Lagos served as the administrative headquarters of the Colony and Protectorate of Lagos, which ruled over parts of Niger, which is now modern day Nigeria. The British occupation prompted development in the territory in terms of electricity, banking facilities, railways, and ports (Adejuyigbe, 1970). All these developments made a strong point for Lagos to retain its position as the capital of Nigeria at independence.

Lagos has grown to also become a major commercial hub in Nigeria. It is home to the Nigerian Stock Exchange, one of the biggest in Africa, and of the 30 most capitalised companies on the exchange (known as the NSE-30); 28 (93%) of the companies have their head office in Lagos. Also of the 21 commercial banks in Nigeria 20 (95%) have their head office in Lagos; so also do the 4 telecommunication companies in operation in the country have their head offices in the state. Lagos is also home to the two largest and busiest seaports and the busiest international airport in Nigeria. All these contribute to the growing population of Lagos, the UN has projected for the population to be well over 24 million by 2030 (United Nations, 2014).

Lagos State as at 2012 had a GDP of over N12 trillion Naira (US$ 76.9 billion) while Nigeria’s GDP figure was N80 trillion Naira (US$ 509.9 billion) (Lagos State Government, 2012; National Bureau of Statistics, 2014). This means Lagos accounts
for 15% of the country’s total GDP and not only this, figures from World Bank (2015) database that would rank Lagos as the seventh biggest economy in Africa. Furthermore, based on the data made available by NBS (2013), Lagos contributed 47% of the country’s total PAYE tax in 2012. Lagos state is also the state with the highest internally generated revenue amongst all the states in Nigeria; in 2014 it generated N276 billion (US$ 1.7 billion) (LIRS, 2015)

Lagos is also known to be home to the most expensive neighbourhood in Nigeria, where the average price of a three-bedroom property is between $1 million to $3 million dollars in the Victoria Island, Ikoyi and Banana Island area. With all these financial resources evident in Lagos, Lagos still however has over 70% of its population functioning in the informal sector and majority in poverty. Which is very similar to what is happening in Nigeria, where there is so much wealth in Nigeria, but still has over 70% of people in poverty. Lagos therefore in many ways is a microcosm of Nigeria.

Lagos has two central business districts: Lagos Central Business District and Ikeja Central Business District. Lagos Central Business district is where most of the companies highlighted above are headquartered and also where the most expensive neighbourhood is situated. Meanwhile Ikeja Business District is on the mainland where most of the population of Lagos are domiciled; it is also the location of most manufacturing firms and industries while also serving as the political capital of the state. This area also has most of the individuals living in poverty and operating in the informal sector. This area was therefore more attractive and chosen.

Allen Avenue is the specific location in Ikeja Central Business District where this research was conducted. It was chosen because it sits at the hub of businesses in the district and it contains, a varying mix of business categories from multinational corporations, to retail banks, to medium scale enterprises, to street and kiosk traders and a large informal sector. There are churches and mosques dotting all over the landscape, and also government institution offices, like the tax offices and local government offices. Also resident in Lagos are the lower, middle and upper class of Nigeria. There is nowhere that can fully capture an economy, however, this choice of location captures as much variety as possible. This is not claim this is the whole of the
Nigerian economy, or this is the whole of Nigerian entrepreneurship, but it is an entry point into varieties of spaces and scale of economic activity in Nigeria.

**Summary**

I have discovered that the economy on the ground in Allen Avenue is a microcosmic example of how an economy functions in practice for Nigeria as a whole. In respect to the theories of capitalism, in the eye of The IMF and The World Bank, stiff competition and profit maximization is practiced in the informal private sector due to the level of poverty and the need for self-sustenance. Therefore, the solutions hitherto have been the provision of funds through aid and more recently microfinance for these individuals to start-up and operate their private business. This is done with the belief that it will in turn spur economic development and alleviate poverty. What this thesis does in essence, is bring the theories from IMF and World Bank (Washington Consensus) and find out how much purchase they have on this practice and in actual fact I am finding very little.

I find that, irrespective of what economic development theories impose, there is a political cultural economy that actually exists on the street that defies that logic. Although there exists competition, which is a major tenet for capitalist developmental theory, however, more prominent is the existence of collaboration, patrimony, reciprocity, tribalism and religion. These are more difficult to stipulate in terms of developing a policy for it. More importantly they already exist and cannot be controlled. If a developmental policy is to be prepared, locality, place and culture play a central role. One size cannot fit all.

Following this introduction, chapter two will present the literature review. This chapter discusses economistic nature of developmental practice in Nigeria. The chapter focuses on tracing the change of developmental economic practice in theory and how it has come to assume its current form. It also looks at the current strategy of development finance that international development practitioners are presently promoting, which involves financing of enterprises of all sizes, with focus on the small enterprises.
Using the cultural political economy (CPE) theory as argued by Bob Jessop. We understand how economic development models are influenced by economic ideologies, and how these ideologies get to become hegemonic. However, these hegemonic imaginaries should not simply be taken for granted; they can and should be contestable. Hegemonic economic imaginary, excludes important aspects of real world and even filter out from economic practices. It is therefore worth finding what has been filtered out. The chapter then concludes by reviewing the need to go on the ‘streets’ in order to find out what exactly is happening. choosing to do the following: to make-sense of the lived experience by investigating the rules that govern economic life in Nigeria, and what lessons are learnt from this sense-making.

Chapter three justifies the methodological design for empirical investigation of the study. The chapter will begin by reiterating the research question and will justify my choice of ethnographic research methods. This qualitative method of inquiry has been chosen because it enables an understanding of the perspective of the majority of those developmental economic policies are directed at, at the micro level. Then placing their perspective in pari passu against the suggestions of World Bank, IMF, Western educated Nigeria and the elite governing the country. In this chapter I also spend some time reflecting on some of my experiences back on the field and its implication to this research.

Chapter four to six will present and interpret the main findings of the research study. This is where I reproduced, analysed and discussed some of the experiences and feelings of my participants. Analysis part of the thesis is comprised of three chapters that represent some of the key themes evident in my data. Specifically, it provided a detailed account of the inclusivity of the community, personal relationship and the mechanics of business in this economic context. Throughout the chapters, links are made with the chapters two and four. Finally, chapter seven concludes this thesis by summarising the research findings in relation to the questions it set out to answer. More precisely this chapter provide a summary of the thesis as a whole and reiterates the contributions of the thesis.
Chapter Two: Econimistic Nature of Developmental Practice

In Nigeria

2.1 Introduction

The various economic developmental intervention policies that the developmental economist practitioners have promulgated at different points in Nigeria’s history came into focus in chapter one. However, the current policy is the Micro, Small and Medium Enterprises Policy and Development Financing Initiative of Microcredit, which aims to achieve robust economic growth. This policy has been chosen because over time, various scholars have highlighted the importance of entrepreneurship or new businesses in achieving economic growth and development (Hoselitz, 1957; Leff, 1979; Holcombe, 1998; Wennekers and Thurik, 1999; Audretsch et al, 2006; Baumol and Strom, 2007; Naudé 2008). This has also been noted among policy makers, hence the World Bank has developed indices of development such as the Ease of Doing Business ranking in various countries to measure how ‘developmentally inclined’ a country is.

Our focus in this chapter includes: tracing the change of developmental economic practice in theory and how it has come to assume its current form. International development practitioners are presently promoting the strategy of developmental finance, which involves financing of enterprises of all sizes, with focus on the small enterprises. They are examining how the expectations of this developmental mode of finance may affect the business model of the enterprises. More so, since the current models demand for competition and profit maximization, which in turn influences the outcome of these businesses with regard to economic development.

Countries all over the world pursue either economic growth or development, and sometimes both. For developed economies, growth is pursued, while for developing economies the latter is sought. At this juncture, it is important to highlight and briefly review the following key terms: ‘developed’ and ‘developing’ countries. There is a vast body of literature that examine the concept of development (Seers, 1969; Nafziger, 1976; Arndt, 1989; Rostow, 1990; Ingham, 1993; Sen, 2001). Bartelmus...
(1986) says development is targeted at improving the welfare of human life. King and Levine (1994) say economic development is about improving the living standards of individuals in a country.

‘Development’ as an economic concept with its associated policies and practices particularly as it has to do with the World Bank and IMF, constitutes developing economies, countries and regions in particular ways, and this changes overtime. They are constituted as “countries” as though they are more unified, or a single place. They are also constituted as subnational or multinational areas that are also unified and/or have consistent issues and solutions. Take for example, Hofstede and Bond (1988) conducted a research on national culture and economic growth and development. A line of research a few other scholars have explored such as McClelland (1961); Granato et al. (1996); and Swank (1996).

In Hofstede and Bond’s (1988:13) argument on why some nations might do better than others in terms of economic development, they wrote “the authors of this article, held the belief that specific nations have specific cultural traits that are rather sticky and difficult to change in any basic fashion, although they can often be modified.” (1988:6). And therefore went ahead to conduct most of the analysis nation-by-nation; in the same survey it then decides to lump fourteen (14) nations together as “West Africa”, “East Africa”, “Arab Speaking countries” regions. Obviously regions are not ‘specific nations’. East and West Africa have between them twenty-seven (27) nations; West Africa alone has seventeen (17) countries, how much purchase then does the cultural findings on West Africa hold true in Nigeria as well as in Cape Verde both of which are West African countries? Multi-ethnic Nigeria colonised by the British, official language English; Creole populated Cape Verde colonised by the Portuguese, official language Portuguese.

Furthermore, economic development sees countries as primarily “economic”. This means that there is the perception that inequality, poverty and “underdevelopment” are both caused by and therefore resolved by primarily economic means. Economic development theory believes that if certain economics are put in place, then the economy will automatically spur into growth. Proponents of this theory do not take into account several other factors such as the culture. There is also the notion that
development can be achieved in developing economies through directly implementing strategies and policies found from the study of how the developed economies developed and this will produce the same result.

Therefore, efforts were directed towards finding a model then theorising, conceptualising it and experimentation of this model, to find paths to development and stages of economic growth that when adopted will deliver development. While some argued that the impediment to development had to do with internal factors within the country, others focused on the external factors outside the country. In all arguments, economic development theorists argued that development was possible if time was taken to find a model from ‘developed’ countries and then reproducing that model, and this will ensure the development of ‘developing’ country.

Hence various policy initiatives emerge most of which are economic in focus. This leads to an emphasis on different things at different times. From after the Second World War in 1945, economists posited that heavy industrialization should be earmarked as pursuit worthy in order to achieve economic growth and wealth. Britain’s earlier successful industrial revolution and its accompanied result were influential to this directional pursuit (O’Brien and Williams, 2004). This pursuit of development was determined and carried out by the state serving as the agent of economic development rather than the market. In the quest to achieve economic development, theorists and practitioners have been divided along this dichotomy of either the state or the market as the major agent/driver of economic development. Then came the world economic crisis in the 1970’s. The dichotomy becomes more evident when we examine the direction economists argued for economic development policy to follow.

During the crisis, the new governments in Britain and America headed by Margaret Thatcher and Ronald Reagan respectively instituted free market policies. These policies reduced government involvement, promoted private enterprises, tax reduction, trade union reforms and encouraged competition and capital accumulation. The policies proved successful and therefore strengthened the arguments of the economists whom supported ‘the market’ as drivers for economic development (Huber and Solt, 2004; Harvey, 2005; Sumner, 2010). The debate should not be
whether the state or market be established as the economic agent - both are essential and have proved successful when adopted up till a certain time. What should be research worthy is finding the balance between these two agents and this is destined to be relative depending on the constituent characteristics of the country involved. Culture being one of the major characteristics and countries must work on finding their own unique economic imaginaries. Then, we see policy initiatives in recent times, which move towards private local financing as the direction for development.

Although this chapter may appear to be concerned with varying topics, there exists a simple interconnection. Succinctly put, this chapter proceeds along the lines of the economic development direction adopted at various times and on towards the topic of culture and the necessity in understanding the rules that govern economic life in Nigeria. In particular, this study provides an assessment of the various initiatives culminating with the microfinance initiative deliberately developed and adopted to address the challenge of access to finance for small businesses (Mambula, 2002; Khan, 2012).

Microfinance is one solution to these borrowing needs and the international development community promotes it as key to poverty alleviation and development. Microcredit is the provision of micro-loans to the poor in order to establish and grow businesses for economic sustainability (Bateman, 2010). Principles such as it being market-driven guide the operation and functioning of this financial system. However, one has to question if this model assimilates the prevailing business culture. What then is the implication of the philosophy of this mode of financing for the mechanics of business in this context? In discussing context, this chapter will also review the culturalist literature on African business.

2.2 State over Market led Development 1945 – 1980
It is important to commence the discussion at 1945 because the Second World War happened just before this period. The war had a devastating effecting on participating countries, coupled with a spillover-effect on other non-participating countries. This period led to the establishment of two international financial institutions namely the International Bank for Reconstruction and Development (IBRD), also known as the World Bank, and the International Monetary Fund (IMF) which were established to
fund post-war reconstruction and chart the future of international economy (Kapur, Lewis and Webb, 1997). There was a need to pursue economic progress by all. Development was going to be championed by the government of the nation but the content of the economic development policies for both ‘developing’ and ‘developed’ countries was to vary. The western worlds were the major actors in the war.

Apart from the United States that came out of the war even stronger (Block, 1977), the rest of the developed world were adversely affected and had a major economic objective to pursue more integrated and interrelated economy, and to attain full employment in the economically devastated countries. For the already independent developing countries like those in Latin America, the developmental strategy pursued was import substitution majorly through state-owned enterprises and to be assisted by private enterprises, which was to make these countries less dependent on the developed industrialized countries (Ravenhill, 2005). For the countries yet to gain independence, there was agitation for self-rule with which came their own pursuit of economic development and the accompanying strategy to achieve it (Arndt, 1989).

The developed countries of the west adopted policies with the state playing a pivotal role in its implementation so much so that, at anytime it could manipulate its apparatus regardless of the markets in achieving economic growth, full employment, and maintaining the welfare of its citizens (Esping-Andersen, 1996). John Maynard Keynes championed this economic theory in order to boost the economies after the devastating effect of the war. From the late 1950’s the colonial countries that depended on these developed countries especially in Africa began achieving independence, and these countries now had to pursue economic development independent of their colonial nations. Preceding this period, economic strategies was usually planned and chosen by the colonial country, and it was mostly set in favour of the economic needs of the colonial country (Griffin, 1981).

For most countries therefore, their source of national income then became export of primary products to developed countries. Scholars have written that these newly independent countries were disadvantaged from the onset, that they only gained political independence and not economic independence (Inkeles and Smith, 1974; Steel and Evans, 1984). Also they were not represented at the Bretton Woods
convention, which was pivotal in setting economic policy direction (Griffin, 1981; O’Brien and Williams, 2004; Ravenhill, 2005; Nugent, 2012). Developing countries generally had very few representations; Of the forty-four (44) countries that attended, just two (2) countries were from Sub-Saharan Africa (Liberia and South Africa {which was still fully under the control of the British}) and five 5 countries from the entire Asia (India, Iran, Iraq, China and the Philippines) (Thomas, 2005; Kirshner, 2015).

The leaders of various newly independent African countries decided to pursue industrialization. The great Kwame Nkrumah who was Prime Minister and later President of Ghana at independence is quoted by a World Bank publication to have said the following in 1963:

> We have here, in Africa everything necessary to become a powerful, modern, industrialised continent… Africa, far from having inadequate resources, is probably better equipped for industrialisation than almost any other region in the world.

He then continues by saying:

> Every time we import goods that we could manufacture if all conditions were available, we are continuing our dependence and delaying our industrial growth. It is just these conditions we are planning to provide... to build up our body of knowledge, techniques and skills, to make us more self confident and self-sufficient, to push towards our economic independence. (Steel and Evans, 1984:xiv)

Also quoted in the World Bank publication was the action-plan by the Organisation of African Unity (OAU) a politico-economic organisation, which has 50 of the African countries as member states.

> The industrialization of Africa … constitutes a fundamental option in the total range of activities aimed at freeing Africa from underdevelopment and economic dependence. (Steel and Evans, 1984:xiv)
Across the continent, the economic developmental objective was to develop a national industrialisation policy; the idea was to stimulate capacity. To become self-reliant and achieve self-sustenance by reducing the dependence on imported manufactured goods while also reducing the dependence on export of primary products as source of national income but rather pursuing the processing of this primary product locally for local consumption and subsequently onward export. This pursuit of industrialisation as examined with its constituent strategies showed that the policy direction was chosen in order to achieve economic independence, which was noted to be non-existent. As separately highlighted by Roemer (1981) and Hoogvelt (1997), there are five major categories of dependence and they include; market dependence, technological dependence, managerial and entrepreneurial dependence, foreign capital dependence and economic inflexibility.

Economic development theory postulated that if certain economics were put in place, then the economy would automatically spur into growth. Thus in order to achieve this development, Rostow (1960) argued that, it involved a process, which took time and also the institutionalisation of some industries before the economy could “take-off”. Industrialisation and export-led growth was the path to development. Therefore, emphasis was placed on moving countries from predominantly a traditional, agrarian society to a modern, industrial, mass consuming country.

This traditional society embodied challenges such as primitive levels of production, owing to low educational and skill level; and therefore low level of technological adoption, which had to change. To achieve this, liberal western economic polices was to be applied and there had to be a structural adjustment of trade with the colonial countries, with the former colonies economic dependence was also to change (Rostow, 1960; Inkeles and Smith, 1974; Wallerstein, 1975; Amin 1976). Economic development was going to come about through set stages, one of which was adoption of the preconditions for ‘take-off’, which were regarded as liberal western economic polices and would eventually result in development. At the same time, these policies would also change the structure of trade with the colonial countries in terms of economic dependence of selling primary produce and importing finished products.
Industries necessary to achieve this economic development were identified. They were mostly the agriculture or the extractive industry and transportation (Rostow, 1960). It was argued that their growth would result into capital investment and accumulation. The extractive industry and transport had some level of infrastructure before this period. Colonial countries had developed some level of rail and road network so as to gain access to the rich agricultural and mineral resources. However, the newly independent countries needed to expand beyond this lopsided development in order to achieve more. The first sector to be highlighted was the agriculture industry. It was argued that developing economies like newly independent countries in Africa and Asia would have a growing population and to meet up with the feeding needs, productivity needed to improve and increase, preventing the import of agricultural produce or even leading to production excess to facilitate export (Barro, 1991; Easterly and Levine, 1997). The thinking is that this would reduce any strain on foreign exchange. While also putting into better use the productive capacity of the rural areas in order to supply the feeding demands of urban areas. Thus, this also brings to importance the transportation network in the country for the move of the output across the country most especially from rural to urban areas.

The transport industry includes the rail and road network system, which has always been heavily capital intensive and involved very long gestation period to recoup investment, making it unattractive to private investors. Government was seen as the preferred or only entity that could take on this investment, which is categorised as social overhead capital. Therefore, resources were channelled into building transportation network. Rostow (1960) and Stein (1995) were of the opinion that, the increased food production and subsequent link to urban centres would bring about development in the rural areas with the movement of finance and invariably the rural towns will also be able to contribute towards the central government in form of taxation. Money will be moved to spenders; individuals that will be ready to take enterprising risk based on the changes will appear. Banks and other institutions for mobilising finance will spring up, this will result into other factories been setup.

The argument for a shift towards modernisation and centralized planning was based on the fact that, the landowners of the traditional society who were based in different regions, held all the power and financial interest, or influenced power for their gain
and most times retained the finances without reinvesting it (Rostow, 1990). They therefore planned regionally in order to hold on to power. Thus this required centralised planning which will put the interest of the entire people into consideration, adopting policies for the general populace and curbing the interest of these powerful landowners. The new adopted policies were envisaged to encourage spending and move finance into the ownership of those that will reinvest it. The continuous process was expected to bring about the exploration of other unused natural resources; also a more efficient way of production and the continuous expansion of this will bring about industrialisation and subsequently development.

Tracing the historical analysis by Rostow (1960), the traditional society developed people with powerful actors that would push for their interest, hence the necessity in curbing them with centralised planning. The modernist theorists fail to mention the new powerful interest that would now develop as a result of the change in society (modernisation), who would also push for their own interest. Because the process of development will certainly throw-up a different sets of people with power and who would also control planning and resources towards their gain. How then is this to be handled or curbed when it happens? Will democracy do it? Situations where candidates with the highest campaign funds win elections globally or where politicians prefer to dine with businessmen rather than member of the constituency, which they represent. Currently we live in a capitalist society, and therefore the people with powerful interest will be those with majority of the capital. They influence those who are in government; surely theories cannot ignore this and its subsequent role in development.

Going back to the discourse; the successful pursuit of economic development through industrialisation, brought about changes in the political system towards a more centralised planning and control of resources by government in order to ensure quick and quantum increase in output. Numerous state/public enterprises were setup in telecommunication, electricity, water, steel, railways, airports, banks and extractive industries. Import barriers and export promotion were instituted; taxes were levied on import goods. (Bond and Dor, 2003).
According World Bank data (Fieldhouse, 1986), this period witnessed strong economic growth indices. There was rapid rate of industrial development, the textile industry and its likes sprang up, different sort of agricultural produce, infrastructural construction was ubiquitous, and welfare indicators performance progressed, export grew massively which also coincided with a time were commodity prices were on the rise. Finance was needed to pursue the industrial drive and this amounted to the accumulation of external debt. The West gladly granted foreign loans and investments to these countries, the more capital pumped into the industrial drive, the bigger and more chances of success it was assumed. With this stream of income, there arose a dependence on import for various goods including food, which resulted in adverse of payments.

Then in Nigeria, capitalism entered into a series of worldwide crises in the 1970’s — the oil crisis, fiscal crisis, fixed exchange rate crisis, stagflation, and debt crisis, governments in Africa began to falter and hence they became susceptible to the tune of their creditors. The dependence on foreign capital became evident. The following section will show how that control played out.

### 2.3 Market Orientation: Competition and Profit 1970’s and Beyond

The challenges of the preceding years birthed a solution in a new economic ideology in the West, which was particularly capitalist, which neoliberalism captures some of its tenets. The prevailing ideologies were founded on the assumption that governments cannot drive economic growth as earlier thought and practiced. But rather, private individuals, and markets are best able to drive and generate economic growth. Neoliberalism is said to be the adopted ideology being practised in most of the world and the western countries, most especially the United States have continually promoted the idea (Larner, 2000; Harvey, 2005; Thorsen and Lie, 2006;).

David Harvey explains that the practices of neoliberalism are such that “human well-being can be best advanced by liberating individual entrepreneurial freedoms and skills characterized by private property rights, free markets, and free trade” (2005:2). Meanwhile capitalism is defined by Ruth McVey (1992:8), “as a system in which the means of production, in private hands, are employed to create a profit, some of which is reinvested to increase profit-generating capacity,” These two definitions emphasise
privatization, an efficient market and the pursuit of profitability. In this section, I will explain Neoliberalism and then focus on its features of individualism, competition and profit maximization.

A fundamental feature on which neoliberal theory builds is the personal and individual freedom in the marketplace in the form of freedom of choice, a free market and free trade. This freedom comes the responsibility of the individual to improve their well being. Removing this function from the hands of the government thereby pushes for minimal government intervention and promotes private property ownership and deregulation. Blomgren (1997 cited in Thorsen and Lie 2010: 12–13) argues that neoliberalism ranges along the spectrum that at one end pushes for the total non-involvement of government and at the other end demands a government that performs the absolute minimal function but promotes market forces to determine the distribution of wealth.

The existence of this idea can be traced back to the 1940s and in some way even to before the 1940s according to the research conducted by Thorsen and Lie (2006). However, this idea became widespread when it was used to tackle the economic crisis in the 1970s. As a way of navigating out of this crisis the leading western governments of the United Kingdom and America decided to move away from their adopted fiscal and social policies. The policy adopted then was one in which the state played a pivotal role in which at anytime it could manipulate its apparatus regardless of the markets in achieving economic growth, full employment, and maintaining the welfare if its citizens (Esping-Andersen, 1996). This economic theory was championed by John Maynard Keynes and adopted in the years after World War II in order to boost the economies after the devastating effect of the war. Despite all the efforts of the government, inflation and unemployment rose to an all-time high in both America and Britain during this period. Therefore, another way of going about the business of managing the economy was sought in order to douse the impact of the crisis.

During the crisis, in 1979, a new government took over in Britain headed by Margaret Thatcher. During her election campaign she promised to control inflation, institute trade union reforms, reduce government spending, reduce taxes, and encourage
competition and capital accumulation, amongst others, which she duly did. In achieving her promises, she sought to promote individualism, private property and family values ahead of social solidarity. At about the same time, in 1981, the Americans elected a new president, Ronald Reagan. To counter the ongoing crisis he had also promised to restore the free market from excessive government regulation and encourage private initiative and enterprise. Similarly, in tackling the high inflation and interest rate he proposed a reduction in government responsibility to solve the social problems, reduced restrictions on business, and implemented tax cuts. Thus he achieved economic success and revived the economy and in the process raised new entrepreneurs (Huber and Solt, 2004; Harvey, 2005; Sumner, 2010).

The resulting economic success of these two regimes and the subsequent enforcement by agencies of this government (such as IMF) can be traced to the widespread adoption of the idea of neoliberalism. Critics of this idea exist such as Robert McChesney (cited in Chomsky, 1999:1), who defines neoliberalism as “the policies and processes whereby a relative handful of private interests are permitted to control as much as possible of social life in order to maximize their personal profit”. These critics argue that neoliberalism seeks to advance the interests of a few wealthy and powerful businesses and political groups (Harvey, 2005; Haselip, 2010). The western countries go about fostering this ideology in several ways, one of which is through global organizations such as the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank, USAID, DFID and many others (Brenner and Theodore, 2002).

The main features of neoliberalism that can be derived from the above are the promotion of minimal government involvement in enterprise and spending, the emergence of market-oriented deregulation and privatization (Chia, 1993). The effectiveness of this approach can be seen in combatting the economic crisis in the western world, The World Bank and the IMF then advocated that developing countries should also adopt this ideology (Todaro and Smith, 2009). To push through this ideology in the developing countries, a set of economic policies were put together called Structural Adjustment Programmes (SAP). Pertaining to Africa, this was made possible because the region was in serious financial debt and needed to reschedule in order to meet its daily obligations. In this vulnerable situation the defaulting countries
had no other option but to adopt the requirements requested by the World Bank and IMF before further loans could be granted (Hilson and Potter, 2005).

The economic policies included in the SAP championed governmental budgetary cuts, the privatization of state enterprises, the creation of a competitive market by removing price controls and subsidies, currency devaluation, financial liberalization (higher interest rates and deregulation of local finance), tax reductions, the removal of import barriers, and the promotion of exports (Bond and Dor, 2003). It was thought that allowing competitive market forces and flourishing private enterprises would lead to wealth accumulation for the country and therefore lead to economic growth. While it lasted, the World Bank claimed that the programme was a success with some publications being released as evidence (World Bank, 1989a; 1989b); this claim was however disputed by other scholars.

Costello et al (1994), Mkandawire and Soludo (1999), Bond and Dor (2003) and a few others argued that the SAP worsened the economic situation of the countries in Africa. They argued that the cut in government spending was not substantially substituted by private sector investment, there was a rise in unemployment, poverty and income inequality, and that the healthcare, water and educational situation drastically deteriorated (McGregor, 2005). The continued economic crisis was linked to the financial liberalization and trade policies that were adopted, which affected indigenous production, led to massive importation and thus substantially compounded the devalued currency on the continent, making it more difficult to pay back loans to the World Bank and IMF. To strengthen this argument, even the World Bank publication of 1990 argues and agreed that no significant economic growth could be identified within the period in which the SAP was adopted up until the time of the report (World Bank, 1990).

The economic policies that were promoted pushed for privatization, which is an important feature of neoliberal economic development policies. Governments’ provision of services was deemed inefficient and in line with the tenet of minimal government involvement. It was assumed that the government’s involvement in certain industries prevented the entry and investments of private investors. The privatization exercise was going to make room for private investors to take a position
and offer more efficient market driven services. In this instance the transfer of state enterprises to private individuals was enmeshed in corrupt practices in most of Africa and furthermore, the majority of the bidders were foreign firms (Austrade, 2007). This caused Ismi (2004) to argue that the SAP was a programme devised to benefit the Western countries. It was argued that this action would attract the much-needed foreign direct investment (FDI) into the region, which indeed experienced growth with the privatization (Bond and Dor, 2003).

However, a report by the World Bank admitted that the privatization exercise yielded little to no result. The report cited government resistance to the exercise and corruptions practices (World Bank, 1994). However, other scholars (Ali, 1998; Bond, 2000; Panos, 2002) argued that the failure was due to other reasons, such as the assumed belief that with government withdrawal, domestic investment would be attracted. This did not happen. According to Mkandawire and Soludo (1999), these investments were inexistent and investors did not see the need to buy or manage the state enterprises. Also, the drive was aimed at immediately reducing the government’s involvement and government spending. In essence there was no organic or systematic growth (Callaghy and Wilson, 1988). It was a forced action and some foundations should have been put in place before the privatization phase. Without the existence of these foundational structures and other strategies to compliment the privatization drive, shrewd private investors were cautious with regard to making long-term investments or even getting involved at all. They chose first to observe the ensuing business environment and this caused the exercise to yield inconsequential results. The adopted policies where a failure and this highlighted the fact that the ideology that the leading economist at World Bank championed for economic development were flawed. Though the policies were said to be successful both South East Asia and the global North, they were a failure in Nigeria.

However, the culturalist scholars interpreted the developmental failure differently, it was blamed on the prevailing culture/indigenous value system. Paul Kennedy and Kennedy (1988) listed a few reasons why the indigenous private sector did not flourish. One of which was that the traditional African culture favours sharing as opposed to wealth accumulation, which is a major feature of capitalism. The culture also favours the notion of reciprocal obligation in business, which is argued that such
action is detrimental to business (Valdez, 2011; Taylor, 2014). Inclusive of these was the flourishing of a patrimonial state in most African countries (Callaghy, 1988 cited in Rothchild and Chazzan, 1988). In summary, the African culture (Nigeria inclusive) was seen as not been receptive to the tenets of neoliberal capitalism.

Notwithstanding, a new economic policy was adopted by Nigeria in 2004 -National Economic Empowerment and Development Strategy (NEEDS), which birthed Microfinance Policy in Nigeria in 2005. It was the Poverty Reduction Strategy Paper (PRSP), again developed in conjunction with the Neoliberal World Bank and IMF which was in partial acceptance of the failure of the previous developmental approach. The document highlighted the aim of establishing a competitive market and pursuing profitability in order to achieve economic growth “The NEEDS aims at addressing the country’s underlying lack of competitiveness, which has prevented economic growth and development from keeping pace with other economies” (IMF, 2007:13). However, on this occasion, attention is to be paid on the local level. It was argued that economies grow but on a smaller scale, and an aggregation of the smaller scale growth will lead to a national growth. Furthermore, as long as infrastructure are established on a national level, with the new focus of infrastructure at the local level, and this will invariable lead to the take-off of the economy. But this time the local level economic growth will be driven by the private sector, with finance made available to individual. The developmental finance strategy to growth. The next section looks into the history of microfinance and its subsequent adoption in Nigeria as the developmental strategy for development.

2.4 Neoliberal Poverty Reduction Strategy: Microfinancing

Microfinance is a developmental economics initiative to eradicate poverty. Microfinance is not a recent development; nor is it just a temporary solution for poor countries. According to Siebel (2003), all developed countries have their own history of microfinance. Its roots can be traced to the following: individual moneylenders, savings clubs, ROSCAs, credit cooperatives, people’s banks, village banks, and solidarity groups (Todd, 1996; Woolcock, 1999; Armendariz and Morduch, 2005; Siebel, 2005; Bateman and Chang, 2009). The main idea behind microfinance is to make finance available to the poor, which will help the poor in starting and growing income generating activities to aid their exit from the bottom of the economic
Microfinance therefore developed from informal beginnings, serving as the bridge between microsavers and microcredit (Siebel, 2003; Bateman, 2010). Researchers and the international development community argued about the successful impact of microfinance as a poverty reduction tool and as a result this idea gained widespread acceptance (Johnson and Rogaly, 1997; Shaw, 2004; Khandker, 2005; Akanji, 2006; Hulme and Moore, 2006; Imai et al, 2010; Imai et al, 2012; Awojobi, 2014).

Some researchers have gone further to argue differently regarding the impact of microfinance, Barman et al (2009) argue that its role is in achieving financial inclusion and not necessarily poverty reduction. Bateman and Chang (2009) argue that microfinance hinders sustainable economic development and poverty reduction. Furthermore, there is also a group of scholars that argue that there is limited evidence to show that microfinance is reaching the “core poor” (Scully, 2004; Weiss and Montgomery, 2005). While other researchers have sought to deepen our understanding of this poverty reduction tool, Nourse (2001) and a few other scholars have advocated for microfinance to go beyond granting small credit, to incorporating other important financial service functions such as insurance and savings services (Zeller and Meyer 2002; Armendariz and Morduch, 2005). Some other researchers argue for the adoption of mobile technology (Serrano-Cinca and Gutiérrez-Nieto, 2014; Vong and Song, 2015). Then are those we argue for the sustainability and commercialization of microfinance as the viable model to adopt in microfinance (Christen and Cook 2001; Drake and Rhyne, 2002; Schreiner, 2002; Counts, 2008), which is of importance to this particular research.

The majority of the operators of microfinance had been dependent on charitable donations and government subsidies due to low deposits (Morduch, 1999). Therefore, there was a shift from the granting of subsidized collateral free low-interest loans to a sustainable model to serve the poor (Ledgewood, 1998; Woller, Dunford and Woodworth, 1999). This model was going to be a “best practice model” for the operation of microfinance around the world. The desire was to make the operations more market-driven and for the banks to charge market-based interest rates, which would enable them to operate sustainably (Robinson, 2001). This would also mean the banks being able to attract funds from private sources of capital in the form of
depositor savings, commercial debt, equity, and venture capital and refinancing facilities (Woller et al, 1999). Thus began the neoliberal capitalist efforts towards the commercialization of microfinance institutions for its adoption as the best practice model in developing countries.

Commercialization involves being efficient and profit-oriented. Therefore, commercialization in microfinance can be defined as the ‘... [m]ovement of microfinance out of the heavily donor dependent arena of subsidized operations into one in which microfinance institutions manage on a business basis as part of the regulated financial system’ (Christen and Drake, 2002: 4). This approach is centred on the main features of profitability and competition. These two features will form the basis of our discourse as we proceed in this thesis.

In Bolivia, a non-profit micro-lending entity, PRODEM remodelled itself as a profit-oriented and commercially viable financial bank called BancoSol in order to access more sources of loanable funds (Navajas, et al, 1996). The model adopted by BancoSol proved successful and encouraged a section of the microfinance community of donors, practitioners, academics and policy makers to opt for advocacy of profit maximizing MFIs (Robinson 2001, Bateman, 2010).

The World Bank was also a major proponent for the adoption of commercialization in microfinance. The highly cited book “The Microfinance Revolution: Sustainable Finance for the Poor” by Robinson, advocating competitive and self-sufficient microfinance institutions, was published by the World Bank in 2001. Even before this, the Consultative Group to Assist the Poorest (the CGAP) was established in 1995 with seed funding of $30 million from the World Bank (IEG, 2008). This was a research and policy-making body charged with the mandate to develop innovative models and promote microcredit and expand access to financial services for the poor. The World Bank selected some of its top staff and set out the rules for the recruitment procedure. Therefore, the World Bank and the American government supported this model of microfinance in order to bring about economic development; it was widely advocated as the best practice model to be adopted.
In the long run more commercially focused MFIs were promoted. In order for them to be sustainable and be able to access more funds, they needed to be profitable and competitive. The promoters wanted minimal-to-none governmental financial support. Thus explains the transformation process recorded by microfinance who transformed from Non governmental organisations (NGOs) to regulated financial institutions. The stated objective of the new model was to provide a wide range of microfinance services to poor people, which was not possible with donor dependency. For those MFIs who sought growth and a wider reach in order to serve millions of poor, there was only one option to achieve this: operating in business-like, competitive and profit oriented manner (Christen and Drake, 2002). This approach to financing is sure to influence the business model and choice of business of individuals that accesses a loan from these commercial MFIs. The individual is expected to pursue profit in order to have enough to repay the loan and also to sustain the business venture. Profit maximization is therefore the bedrock of commercial microfinance both on the side of the MFIs and the side of the borrowers which is a major feature of neo-liberalism.

In Nigeria, as the poverty reduction strategy policies were been vigorously advanced, microfinance banks were set-up all over the country. The Central Bank of Nigeria conducted a recapitalization exercise, in which over 400 Community banks were converted (after meeting the required capital base) to microfinance banks. This exercise saw the emergence of 716 Microfinance banks out of the 910 registered microfinance banks. What is expected of them now is efficient and effective service delivery to the rural poor (Audu and Achegbulu, 2011). Particular the CBN noted the following client should include the economically active low-income earners, low income households, the un-banked and under-served people, in particular, vulnerable groups such as women, physically challenged, youths, micro-entrepreneurs, informal sector operators, subsistence farmers in urban and rural areas with the tenure of the loans usually within 180 days (6 months) (CBN, 2012). However, this theoretical and policy paradigm is being called to question, due to the failure of commercialised microfinance banks in Nigeria. Abioye (2014) reported that according to the CBN, almost 600 microfinance banks are to be shutdown, out of the total 800. This notwithstanding followed a period where the federal government had spent 620 billion Naira ($3 billion) to bailout commercial banks in the country in order to curb a financial crisis.
Very little work has looked into the voice of microfinance clients (Robinson, 2001). Scholars have looked at competition and microfinance, but from the angle of the competing banks (Hoff and Stigiz, 1998; McIntosh and Wydick, 2005; Cull et al, 2009). Scholars have not considered the competitive feature expected from individuals that access microfinance. The neoliberal theorist Milton Friedman (1970:6) famously opined that the goal of a business is to maximize profit for its owners while conforming to the basic rules of the society, “which is to say, engages in open and free competition without deception or fraud”. The commercialization shifts to profit maximization, privatization, minimal-to-none governmental financial support and competition is therefore in line with the neoliberal agenda; this is a position that has also been argued by a few scholars such as Bateman and Chang (2009), Karnani (2007), Karim (2011). Developmental economic practitioners argue that if finance is made available to local individuals, they will put these funds into productive use, setup a business, operate efficiently and competitively, pursue profit and reinvest the profit. The continuous happenings of this will lead to development and eradication of poverty.

The cultural theorists argue African culture, does not entertain competition and profit maximization, being that it is socio-centric society. The debate is on going on the necessity of capitalism and the counter argument of that possibility due to the African culture. An important step therefore is to understand culture. What does the literature say about the culture of the Western formulators and backers of neoliberalism, if it does contrast with the African culture in business, what then are these African cultures that hinder capitalism?

Paul Kennedy (1988) listed a few reasons why the indigenous private sector did not flourish. One of which was that the traditional African culture favours sharing as opposed to wealth accumulation, which is a major feature of capitalism. The culture also favours the notion of reciprocal obligation in business, which is argued that such action is detrimental to business (Valdez, 2011; Taylor, 2014). An exploration of the culture in this contemporary capitalist society might lead us to understand how business is done and how this might inform policy.
2.5 Considering Culture in Economic Development

Economic development is usually defined as the 'process whereby the real per capita income of a country increase over a long period of time—subject to the stipulations that the number below an "absolute poverty line" does not increase, and that the distribution of income does not become more unequal' (Meier, 1976:6). Bartelmus (1986) says development is targeted at improving the welfare of human life. King and Levine (1994) say economic development is about improving the living standards of individuals in a country. What these definitions depict is that the purpose of economic development is about improving the lives of people that live in a particular economy. Therefore, the people constitute the subject and object of economic development.

There is no economic development without the people, both in terms of formulators, implementers and beneficiaries. Humans are the ones that apply the policy and are the ones the policies are meant to better therefore, the key factor and focus is the people. For this to be achieved one has to understand the people to which the economic development strategies is directed at. If the World Bank/IMF/US imported strategies applied so far as we see above are adjudged to have failed, then a wise option is to approach economic development from another angle. In doing this, understanding the culture of the indigenous people in comparison to the western formulators of the adopted neoliberal policies. The cultural theorists have said, there are fundamental cultural differences between Western nations and African countries. Particularly for the purpose of this research we would be focusing on two key features of neoliberal capitalism, competition (market-orientation) and profit maximization, which are precursors to wealth accumulation needed for economic development.

The word “culture” is used to describe different concepts, various scholars in different disciplines have tried to define it and so a unifying definition has not been agreed on. Kroeber & Kluckhohn (1952) define culture as consisting “of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other; as conditional elements of future action.” (Kroeber & Kluckhohn, 1952:181; cited by Dahl, 2003:2). Hofstede
defined culture as “the collective programming of the mind which distinguishes the
member of one group or category of people from another” (Hofstede, 1994: 1). For
the purpose of this research, we’ll keep it to meaning the “shared, yet distinctive, set
of values held by one society” which spontaneously influences their action (Dahl,
2003:2). Culture influences an individual’s spontaneous understanding, interpretation
and reaction. Culture determines a people’s way of living. Depending on the culture
in which a person has been raised his or her behaviour or way of doing things will be
peculiar to the culture to which one is raised.

Hampden-Turner and Trompenaars (1994) explored culture in capitalism along seven
dimensions although dwelling on the most prominent capitalist countries. Conversely,
cited even more widely is the work of Geert Hofstede (1980) on national culture
differences. Initially it consisted of four dimensions, but later on got two more added
to it, making it a total of six dimensions in total Hofstede (1994) explored. Hofstede
and Hampden-Turner and Trompenaars both have some homogenous dimensions,
therefore for the purpose of this research I would focus on the two similar dimensions,
which are Individualism/Collectivism, and Universalism/Particularism dimensions of
culture.

Scholars and social theorists have analysed, and to a certain extent debated, the
significance of the African culture on capitalism. A critique by Daniel Etounga-
Manguelle titled “Does Africa Need a Cultural Adjustment Program” was critical of
the African culture and its refusal to change (Harrison and Huntington, 2000). He
highlighted that Africa is diverse with the existence diverse sub-culture, but that these
cultural values and beliefs are quiet similar. He goes on to suggest a distinct feature
prevalent in the African culture, the “subordination of the individual by the
community” (2000: 17).

Several widely cited scholars have emphasised on the collectivist values shared by
Africans (Ahiauzu, 1986; Triandis, 1989; Okeke et al., 1999; Eaton and Louw, 2000).
Therefore, this is not new. A collectivist culture involves an existence of individuals
that are integrated into strong groups, they view themselves first and foremost as parts
of a whole, and they dwell on their connections. Their actions, norms, beliefs and
values are predisposed towards and influenced by the group, groups such as extended
family, ethnic or tribal group or a community. While in an individualist culture, individuals think of themselves first, the ‘self’ is primarily promoted and connections among individuals are loose. These two factors although simple, they go a long way in influencing how individuals perceive the world and therefore influences outcomes of actions.

It is argued that in an individualistic society ties between individuals are loose: everyone is expected to pursue selfish interest i.e. look after him/herself and his/her immediate family. On the collectivist side we find cultures in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents). According to Hofstede et al. (2010) and Hampden-Turner & Trompenaars (1994) the western countries of America and Western Europe are classified as individualistic while Africa is classified as moderately collectivistic. Particularism which is a way of thinking in which the standards regarding the way a person should be treated depend on the community to which the person belongs as against the standard treatment for everybody. This is said to commonly practice in Africa while universalism is practiced in these western countries.

Hofstede and Bond (1998) postulate a reason why a culture could be collectivist. They hinge it on the prosperity or not of the nation. When a government is not as prosperous, then individuals in poorer nations tend to be reliant on each other, and for this reason a culture of collectivism is developed and promoted. In their analysis, they argued that the wealthier a nation becomes the more individualistic they could likely become, because of the freedom of choice that comes with the prosperity. But will this postulation hold in Africa, when it becomes as economical prosperous or urbanized, we are yet to find out but the evidence so far suggestion it will not be the case.

A few scholars (Ndiweni, 2008; Amoako-Agyei, 2009; Ntibagirirwa, 2009; Lutz, 2009) have argued along the lines of the importance for the adopted economic models to reflect the value systems of their societies. They argue that sub-Saharan African espouses the Ubuntu philosophy, which are at variant with western values and therefore economic models adopted on the continent should be informed the Ubuntu values. Ntibagirirwa (2009) argues that the neoliberal economic development model,
which argues that the pursuance of self-interest eventually leads to economic development, is at a variance with the cultural values in Africa. Hence the economic model adopted should be informed by the beliefs and culture of the people there proposing a model termed the ‘Ubuntu economy’. While Ndiweni (2008) argued for the necessity of an alternative corporate governance practice in Africa to be informed by the Ubuntu philosophy. Lutz (2009) on the other hand argued for a global management theory that is informed by the Ubuntu philosophy, which will mean seeing the firm as a community rather than a collection of individuals. What these arguments depict is that models informed by the Ubuntu ideology would be significantly different from western economic models. The western economic models will seem to portray the African culture as so what backward, hence why a phrase like “indigenous culture hindering” capitalism are used in the literature. This also highlights the reason, urbanisation and modernisation is prescribed as a necessary path to economic prosperity. However, capital accumulation thrived in Africa before this period.

What these section and the previous sections depict is the enormous difference that can exist between the economic ideas people use to interpret the world and the way in which the economy actually works in a particular space; in which they might not know enough of or fully informed about. It is important for the people that make decisions to have an understanding of the economy and how the economy operates. Culture is important and there are various ways of analysing the economy using culture. Based on the above evidences of failure that has characterised the different developmental economic models adopted in Nigeria the question to find out is; if there is a shortcoming in the understanding of Nigeria by the policymakers in regards to contemporary capitalist society.

2.6 The Cultural Political Economy Approach

Several scholars have taken the ‘cultural turn’ in economics, that is, arguing for the place of culture in the economy. In other words, identities, discourses, and the social and cultural embedding of economic activities needs to be considered (Sayer, 2001; Best and Paterson, 2010). Theorist like Antonio Gramsci (1971), Karl Polanyi’s (1944) work on disembedding of markets, had long argued of the social aspects of the economy.
However, I will be considering culture and economic development from the Cultural Political Economy (CPE) approach as argued by Bob Jessop. Jessop (2014) argues for the introduction of culture to the economy but from the perspective of sense and meaning making. In other words, CPE emphasizes the role of creating meanings as part of a comparative economic analysis and suggests that the development of an economy is rather a qualitative change than a purely linear expansion. The CPE approach does not add ‘culture’ to politics and economics to create a three-dimensional analysis. Instead, arguing that all social phenomena have semiotic and material properties, it studies their interconnections and co-evolution in constructing as well as construing social relations (Jessop, 2013).

Jessop advanced culture in the CPE approach but moves away from seeing it as just cultivation, modernisation, or progress in civilisation. Rather, culture in this sense focuses on sense and meaning making. CPE seeks to understand how individuals or actors make sense of the world around them. Jessop (1997) argue that there is a limit to which the real world can be fully understood due to all its complexities; saying, it must first be reduced to be made sense of, in order to be understood. The meaning derived then leads to an understanding (he refers to this as imaginaries). It is based on this understanding, actors in a particular context interact with subjects and objects in that space (Taylor 2000). Sayer (2001) however argues that, political economy should be studied without the need for complexities reduction.

Understandings or imaginaries encompasses the following: the selective observation of the natural and social world, the individuals rely on specific codes, categories and programmes to observe it (Jessop and Ooterlynck, 2008; Gibson-Graham, 2008). The use of certain forms of calculation, sensitivity to specific structures of feeling, reference to particular identities and values that they may have, justification in terms of particular vocabularies of motives, efforts to calculate short to long term interests. All these are entry point in which sense and meaning making is made.

The complexity of the real world forces individuals to simplify, thereby enforcing meaning making as a way to organise lived experience. Consequently, there is the possibility of a plethora of meanings and variation in those meanings by different individuals; hence the need for structures. Structures limits the amount of possible
variation in terms of the sense and meaning making. Jessop (2013) further goes on to argue that complexity is also reduced via social structure where spatio-temporal selection, location and sequencing of actions as one way to turn radical contingencies into organised complexities for ease of understanding.

All these means, multiple attempts will be made to make sense and structure the world but some will be selected to become main-stay ahead of others. Jessop (2013) further notes that this is done, through the process of variation, selection, and retention of meaningful reductions of complexities, some imaginaries are selected ahead of others. It is further expected that, these selected imaginaries then become the standard in which the world understands and interprets. In other words, once sense and meaning making have been sedimented and structuring principles have evolved, then social formation should reproduce themselves in a stable and natural manner.

Jessop and Sum (2013) goes on to argue that even after these various economic imaginaries are construed and with the governing ability of structures, social order is inherently improbable because a consensus argument on sense and meaning is hard to reach. Furthermore, it always excludes important aspects of real world and because social structure is always selective and cannot contain contradictions and antagonism. It is improbable that we would ever have a structured complexity to harmonise all contradictions.

However, the ideas or imaginaries selected become the hegemonic idea and the selected structure becomes the dominant structure. According to earlier sections, we can see the prevailing imaginaries (hegemonic economic imaginaries) that have governed economic policies in Nigeria. These imaginaries have centred around contemporary capitalist system, where neoliberal policies such as privatization, profit maximization, the creation of a competitive market by removing price controls and subsidies, budgetary and welfare cuts, currency devaluation, financial liberalization, tax reductions, the removal of import barriers. These ideologies still did not prevent the failure of policies or prevent an economic crisis as a result of contradictions that existed in the structure, hence it is worth interrogating.
Contradictions and crisis-tendencies in structure is also an important part of economic imaginaries because of its tendency to produce crises (Jessop and Sum, 2013; Roitman, 2014). Crises are profoundly disorienting; they cause attention to be drawn to weaknesses in particular economic imaginaries. An analysis of the three intervention of developmental practice in Nigeria and their resulting failures and crises highlights this point. However, at each point of crises an adoption of economic imaginary from outside (western economic policies) rather than a review of the failures had always been adopted.

Also hegemonic imaginaries can be destabilised by repoliticising the ideology that has been taken for granted (Glynos and Howarth 2007). A critiquing of the imaginary already accepted as a norm; or what has been taken for granted. In the case of Nigeria, we can question the economic imaginaries on which the model of economic development has and is being implemented in Nigeria, especially the argument that commercially driven private-local financing, competition, profit-maximization among others will deliver economic development. These economic imaginaries that has been ingrained and taken as standard in the world and also in Nigeria needs to be critiqued seeing they are not achieving their stated objectives.

In summary, economic imaginaries are therefore simplifications of what exist in the real economy. Structures of the economy are a subset of the full economy. When the economy is being planned certain aspect tend to be secluded such as the domestic and informal economy. In this case we know it plays a major role. There was a period that scholars focused on the informal economy, especially on the African continent; ‘Size and Measurement of the Informal Economy’ (Schneider, 2002) ‘Rethinking the Informal Economy’ (Chen, 2006) ‘Identity Economics’ (Meagher, 2010). Therefore, their continued exclusion or partial inclusion when planning is to be questioned. When included, the objective is usually to reform them rather than manage them.

2.7 Selection and Retention of Economic Ideologies
Why are some economic ideologies more hegemonic than others, why are they more powerful and more accepted? Not all imaginaries are taken up. Variation, selection and retention (Astley and Van de Ven, 1983) of competing economic imaginaries, is shaped by at least four forms of selectivity particularly for issues in hegemony:
discursive, social structural, technical and agential. However, it should be noted that different entry points, and situations will considerably vary the forms of selectivity. The following play a key role in the selection of economic imaginaries; the organization and operation of the mass media, the role of intellectuals in public life, and the structural biases and strategically selective operations of various public and private apparatuses of economic, political, and ideological domination. That some institutional and meta-narratives resonate powerfully does not validate them. All narratives are selective.

Discursive selectivity and inter-discursive resonance frames and limits possible imaginaries, discourses and arguments through personal identity, feelings and styles (Hay, 1996; Kutter and Jessop, 2014). Social structural selectivity, denotes the unequal configuration of opportunities and constraints on social forces such as institutions, organisations, some forces are more expressed and dominant than others. Such as patriarchy, social relations, capital relations, racism amongst others. Technical selectivity this involves the means of advancing discourses which makes some are more effective than others (Sum and Jessop, 2013).

Agential selectivity this involves the capacity of specific social agents to make a difference based, by identifying potentials for action, rearticulating discourses, combing existing knowledge or being innovative with the economy with their skilled ability in the arts of rhetoric, argumentation and articulation, amongst a few. Herein lies the prism in which this research is approaching economic development particularly in Nigeria. To find out points of action, if they exist and how to articulate this discourse, and how to come up with an innovative economic solution to economic development in Nigeria.

These ideas and imaginaries rule the governing of economics of the world, by getting translated into institutions, practices, networks and power structures. These four sets of mechanism are most powerful when they work across many sites and scales to promote complimentary discourses in the wider social ensemble. Constraints of complex, reciprocal inter-dependencies recursively affect likelihood and scope for retention. Reinforcement occurs through process that privilege some discourses and practise and filter out others. For instance, the African business culture portray
communality in practice, however the prevailing capitalism practice seeks to not recognise it, or even filter out from economic practices.

Therefore, we must study what imaginaries and understandings that go unstated or silent, repressed or suppressed, in specific discourses. Moreover, while some narratives need to convince only a few key policy makers or strategists to be acted upon, others are effective only through their capacity to mobilize significant support from a broader range of social forces. Putting the culture in political economy, means taking meaning and sense making serious to reduce the complexity of the world which has a plethora of possibilities of action. Making it a vital part of political economy. The role of culture involves both construal (what is the nature of the world?) and construction of political economy. In this case, when we try to manage the economy specifically to tackle poverty and bring about economic development; we are never managing or intervening in the full set of activities, structures and institutions. We are only intervening based on the prevailing selected or hegemonic imaginary. However, the economy as object of observation, calculation, management, or governance never comprises all economic activities but it is an enforced selection of a more or less coherent subset of all economic activities (Jessop, 2004). Meaning, one is never able to govern all that is needed for the success of that policy.

Nonetheless, economic theorist and policy makers act as if their ideology is an adequate representation of all that may be relevant; or all there is to governing an economy or bringing about development. Caution needs to be taken, so that economy does not become whatever one construe it to be. As enforced selection, economic imaginaries ignore key features of actually existing economies, which continue to have real effects, including: contradictions, paradoxes and dilemmas; extra-economic conditions of existence and effects; spatio-temporal depth, breadth, rhythms, sequencing, and many others in order to do a proper critic one also has to study the structuration and dynamics of economic activities, their embedding relative to wide social frames and agents in shaping this (Jessop, 2010). Its a combination of the two, meaning making and structuration.

Economic imaginaries cover all efforts at meaning making. It includes all the various levels we can use to understand the nature of the economy. Hence why this research
asks the question, what are the rules that govern economic life in Nigeria, picking a particular space. Long-lasting economic imaginaries will have a central albeit always partial, correspondence to actually existing or potentially realizable material interdependencies in prevailing economy and its extra-economic support. Imaginaries cannot simply be taken for granted; they can and should be contestable most especially at times of crisis. If I want to bring about economic transformation which in this case will be economic development, If I want to challenge the dominance to the purely market-mediated, profit-oriented organisation, we have to not only come-up with the way the economy is, I have to also come with correct interpretations of what potentials exist.

The key part of thinking about how economy policy is organised depend on critiquing the dominant ideas. We need to deconstruct the way people understand and function in the economy. When things do not go according to plan, Mark Blyth (2002) calls it crises which are moments that cannot be modelled and thus addressed rationally because past expectations are no longer fulfilled due to failure of institutions. At this point the policies are looked at to figure out what went wrong and decide what choices to take afterwards. In many cases, several varying possible line of action could come-up, but as Jessop and Sum (2014) posits, which of the resolutions would end-up chosen as the line of action.

**Summary**

The review of literature in this chapter, demonstrates that overtime developmental economics practitioners have always come up with initiatives that if adopted will bring about economic development. They follow a particular pattern were economic development is believed to be attainable by: copying a model developed in the West and then reproducing and implementing that economic model, and this will invariably ensure the development of the ‘developing’ country. This was adopted with little effort to examine the peculiarity or not of the country needing development. Three phases of economic developmental strategy are evident, and they stipulate the necessary conditions for an economy to develop (take-off). The first era was the period when the government pushed for expenditure on infrastructure such as agricultural produce, extractive industry, telecommunication, rail and road networks, airports, steel, banks, factories, universities and the likes. The economic initiative also
included setting import barriers, regulating prices and encouraging a subsidy regime. In summary, development was shaped around industrialisation and export-drive; this eventually led to or did not prevent the economic crisis of the 70's. During this period saw the emergence of the underdevelopment theorist. The theory was about blaming the west rather than looking at indigenous capacity or indigenous practices. They did not take into cognisance what was actually happening on ground.

Then came the market-driven push which included economic policies that championed governmental budgetary cuts, the privatization of state enterprises, the creation of a competitive market by removing price controls and subsidies, currency devaluation, tax reductions, the removal of import barriers, and the promotion of exports. It was thought that this would lead to economic growth. Repeatedly we have seen a body of theories that came between 1960s to 1980s, which completely excises locality, and culture from the theory. Refusing to take into consideration everywhere not being the same. When this did not yield the intended result in African countries, due to the uneven playing field the SAP policies opened the countries to, the current developmental strategy was then devised.

This new approach thus argued that the economy would develop if resources are given and kept in the hands of the individuals. Therefore, policy initiatives were focused on private local financing (microfinance) and ensuring businesses are run competitively and pursuing profit maximization. What microfinance possibly offers is an engagement in the locality, and some of the ways which microfinance have been developed have been explicitly about that. It has been about enmeshing in culture to provide a new model of economic development. However, the (IMF) model of microfinance and the one being pushed globally and in Nigeria is not about that. It is about commercial banking effectively being extended to micro-entrepreneurs with the expectation that they would fit into business models as soon as possible. Microfinance could be a good thing but not in the way it is being organised at the moment. Yunus model builds on the historical models of microfinance, but the increasing commercialisation of microfinance drags away from this model. The provider of finance to local individuals for the purpose of enterprise invariably determines the business operation model for these businesses. They will therefore expect the business
to function and grow as an economic unit, that is; to be competitive, efficient and maximise profit.

Using the cultural political economy (CPE) theory as argued by Bob Jessop. We understand how economic development models are influenced by economic ideologies, and how these ideologies get to become hegemonic. CPE pushes for an understanding of the real world through sense and meaning making and structuration, the result of this action is the formation of ideology. However, these hegemonic imaginaries should not simply be taken for granted; they can and should be contestable. Hegemonic imaginaries are also open to challenge at times of crisis in the system. Hegemonic economic imaginary, excludes important aspects of real world and even filter out from economic practices. It is therefore worth finding what has been filtered out; what imaginaries have gone unstated or silent, repressed or suppressed, in this specific context.

Nigeria has experienced three different crisis times with the current economic developmental model falling apart. The dominant ideology in Nigeria thus far is the purely market-mediated, profit-oriented pursuit. Therefore, this is a good time to challenge the prevailing economic imaginary by actually finding what actually exist, what has been filtered out in order to come up with a fitting economic imaginary and knowing this could lead economic transformation.

This research therefore chooses to do the following: to make-sense of the lived experience by investigating the rules that govern economic life in Nigeria, and what lessons are learnt from this sense-making. Lived experience will vary across actors in a particular space, how someone experiences and understands his/her world as real and meaningful depends on their subject positions and standpoint. There are those who are directly and not directly affected by the crisis. Lessons learnt from crisis and observation may shape policy. I am of the opinion that mainstream commentaries - both theorist and policy makers- on economic development in Nigeria have read the economic situation and therefore implemented from the view point of the elite rather than the poor.
Chapter Three: Methodology

3.1 Introduction

The previous chapter elaborated on how existing developmental economic policies and strategies are arrived at. These policies and strategies follow a particular pattern where economic development is presumed to be attainable by: copying a model developed in the West and then replicating that economic model for the development of a ‘developing’ country. This approach was adopted with little effort to examine the peculiarity or not of the country needing development. This pattern effectively prescribed a norm; that development is primarily “economic”. This means that there is the perception that inequality, poverty and “underdevelopment” are both caused by and therefore resolved by primarily economic means. Not only that, but it also presumes the existence of homogenous conditions across developing countries seeking economic development, therefore justifying the possibility of adopting predominantly Western economic models.

The bulk of the studies on the impact of developmental economics models have adopted a quantitative methodology. Developmental economist use per capita Gross Domestic Product (GDP per head) or per capita consumption as an indicator of growth and poverty respectively. There is the argument that GDP growth has the potential to achieve poverty reduction (Lin, 2003; Arndt et al., 2006; Fosu, 2011), but we have come to know that this growth does not necessarily ensure the reduction of poverty unless “the poor participate in the growth process and share in its proceeds” (DFID, 2008:2). However, for developing African countries, these indicators do not measure poverty or economic development well enough, especially as a good number of economic activity fall under unmeasured financial transactions (such as unpaid family employee), unlike as it obtains in the western world. Therefore, not only do the adopted models have defects, the indicators to measure the success of the models are also faulty. The failures in achieving economic development with the adopted economic model do however; help illuminate the problems that are involved in this type of research project. Also qualitative research might very well tell the number of people in poverty, it could even go ahead to determine the percentage GDP growth required to get the population out of poverty, but it might not be able to detail the
everyday economic behaviour the people in poverty use to navigate in this condition of poverty. Therefore, figures alone will not suffice in explaining and charting a direction for policy formulators.

This research questions the adoption of generic economic models and seeks to understand the meaning found in “earning a living” and how it is expended. In so doing, it investigates how small businesses start, function and grow in a specific urban context (Lagos, Nigeria). This is done, in the belief that the growth of businesses in an economy will result in the development of the economy. For this therefore, an understanding of how cultural and economic factors interact through an analysis of actors in this urban space is crucial. In order to achieve the aims of the research and make a robust critical argument, a combination of approaches from within the qualitative research paradigm are adopted. As mentioned in chapter one, this research was inspired by my search for understanding and solution, wanting to know why our economic leaders just accepted economic models and pursued the implementation and to find out what works. I have therefore tried as much as possible to discipline myself, not wanting to subject myself or have my work influenced by any external criteria or judgment. Although I know I am conducting this research in partial fulfilment of my requirements for the award of a Doctor of Philosophy degree; however, to protect my independence I decided to self-fund my tuition and not to pursue any sponsorship.

Hitherto in Nigeria, when policy formulators seek to understand the view of Nigerians, a survey or a public hearing is usually conducted. For example, the Poverty Reduction Strategy Paper, which influenced developmental policy in the country prepared by Nigeria in conjunction with the World Bank and IMF say that; “a dedicated team travelled the country, holding meetings and workshops to identify what the Nigerian people want for the future, what problems they face, and what can be done to overcome them” (IMF, 2005: viii). We can also look at it from this perspective, at public hearings, while some people are invited, other people might not be informed of proceedings. Out of those that are aware, considering it is the poor people that have been invited, they would rather busy themselves with earning a living than closing ‘shops’ all in the name of attending a public hearing or workshop with no immediate financial benefit. Also, Nigerian government’s previous failures have nurtured scepticism amongst the citizenry in activities like this and they
therefore doubt the sincerity of the government in implementing whatever findings is arrived at (Foluso Arowolo, 2006). This therefore puts into perspective the findings that public hearing, workshops and meetings will generate in terms of economic life of people in or exiting poverty.

Whereas, if one takes time to observe a people, thereby considering the correlation of their ‘words’ and ‘actions’ to observe if there is a behavioural pattern that influences decision, these findings will be more informative in terms of understanding the people; rather than surveys or public hearing. A different perspective might possibly be arrived at, if not, it will reinforce existing perspective of the economic life of people in or exiting poverty albeit in more detail.

Therefore, in conducting this exploratory study, the answer to the question discussed above will ultimately be found in qualitative research as its methods concerns itself with understanding “things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them.” (Denzin and Lincoln, 2000:3). Qualitative research methods would help the researcher view from the lenses of some actors in the economy what it means to ‘earn a living’. It will also ensure I as the researcher the ability to observe economic behavioural pattern. By so doing, I will understand, find meaning and interpret their social context. It will give me a detailed perspective as to the context in which individuals live and how they make economic decisions for daily survival and sustenance. Invariably this method will provide beneficial insight towards achieving my research goals. This method allows me to observe economic behavioural patterns and project it for interpretations. This in turn gives an in-depth understanding of the economic context that could then be built upon to form a sustainable developmental economic model.

To achieve this would involve me maintaining a sustained and close involvement in the everyday lives of the actors in this space (Hammersley, 1992), with the features of ethnography being best suited for this research. The research problem determines the research methodology to be used (Glaser & Strauss 1967; Yin 1989). Ethnography and discourse analysis are used to understand the rules that govern economic life in Nigeria, thus exploring the complexity of business development in a specific urban context. This involved observing and engaging with the people and culture to better
understand their beliefs, religion and values amongst others. The objective of this chapter is to attempt to present and justify the methodology of my research and the various strategies employed for this research and to further illustrate my interpretative framework. The remaining sections in this chapter will present a more detailed discourse on the choice of methods – participant observation and in depth interviews. I will further explain what influenced the choice of location where I conducted my fieldwork, although most of this was done in chapter one. I will discuss how I gained access to business owners and other economic actors, the method of analysis, ethical consideration and a reflection on my fieldwork. This chapter simply explores the process of finding out knowledge.

3.2 Philosophical Background
In earlier discussion I briefly mentioned the choice of methodology based on practicality. However, it is equally fundamental to discuss the philosophical approaches underpinning the choice of methodology in this research. Specifically, there are two philosophical approaches to consider: epistemology and ontology.

Ontology has to do with the nature of reality and what can be regarded as acceptable reality, “how things really are” (Denzin and Lincoln, 1998: 201). Ontology concerns itself with explaining whether reality is formed from the view and interactions of an individual or it is formed without the influence of the individual (Gruber, 1995). It comprises objectivism, constructionism and realism (Guba and Lincoln, 1994; Bryman and Bell, 2011). The objectivism standpoint holds that, reality is independent of human interaction, beliefs and thoughts. Conversely, constructivists assert that reality is not independent of human interaction. Furthermore, to the constructivist, knowledge cannot be absolute due to the construction of the researchers own view (Bryman and Bell, 2011). Realism on the other hand lay in between sharing features of both positivism and of constructivism. The ontological standpoint of this research is constructionism due to the purpose of seeking to understand from an insider’s perspective.

Epistemology however, has to do with the nature of knowledge (Holden and Lynch, 2004). It involves understanding and determining what can be regarded as acceptable knowledge and what is not and it is classed into two standpoints; positivism and
interpretivism. The Positivist standpoint is commonly associated with the natural science and it is known to embody some certain tenets such as: generating hypothesis to test theories, which provides for generalization and theory development, it advocates for the possibility of objectivity in conducting research amongst others (Bryman and Bell, 2007).

However, the interpretivist standpoint argues differently, it is takes into consideration the role the participants play and the object being studied “recognising that there may be a wide array of interpretations of realities or social act” (Malhotra and Birks 2007:159). It actually developed as a critique to positivism and argues that in the study of the social world, a different method other than that used in the conducting natural science is required due to the human factor.

In this research, the interpretivist epistemological standpoint is the position underpinning this research. This is so because this research seeks to understand poverty and how the condition is navigated from the point of view of the actors. It is concerns itself with understanding how people construct their world rather than to reach a conclusion (Grix, 2010). After which interpreting that which was observed. Herein lies its limitation, the possibility of bias, since researchers are not detached from their research subject. Connected to the interpretivist standpoint are research methodologies, which adopt naturalistic and constructionist methods such as interviews, ethnography, and text analysis amongst others.

3.3 Ethnography

This research involved the exploration and experiencing of the interaction of people in their economic space; therefore, an ethnographic approach was chosen as a suitable method in conducting the study. As Prasad (2005) noted, it is important to understand how individuals act and reflect in all situations. According to Atkinson et al. (2001), ethnography can offer a strong advantage by offering first-hand experience and understanding a particular social setting on the basis of participant observation.

Ethnographers construct reality as a version of their social world through their understanding of the interaction between them and the actors in a social space, which are reflected in the research findings. The researcher’s beliefs and understanding of
the world is therefore intertwined with the research process. Also peculiar to ethnography is its ability to enable researchers to understand phenomenon from the perspective of natives (Bryman, 1988). Striking a balance between these two is therefore important. On one hand is the perspective of natives; on the other hand, is my understanding of the interaction various interactions. Thus, I do not pretend to present value-neutral accounts. Rather, this study should be seen as a co-construction between the researcher and the research participants.

Ethnography is a method of research inquiry that has its origin in anthropology. Western American anthropologist usually employed it when they were trying to understand and depict unfamiliar culture, most usually non-western culture. Then, ethnography was only a part of the method of inquiry, even a secondary part at that (Hammersley and Atkinson, 2007). Researchers relied on the ethnographic accounts of other individual. Over time, ethnography found itself as also a method of inquiry in the field of sociology and in there it also had to do with understanding communities (Silverman, 2013).

As ethnography evolved and as we see in both instances, it became a research method for telling credible and robust stories by the researcher participating in and observing the daily lives of the people being studied. This observation was conducted for long enough time in order to determine behavioural patterns, values and belief. It was mostly about understanding the people from the local context in which they exist, or seeing the world through their lenses.

My choice of ethnography as mentioned above for this research was as a result of my intention to interact with the people in order to explore in greater depth the economic choice they make. Although observation and participation are known to be major characteristics of ethnography, they are often accompanied by other methods and techniques to derive maximum results, such as interview, which was also employed in this study (Kawulich, 2005). Through interactions between participants, a researcher can gain insight into the ways in which meaning is made within the context of the group (Bloor et al., 2001). My primary data will consist of written transcripts, voice records and field notes.
3.3.1 Participant Observation

The study was set on Allen Avenue a main commercial street in Lagos, Nigeria. I have written more about this in chapter one of this study. The choice of locality was driven by the richness of information and material previously obtained via several informal interviews by the author on themes regarding alternative constituents of human and social capital – including age, network, identity, ‘freedom’, and trust, among others. During these initial interviews, several aspects of human and social capital on the ground in Lagos were mentioned, leading to the decision to focus on an in-depth analysis in this relatively small area.

This area is also interesting because it includes a number of key Nigerian tribes who work alongside each other. It also contains a varying mix of business categories ranging from retail banks to medium-scale enterprises to street and kiosk traders -- and it has a large informal sector. There are churches and mosques in the area, as well as various government institution offices such as the tax office and a local government office. Furthermore, behind the main street is an area both lower and middle-classes reside in. Although no single locality is able to fully capture the complexity of an economy or the whole spectrum of Nigerian entrepreneurship, the selected area aims to capture as much variety as possible, offering an entry point into varieties of spaces and scales of economic activity in the country.

I expected that my position as a Yoruba Lagosian that grew up in the area would aid me in connecting especially well with local business owners, while requiring me to still expend efforts to connect with participants of other ethnicity in the area. Such expectations would seem reasonable, and at least in some part grounded in logic, based on works that suggest that people tend to gravitate toward those with whom they share some level of commonality (Cabrera & Nora, 1994; Chang, 2002; Fries-Britt & Turner, 2002).

According to Feldman et al. (2004) gaining and negotiating access is dependent on if it is an open or closed context. I gained entry into the market space through three traders who owned their businesses; two were young male between the age bracket of 28-35. An age bracket that I was close to and there I could easily relate with them on views in life, on the first day I had scouted the market and pencilled these two
individuals. On my return to the market the following that I approached them and we got talking about the economic situation of the country, after which I introduced myself, and then explained my mission to the market and talked about my research. After a few days in the market, I met another business-owner, whom I knew when I was a teenager. She recognised me and I told her my purpose in the market; she being much older (54) and a respected member of the market also served as my entry point into the market. Among these three shop owners and in their shops I started my observations, and gradually became familiar to other members of the market. Due to the credibility of these three individuals I gained the trust of other members of the market.

My observations entailed taking notes of interactions between business-owners and customers, prospective customers, employee, employee of other business-owners and between themselves, amongst others and how they negotiated their economic situation. It comprised of observation and oral accounts. These notes contained information such as: the context of an activity, the time of the said activity, subject of conversation, descriptions of the actors in the activity—which includes the mood and body language, and what the activity was about. Notes were taken strategically; I used a field note (small diary), ‘scratch notes’ and my “Notes” application on my mobile phone (Crang, 1994). Arber (2006) alluded to the importance of this to be kept, because of its help in guiding ones theoretical perspective. It was not unusual for me to be on my phone; most times people thought I was probably typing a text message. This was because it was a market setting not everyone at every time knew I was a researcher but for those that data was being gather directly from, participants were fully informed and gave their consent. Detailed field notes were also taken as soon as I had the opportunity to, which I planned to be sometimes during my lunch break at times I went to eat in a place far from my field, or I excused myself and went to my car on a secluded street, which none of the participant knew about.

In terms of my role as an ethnographer, as Gold (1985) classified, a participant observer should have some degree of participation in the topic to be investigated. I did not have a particular role during the course of my fieldwork, my role kept on changing as the situation demanded but for most of the time, my role involved helping out as shop assistant to the first two traders mentioned above at their times of need. In
one particular instance, I had a business-owner implore me to check her accounting books; in order to be sure her sales assistant was not cheating her. This I had to do for most of the duration of my fieldwork, her shop that was on another part of Allen Avenue also served as a base from which I observed proceedings. I explain more of this in the reflections section of this chapter.

3.3.2 Interviews

Individual interviews were used as another primary means of data collection. The researcher to supplement the oral account that includes interview data collected observational data. Each of these data collection tools provided opportunities to gain insights about the experiences of the participants on the street. In the case of this research, in-depth interviews have been conducted via a semi-structured interview approach with primarily open-ended questions. According to Bryman and Bell (2011), the semi-structured approach is favoured especially when there is a clear research focus. While the opened-ended questions allow the respondents to divulge unanticipated issues which will aid the richness of the data and therefore be beneficial to the research.

The interviews were mostly conducted in English and local dialects. Respondents were encouraged to speak in the language in which they felt most comfortable, following the recommendations of Temple and Young (2004). A snowballing technique was used to identify other actors that could be important to the research.

Interviews were conducted with business owners, shop workers and apprentices, street vendors, local government officials, bank staff and a few residents of the area (see Table 3.1 below for more detailed description of the research participants). I prepared an open-ended interview guide in order to allow room for respondents to give relevant information that could be useful for the research even beyond the prepared questions. The research methodology allowed for an observation of the variation of business categories that operate in the same area and how they interrelate by observing respondents in the market place, in their shops and also on the busy street of Allen Avenue engaging with passers-by. Moreover, the study explored how businesses are constructed – namely, identifying the factors that informed
entrepreneurs’ choice of business – what they do in practice, what effects they have beyond their stated aims, and how they are perceived and experienced by ordinary Nigerians. Who trades with whom? How do businesses determine prices? What non-economic issues come into play? What is actually happening ‘on the street’?

How do small businesses start, function and grow in a specific urban context? Is contemporary microfinance, which espouses competition and profit maximization currently the dominant way businesses are constituted in all its multiplicity? Is the solution actually financing individual businesses? How are businesses conducted locally? How are businesses formed, capital raised, prices fixed amongst others? Is it possible to understand what it means by “earning a living” and how this earning is expended and how this can influence economic development?

Interviews took place during daytime working hours, and were mostly conducted in shops, business premises or in public places. Data gathered include, but are not limited to: income and expenditure of the participants; information regarding their daily activities; methods used for raising capital for their business; use of microfinance banks; participation in credit societies; respect and enforcement of government regulations; methods to attract customers and to display goods for sale; hiring of staff workers and employment terms; and existing modes of payment amongst members of the community.

Interviews were recorded using a digital voice recorder and a mobile phone. The data was later transferred to the computer and backed-up for later transcription and analysis. Some of the interviews were lengthy lasting two hours, while a few were as short as 45 minutes. On the average the interview length was just over an hour.

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Risikat</td>
<td>Hair Salon Owner. Microenterprise</td>
</tr>
<tr>
<td></td>
<td>BO25</td>
<td>Over 5 years in business.</td>
</tr>
<tr>
<td>2</td>
<td>Igwe</td>
<td>Shop Owner. Microenterprise</td>
</tr>
<tr>
<td></td>
<td>BO8</td>
<td>8 years in business at estimated value of N700,000 (£2,834)</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Business Description</td>
</tr>
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</tr>
<tr>
<td>3</td>
<td>Rume BO7</td>
<td>Owner retailer shop for children product. Microenterprise. Estimated value N2,300,000 (£9,320)</td>
</tr>
<tr>
<td>4</td>
<td>IK BO8</td>
<td>Shop Owner. Microenterprise 6 years in business at estimated value of N700,000 (£2,834)</td>
</tr>
<tr>
<td>5</td>
<td>MumP BO21</td>
<td>Boutique Owner. Small Business. Estimated valuation N6,700,000 (£27,125) Helped 2 business start-up</td>
</tr>
<tr>
<td>6</td>
<td>BR BO12 Baba Raji</td>
<td>Long Standing Business Owner. Moral market leader. Graduated several apprentice and helped start-up 9 businesses.</td>
</tr>
<tr>
<td>7</td>
<td>Age BO29</td>
<td>Long Standing Business-Owner. Over 20 years 12 Employees. 3 Apprentice. Helped 17 businesses start-up.</td>
</tr>
<tr>
<td>8</td>
<td>Chris BO5</td>
<td>New business (18 months old). Brand consultant. Devout Christian. 2013 Turnover N31,000,000 (£125,506)</td>
</tr>
<tr>
<td>9</td>
<td>Mrs Okeowo BO30</td>
<td>Furniture retailer. 10 years. Medium Enterprise 2013 Turnover N73,000,000 (£295,546)</td>
</tr>
<tr>
<td>10</td>
<td>Godwin BO18</td>
<td>Small Business Owner. Former Apprentice. Electronics retailer. 10 years experience</td>
</tr>
<tr>
<td>11</td>
<td>Hamza BO3</td>
<td>Bureau de change (BDC) Owner. Medium Enterprise. 3 Branches 15 years experience. 2013 transaction volume N218,000,000 (£882,591)</td>
</tr>
<tr>
<td>12</td>
<td>Tope BO27</td>
<td>Architectural firm. Small Business. 4 years experience</td>
</tr>
<tr>
<td>13</td>
<td>Inn BO9 Innocent Eze</td>
<td>Long Standing Business. Electronics retailer. Medium Enterprise. Has graduated 38 apprentice. 27 of them manage their own businesses. 3 are into electronics repair, and 8 are into music CD and DVD sale. 16 own electronic stores of different sizes all over Lagos.</td>
</tr>
<tr>
<td>14</td>
<td>Akin BO2</td>
<td>New business entrant. IT firm. Small Business Schooled and worked in England. Start-up capital N13,000,000 (£42,000)</td>
</tr>
<tr>
<td>15</td>
<td>Baba Gana BO45</td>
<td>Bureaux de change (BDC) Owner Medium Enterprise.</td>
</tr>
<tr>
<td>16</td>
<td>Shehu BO44</td>
<td>Small Business over 10 years experience in Forex trading</td>
</tr>
<tr>
<td>17</td>
<td>Wale BO19</td>
<td>Small Business owner Less than 5 year Experience.</td>
</tr>
<tr>
<td>No.</td>
<td>Name</td>
<td>Occupation and Details</td>
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<tr>
<td>18</td>
<td>Richardson BO24</td>
<td>Business Centre Owner. Small Business 4 years Experience.</td>
</tr>
<tr>
<td>19</td>
<td>Boma BO36</td>
<td>Wares store. Microenterprise</td>
</tr>
<tr>
<td>20</td>
<td>Chioma BO42</td>
<td>Stationary store. Microenterprise</td>
</tr>
<tr>
<td>21</td>
<td>Chima BO33</td>
<td>Footwear retailer. Microenterprise</td>
</tr>
<tr>
<td>22</td>
<td>Nene BO47</td>
<td>Boutique Owner. Small Business. Estimated valuation N5,100,000 (£20,647)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>SHOP ASSISTANTS</strong></td>
</tr>
<tr>
<td>23</td>
<td>Charles SA34</td>
<td>Employee and Brother of Chima BO33</td>
</tr>
<tr>
<td>24</td>
<td>Lola SA4</td>
<td>Employee of MumP SA21</td>
</tr>
<tr>
<td>25</td>
<td>Obi SA16a</td>
<td>Employee and Brother of Owner. Brother to Mike SA16</td>
</tr>
<tr>
<td>26</td>
<td>Mike SA16</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Kike SA24a</td>
<td>Employee and cousin of Richardson BO24</td>
</tr>
<tr>
<td>28</td>
<td>Tally SA7</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>APPRENTICES</strong></td>
</tr>
<tr>
<td>29</td>
<td>Aku A37</td>
<td>Trainee at Tope SA27 Architectural firm</td>
</tr>
<tr>
<td>30</td>
<td>Dave A9</td>
<td>Third year of apprenticeship at Inn BO9</td>
</tr>
<tr>
<td>31</td>
<td>Abayomi A10</td>
<td>Second year of apprenticeship at Inn BO9</td>
</tr>
<tr>
<td>32</td>
<td>Chidera A18</td>
<td>Salon Owner/ Hairdresser / former apprentice</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>LOCAL GOVERNMENT OFFICIAL</strong></td>
</tr>
<tr>
<td>33</td>
<td>TxO LGO26</td>
<td>LIRS Tax officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>BANK STAFF</strong></td>
</tr>
<tr>
<td>34</td>
<td>Kam BS11</td>
<td>Microfinance bank employee</td>
</tr>
<tr>
<td>35</td>
<td>Mik BS14</td>
<td>SME Manager. Commercial Bank</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>OTHERS</strong></td>
</tr>
<tr>
<td>36</td>
<td>Aba NR1</td>
<td>Book-keeper for Inn SA9</td>
</tr>
<tr>
<td>37</td>
<td>Resident R43</td>
<td>Resident</td>
</tr>
<tr>
<td>38</td>
<td>Dele NR7</td>
<td>Informal business. Coordinates a car park in the business district he does not own</td>
</tr>
<tr>
<td>39</td>
<td>Monu SE35</td>
<td>Social Entrepreneur</td>
</tr>
<tr>
<td>40</td>
<td>Lemo NR13</td>
<td>Student and Street vendor</td>
</tr>
<tr>
<td>41</td>
<td>Rev Matthews NR23</td>
<td>Reverend of a community church</td>
</tr>
<tr>
<td>42</td>
<td>Mohammed NR17</td>
<td>Kiosk owner. Selling a range of everyday items such as candy, toiletries, biscuits, recharge cards (top-up cards), tobacco products and the like.</td>
</tr>
<tr>
<td></td>
<td>Name</td>
<td>Role</td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
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</tr>
<tr>
<td>44</td>
<td>Mende BE11</td>
<td>Budding Entrepreneur. Freedom Soon</td>
</tr>
<tr>
<td>45</td>
<td>Yinka MT28</td>
<td>Market Trader</td>
</tr>
<tr>
<td>46</td>
<td>Ope MT22</td>
<td>Market Trader</td>
</tr>
<tr>
<td>47</td>
<td>Semi MT2</td>
<td>Market Trader</td>
</tr>
<tr>
<td>48</td>
<td>Michael MT15</td>
<td>Market Trader</td>
</tr>
<tr>
<td>49</td>
<td>MR6 and MR12</td>
<td>Microfinance Respondent</td>
</tr>
<tr>
<td>50</td>
<td>Passers-by NR31a,b,c 30, 33</td>
<td>Passer-by</td>
</tr>
<tr>
<td>51</td>
<td>Buying Customer BC32</td>
<td>Buying Customer</td>
</tr>
<tr>
<td>52</td>
<td>R2, R16</td>
<td>Respondent</td>
</tr>
</tbody>
</table>

BO  Business Owner  
SA  Shop Assistants  
A  Apprentice  
LGO  Local Government Official  
BS  Bank Staff  
BE  Budding Entrepreneur  
MT  Market Trader  
R  Respondent  
MR  Microfinance Respondent  
KO  Kiosk Owner  
SE  Social Entrepreneur  

### 3.4 Data Analysis and Presentation

Data analysis in qualitative research especially ethnography is said to usually be voluminous and taxing to analyse, especially as there are no definite rules to follow in conducting the analysis (Bryman and Bell, 2007). Although there are no formal guides to an analysis, Miles and Huberman (1994) mention a few necessary steps, which includes the review of field notes taken and also transcribing the interviews, thematic coding. Data analysis is very important in the research process in that it is the section that established the link between the data, literature review and findings. Hammerson and Atkinson (2007) remark that the process sure does not begin after data collection but as early as before the fieldwork commences and continues all through the data gathering process.

The first process of analysis was the transcription of the oral accounts of the participants, which included recorded interviews (Thompson et al., 1989). This transcription was then processed through manual analysis. Although this process was tedious and time consuming (Basit, 2003), I decided on this option in order to immerse myself into the data collected. However, in order to work round the
challenge mentioned I did the following; I listened to the data for each week at the weekend selecting reoccurring themes, then I transcribed after every two weeks, also selecting relevant themes. I repeated the action every month comparing data for the first three months. Then concentrated on key themes for the ensuing months. Then finally after the seventh month of data collection, I examined all the data collated holistically. This I have done following Coffey and Atkinson (1996) and Charmaz (2006) were they argue that coding in grounded theory is done in two phases. During the first phase, keywords, phrases and sentences are highlighted while the second phase consists of highlighting the repeated or frequently used codes.

Also during my observation, I paid attention to non-verbal and verbal messages, such as body gestures (Jones and LeBaron, 2002). Understanding this is very important I data analysis because it aids interpretation of the verbal message (Knapp et al., 2013). The data analysis involved the researcher gaining a mastery of the data collected by familiarizing with participant’s narratives word-for-word such that certain key themes emerged from the data after coding and memo (Gibbs, 2002).

As is already known, ethnography research usually produces an abundance of oral accounts. To analyse this, I chose to use narrative discourse analysis. This was important as individual’s view of certain social reality is presented through constructive language (Bryman and Bell, 2011). Furthermore, narrative analysis involves synthesizing and finding connections between participants’ life stories and events and this is an appropriate technique for qualitative research.

I placed considerable emphasis on the actions of participants in this economic space, in order to understand their actions and why. I also observed to understand their meaning and interpretations of the situations, that is, if there was an alignment in what participants said and what was practiced. I do this by observing routine activities; sometimes I found that participants were sometimes not aware of the activities in which they did. For example, I noticed a phenomenon where business rivals referred customers to each other for patronage. I noticed this occurred when a particular business had sold several items in that day while the rival had not made any at all; when the next potential buyer came, they referred the buyer to the competitor in order
for the rival to also make some sales and earn some revenue (this is discussed in more detail in chapter four). For a particular participant, after observing him for over 5 weeks I noticed he referred customer only after he had made the equivalent of £3.35 - £4. When I asked him does he have a minimum amount before he passed on, he said, “I do not have, but around like N2000 (£6.70) but I must have sold minimum of two items”. While I noticed he genuinely did not mean to give me a not too accurate figure, my observation showed that it was a minimum of three items, which a minimum revenue of the equivalent of £3.35 - £4. The next section focuses on credibility and ethical issues of research.

3.5 Validating the Study
A major criticism of ethnography is achieving credibility and generalizability (Schofield, 2002). Due to the context dependability and subjective nature of ethnography, it becomes difficult to replicate or reproduce ethnographic study. Nevertheless, to be open and explicit throughout ethnographic journey regarding all processes of selection, analysis and interpretation is very crucial for achieving credibility in the findings (LeCompte & Goetz, 1982). Then also is the criticism ethnography is described as an assembly of anecdote and personal impressions, strongly subject to researcher bias (Crossan, 2003).

Creswell and Miller summarises a few words used as synonyms for validate in various literature on this topic and they include “authenticity, goodness, verisimilitude, adequacy, trustworthiness, plausibility, validity, validation, and credibility” (2000: 124)

There are different criteria for validating qualitative inquiry and Cresswell and Miller (2000) suggest a few strategies commonly used and cited in the literature to achieve this; triangulation, disconfirming evidence, researcher reflexivity, member checking, thick description, peer review, external audit, prolonged engagement in the field, and collaboration. This research therefore combined a variety of the strategies, which included member checking. After I had analyzed and interpreted part, I went back to the field to double check with the participant if I had not misinterpreted them in any way. In some cases, they got more enlightened by my interpretation of what they were
doing, which they were happy about, but every of the participants agreed or confirmed with how I portrayed them and my interpretation of data.

Also, Fetterman (1989) argues that a prolonged daily interaction with participants on the field ensures the validity and vitality of the research study. Therefore, I deliberately chose to spend seven months on the field, in order for me to correlate oral accounts data with observational data as explained earlier. I also endeavored to provide detailed description of participants in the field, the context in which an action was taking place, so that, readers of this research will be able to imagine the context and understand that data, and its subsequent interpretation.

Another strategy employed towards validating this study was triangulation. This is when data collected along different sources are used to form a theme. In this research, observation, interviews, theories, documents were used to categorise various themes. Apart from this, I also employed peer review strategy. My data and findings were presented at a few conferences at different stages of the research process (in Nigeria and England), which included three different universities (University of Leicester, London School of Economics, and University of Warwick). Leicester is known for its critical perspective to knowledge, while at Warwick I presented at its Centre for Cultural Policy Studies and LSE is known for its high standards in economic and political science discipline.

3.6 Ethical Considerations
One of the main criticisms of ethnographic research is the possibility that the observer could affect the outcome of the research (LeCompte and Goetz, 1982; Monahan and Fisher; 2010). It is therefore, important for a researcher to reflect on what action and the situation that might affect the outcome of the data (Seale, 1999).

Due to the nature of this research, confidentiality was really important; in this case it involved participants’ accounts being kept confidential and protected from unauthorized access. Therefore, data gotten from participants are not disclosed to others also making it impossible for participants to be identified. (Wiles et al., 2006). The identity of the participants has been protected and made anonymous, pseudonyms names are used and preferably the positions they occupy, and who the people are; like
“Microfinance Bank official”, this was done so as to prevent the research from being traced to a particular name. Data collected was secured and password enabled and kept according to the University of Leicester rules guiding storage of data.

I asked my participants if they had any reservations with the data being shared to which they said they were fine with. I made known to my research participants that data that would be generated would be shared with my supervisors, academic at my university and other academics, but their identity would be anonymised except those whose pictures will be used in the study. I was surprised at their willingness to share data. As Grinyer (2009) notes, not all participants want to be anonymised. Even though I expressed the possible dangers, they were of the opinion that, if what I could find would reflect their perspective and lead to government initiating polices to aid their situation they were more than ready to share. Which leads me to the more important participant’s informed consent.

Even more important is participant’s consent. Contemporary research considers ethics of research as a vital part in a research especially in a social research such as this. One key part of ethics is the necessity for participants to be kept informed of the aims and objectives of the research and more importantly participants should give their approval before data is collected (Hammersley and Atkinson, 2007). For research such as this, informed consent can prove challenging especially when it comes to observation of non-active participants. For example, sometimes, while observing passersby or potential customers, I would have started observing them before I had the chance to talk to them about my research and getting consent. However, I made sure to tell them my role in the market as a researcher before they left and got their consent and arrangements to discuss my interpretations with them, particularly those included in this research. I acquired verbal consents from the participants about what I will be talking about.

Hammersley and Atkinson’s (2007) refer to the importance of researchers doing their best to minimise harm to the participants even though this is not always fully possible. I anticipated there were going to be possible risks in the information that I was collecting, and they include; stories of possible tax evasion, bribery and kickback, which might be told to me by the participants. While on the field, when participants
began talking along this line, I was quick to tell them not to mention names. In a particular incident one of the participant felt really bad and saddened at the inability to secure a particular shop that was genuinely bided for, the individual was very sure the winner of the bid had giving kickback, but had no evidence. This I had already overheard while the individual was talking to someone else. So during the course of our interview I anticipated it was going to be mentioned, and I pleaded with the individual not to mention it or drop names due to the inexistence of tangible evidence, which he agreed to.

3.7 Reflections

My reflections will start from my positionality (Insider/Outsider) in this research as expressed in the interaction between the participants and myself. Part of my observation involved me observing individuals in the informal economy and the bottom of the pyramid of different ethnicities and gender. I on the other hand, I am a Yoruba male; I grew up in Lagos and from an upper middle class family. I therefore took into consideration what it would mean as someone with a privileged upbringing but studying issues of economic relations in the informal economy play. I also considered how I would be able to pre-empt my positionality in influencing the interactions that I had with different participants.

My very first experience on the field occurred while I conducted the pilot study. On my first day on the field, I was smartly dressed (shirt and trousers with a casual shoe), with a camera on my neck. A chauffeur in a black Range Rover SUV dropped me off at Allen Avenue where Alade Market is located. As I approached potential participants I noticed they refused to talk to me, two people went as far as asking me if I was a journalist and who I worked for. I immediately knew that day was going to be fruitless, and for me not to compromise my identity, I left the market immediately. The second day, I decided to wear a tee shirt and shorts with flip-flops. On this occasion I was dropped off very far from Allen Avenue and I had to walk to the market ensuring nobody saw me. On this occasion I noticed a change in reception, the first kiosk owner I approached warmly welcomed me, even after introducing myself that I schooled in England showing him my identity card he was still warm and open to talk to me. Later that afternoon I spoke to the first person I had approached the
previous day, the trader did not recognise me and was receptive of me, even offering to participate in my research.

This experience gave me a hint into the importance of my appearance and the significance of my positionality in order to achieve a robust research. This got me thinking about how was I going to gain understanding of how meaning is made within the context of these individuals, if I could not secure interactions with the participants?

3.7.1 The Process of Becoming an Insider
Over the next couple of days, I spent hours in the market and other business premises on Allen Avenue. My slim frame and darker than average Nigerian look, coupled with a sense of causal dressing, I hoped would give me an adaptable look. Hence I would gain a receptive response. Especially as my role was going to involve me serving as a shop assistant in times of need.

Also I experienced on occasion situations where business-owners wanted to consult me regarding business operations. On one particular occasion, one of the business-owners was offered a deal to buy a motorbike to ease delivery for his products. He had always considered it a potential solution, but also found that it was going to be too expensive if he owned a motorbike. However, here was a situation where an attractive offer was being made to him. He then called me on my phone, but I missed the call, by the time I went to my phone, I saw several missed calls, 8 to be exact. I immediately called him back, thinking he was probably in danger, and then he narrated the offer to me seeking my opinion. I told him I’ll think about it; he kept on disturbing me for my opinion, then we did some calculations together, but we ended up by saying it all depended on the state of the motorbike. Thinking I had supplied him with enough information. We ended the call. By the following week when I resumed my observation, I was amazed at the fact that he had not purchased and he said he was waiting for me to actually see it then hear my concluding opinion. Throughout the process I kept on reminding him that, I was just conducting a research and would not be able to give him an informed opinion, he accepted but still insisted on hearing my opinion. Later on I questioned him on his reason for waiting for me; he
said he was sure I would be giving him the right advice, considering my educational background and the type of research I was conducting.

While reflecting on activities that weekend my attention was drawn to the fact that I was moved, thinking the participant was in danger. Also, I had already started speculating in my head the various actions I would take whatever the danger would have been. Also on the part of the participant he was particularly insistent on hearing my advice on the purchase. We had definitely left the realms of just “researcher-participants”. This was not an isolated event. In another situation, I had a business-owner implore me to check the accounting books of her business; in order to be sure her sales assistant was not cheating her.

In this section I have discussed concerns regarding my identity and relationship with my participants. All the issues discussed in this section will be reiterated in detail in the next chapter through the analysis of excerpt from the interviews in which I will show my status as insider/outsider in those communities.

The next chapters are split into the themes of inclusivity and embeddedness. The inclusivity of the community is about bringing more people in, it is not the separation out of atomised individuals. In this space everyone is connected and this is relied upon. Also for embeddedness, there is a particular culture in this economic space, that economic transactions are a way of and part of life in Nigeria. Therefore, trying to separate economic practice from the culture will prove counterproductive. We are going to look into actual life on Allen Avenue and see how it works.
Chapter Four: The Inclusivity of the Community

4.1 Introduction
This chapter presents the data collected from my fieldwork, which I carried out on Allen Avenue in Lagos, Nigeria. The chapter focuses on my observation and an analysis of the interviews with business owners, shop workers and apprentices, street vendors, local government officials, bank staff and a few residents of this urban economic space. My observation centres on the operation of the varying business categories and how they interrelate with individuals in the market place. I previously mentioned in the methodology chapter that my method of inquiry allowed for an observation of the variation of business categories that operate in the same area and how they interrelate by observing respondents in the market place, in their shops and also on the busy street of Allen Avenue engaging with passers-by.

The objective of the chapter is to uncover some important aspects of business regarding how rule of law is established, how discipline is instilled in the work place, and how businesses start up and access finance. In addition, the objective of the chapter is also to identify and assess how competition, cooperation and solidarity are expressed in day-to-day business, and the level of inclusivity in the community. This chapter focuses on the community in all ramifications of its existence in this context. What are the different types of community and what is happening in the community and who are being served, will be the focal point of the chapter. Community runs through a series of different levels; which individuals relate with in making economic decisions. In some way there seems to be a level of connectedness between everyone. This chapter depicts the discourse of inclusion.

4.2 Notion of the Village and Family
Allen Avenue is obviously not in the village, as described in the Methodology chapter; Allen Avenue is one of the main commercial streets in the urban city of Lagos, Nigeria. But there exists a functional relationship between Allen Avenue and the village. On several occasions I witnessed participants mention and refer to ‘the village’ in their narratives. It was a recurrent theme in my field discussions. In one
instance it was mentioned when talking about strategies to raise capital for business, I expound on this in chapter six. In another instance, it was mentioned when there was a dispute between an employer and an employee.

In explaining this, I will give an observation from the field. I noticed that there existed the belief that it is easier to discipline a family member in regard to work ethics than a non-family employee. This is because if anything goes wrong, it can be settled at a family meeting rather than in court or at a police station, which are generally avoided. It is quite common for business owners to correct a misbehaving family member by making threats to report the behaviour to the immediate family.

A particular situation occurred where an employer and employee, two brothers, had a disagreement. According to the employer, the employee had been misbehaving and, due to his carelessness, had broken some merchandise costing thousands of Naira. The employer decided to withhold his employee’s monthly allowance until the latter was able to raise the money to cover the cost, and he also hit him in the face. Because of this decision, the employee took the law into his own hands. He came in late to work and sometimes withheld money made from business sales for personal use.

When I interrogated the business owner on his next line of action, the business owner commented:

R: ‘He thinks I’m joking but when we get to the village I will call a family meeting; everybody will sit and judge the matter’ (Chima BO33).

When I asked the employee why had not sought legal redress for his withheld payments and physical abuse, the employee said,

R: ‘We will soon go home for grandpa’s burial; when we get there, the matter will be tabled’ (Charles SA34).

In both responses, the village and home are synonymous in meaning. In this instance, "village" is a kind of proxy for “family plus”. The excerpt clearly shows a system where family meetings are used to resolve disputes. When asked separately why they had not reported the matter to the police – for the employee, a case of assault coupled with withholding his salary and, for the employer, a case of possible theft – they seemed not to even consider this an option. This reflects a belief I observed and would be discussed in the next chapter. In this instance we see the notion of the village thus serving as a proxy for a paralegal system for businesses on the streets of
Lagos. It is important to note that; the village/home that was been referred to during this conversation is almost four hundred (400) miles away at a place called Abakaliki.

In another instance during my observation, there was a situation where an employee of a bureau de change had to ration supplies (currencies: Dollars and Pound Sterling) among their distribution channel retailers. I noticed the employee carefully selected partnering retailing agents and I could not understand the rationale for selection and allocation. Volumes, proximity, profitability, previous patronage surely were not the basis. I also noticed one of those selected was a new retailer. He is a dealer in currency but had never patronised this business venture before. When the business owner came around I interrogated him wanting to find out why.¹

Q: Earlier today, Abba did something that I do not really understand. When he was allocating the currencies available, he randomly selected some people to deal with, but I do not really understand the logic behind his choice.
A: Did you ask him about it?
Q: Yes, I did, and he said, “this are the sure people and that is how you usually do”, when I asked him, what he meant by ‘sure’, he really could not explain. Even when I highlighted some agents I thought to be sure, he agreed they were sure but they were definitely not on the scale of allocation preference. (After this the business owner calls to see the list of the agents that were transacted with)
A: These are sure people; these ones cannot let us down; you know getting Dollars is tight right now.
Q: Isn’t Shehu new?
A: Shehu is definitely not new to forex dealings, but this is the first time he his dealing with us. I am surprised to see him on this list, the scarcity is really bad then but I can absolutely understand Abba’s logic. If I was (sic) the one, Shehu would also have been on my list. The people he selected are from our village. You know Abba is from my village too right? He is family. He knows that is how it is done in our village. He understands that whatever we say, we mean it. And those are the kind of people I like dealing with. So I do not care if Shehu or any other person is new, he his from my village and therefore he won’t disappoint and I’ll get my money back. When it comes to money, I wont lie to you, I trust my village people first.
Q: What if you were from another village and the agent too was from that village, would still have dealt with him?
A: It depends on the mantra of the village. As I have said, in my village we are true to our words and in my type of business that deals in high volume of cash, trust is important. A man that can therefore stand by his words is trustworthy. (Baba Gana BO45)

From the conversation, it is not really because of the village they come from that matter, it is what the village is known for that actually counts. Shehu who also

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¹ The employee is not really literate and quiet shy and I had an understanding with the business owner that he would be the one to answer some certain business questions to the best of his ability.
happens to be one of my respondents corroborates this; he has been trading in forex as a retailer in this commercial district for almost ten (10) years. Here is the excerpt of our conversation.

**Q:** Are you still trading at your normal quantity or have you seen your ration shorten?

**R:** My ration has shortened just a little bit, but overall we are almost at full capacity. All my traders are on the streets.

**Q:** Have you had to source from forex from other suppliers apart from your regular suppliers?

**R:** Yes, I have.

**Q:** But the scarcity is everywhere what would make other dealers give you, when they still have to satisfy their retailers?

**R:** Personal relationship, self recognition, trust.

**Q:** If you do not mind, will you be open to tell me those you sourced your last set of Dollars from? (I pretended as if I did not know he had sourced dollars from Baba Gana popularly called Baba)

**R:** …Baba… (He lists some other dealers I cannot mention here)

**Q:** Any new wholesaler on this list?

**R:** in all my years surprising I have never bought forex from Baba and Baba Aminu?

**Q:** Really, why have you not patronised them before and why did you decide to patronise them on this occasion?

**R:** This is the first time since I moved to Lagos, that IBB is feeling the scarcity. It has never affected him before. I was brought into this business by IBB. I learnt work with him, he showed me the way. So as soon as I started my own he became automatically my supplier.

I had promised a few customers some transactions, and I needed to raise forex fast, I knew if I approached Abba and Baba Aminu they would respond, they both know I am from Doro and we are known to be trust worthy especially when it has to do with forex dealings. (Shehu BO44)

All three respondents in these excerpts confirm that, the village the retailer originates from can make a difference in their dealings. In my subsequent interviews and questioning I asked about people from Doro, and all respondents corroborated the fact that they are known to be trustworthy. The notion of the village is imported into economic context in this urban space, to the extent that it influences economic behaviour. In this particular case, channels of distribution, a key feature of the operations of a business is clearly decided by activities from the village. Also it is worthy to note that the distance from the market place where my fieldwork was conducted to the village referenced here is one thousand and ninety-two (1092) miles.
Distance surely does not matter when bringing the notion of the village into play in economic decision.

The use of village or the notion of the village standards as a paralegal system and a determinant of channels of distribution reflect the impact of the community in this economic context. The legal system in Nigeria might not yet be trusted by these individuals at the bottom of the pyramid and they might have not yet developed ‘best practices’ in determining channels of distribution, but the standards of the village seems to be an effective means in their books. The affirmation by majority of the traders in forex about the people from Doro being trustworthy when it comes to forex dealings justifies the adoption of the measure. Even though the actual village might be miles away.

The meaning of village in a sense means the way things are done properly, having found themselves in the big city of Lagos and with everything happening thick and fast. What is real is what happens in the village and they bring that with them, and the village does not actually have to exist in any real sense, and these are the rules they live by. For those that did not use the village reference, I noticed they used something similar. This phrase was common “is that how they do it in your place,” for instance, when two people disagree. I was in the shop of a respondent when a potential buyer priced the goods to be purchased too low and the seller, displeased by the pricing retorted by saying “is that how they sell it where you are from?” The potential buyer without responding immediately walked off, knowing there was no need to haggle with the seller. In another instance an employee did not follow the exact instructions of the business owner, the business-owner in correcting the employed said “is that how they do it in your home?” (Home here meaning where you are from). This happened all too often. There was a constant reference to the home of an individual.

Businesses conducted in this context hardly ever have contracts that the parties uphold themselves to, therefore they use this “notion of the village” to insulate themselves. In another instance I experienced a situation in the marketplace where, when an employee offends, a third party is called to witness the individual being reprimanded. Usually the third party has a form of relationship with the offending employee. The individual is usually from the same ethnic tribe/village as the
offending employee, or the individual helped recruit the employee, or the individual is an elderly person in the market community, or could just be a neighbour. The business-owner would explain what the employee did, sometimes using moral suasion in order for the third party to persuade the employee to desist from the wrongdoing. Sometimes this third party could be the next-door competing business owner or employee. This then brings me to the market community, which would be discussed, in the next section. How would you go and report an offending employee to your competitor expecting him or her to help you talk to your employee in order to desist from errant acts?

Although I did notice a phenomenon from further interrogation, I observed that individuals who relied on the village community in terms of referencing the village of the other party in a transaction on the average visited the village at least once a year. What I mean by referencing the village of the other party in a transaction, are actors in a particular transaction like Employer/Employee, (prospective) Buyer/Seller. For as many that referenced village in some sense, I usually went ahead to ask them, “When last did you visit your village/home/state/place?” and usually the response I got cited an average of eight (8) months ago. Very few had visited the village in over a year. In fact, seventeen people used the words ‘village’, ‘state’, ‘home’, ‘place’, ‘where you are from’; while thirteen (13) had visited within the last six (6) months prior to my interview. One (1) had visited with the last 10 months prior to my interview. Three (3) had visited within the last eighteen (18) months.

As highlighted in Chapter one, Nigeria is divided among three (3) major tribes namely: Hausa, Igbo and Yoruba. In the Nigerian parlance, the members of the Igbo tribe are known to embark on journeys to the village during the festive Christmas season. Therefore, I decided to find out what the tribes of the seventeen (17) were. Six (6) were Hausa’s, four (4) were Yoruba’s and seven (7) were Igbo’s. Although debatable, but what this implies is that, the individuals that go back to their village draw from that experiences and use it in their daily city living; thereby having a stronger sense of village or home.
4.2.1 The Village Investors and Start-up Capital

The notion of the village also comes up when it involves business start-up, specifically as it has to do with capital. The findings revealed that individuals were sent to urban cities to earn income, which will enable them render support to the rest of the family back in the village. Sometimes, these individuals move to the city with savings from individuals in the villages. These savings serve as capital to be used to start a business when the individual gets to the urban city.

For the villagers, this serves as an investment. Usually they trust and believe in this person, so they set aside some funds as savings and then send the person to the city to start any profitable business of his or her choosing, with no contracts signed but with an unwritten proviso that the person is bound to extend a ‘hand of help’ to the people back in the village. In other instances, the person pays back the sum with interest. The findings show two models by which this arrangement functions. First is when the savings exist before an individual is identified and the other is when the savings are made after an individual is identified.

The first model functions more like a peer-to-peer saving; a few members in the village come together to save periodically with a member appointed to manage the funds. These funds can be accessed through three categories. First is a timed loan by one of its members at no interest. Second is a timed loan to a non-member but domiciles in the village. The interest rate usually charged for this category is ten per cent (10%) or as agreed by the members. At maturity the loans are called back and the profit is shared among the members according to their percentage contribution. Third is by a loan granted to an identified suitable candidate. The individual selected is usually of “good character” and has potentials to operate a business venture of his or her choosing in any location. Usually the selected candidate conducts his business in an urban city like Lagos.

The candidate must be accepted and ratified by all members before the loan can be granted. The terms for this particular category differ from the other two. The terms could be any of the following three. Depending on the transaction the candidate is either requested to payback the loan with a high interest rate ranging from twenty to fifty per cent (20-50%) [i.e. Principal + interest]. Another option is for the candidate
to payback the principal amount at a fixed time with an unwritten proviso that the person is bound to extend a *helping hand* to the people back in the village [i.e. Principal + implicit interest]. For the third option, which is rarely granted involves the candidate required only to extend *helping hand* to the village members, without a need to payback the principal amount or financial interest [implicit interest].

The second model of this finance option is when savings are made after an individual is identified. The business venture is usually predetermined and it is embarked in an urban city away from the village. The chosen candidate is sent to understudy a successful business-owner who is a native of the village but operating in the city. The report from the business-owner influences the eventual release of the funds by the group to the candidate. The only term of repayment for this model is an unwritten proviso that the candidate is bound to extend a ‘*hand of help*’ to the people back in the village [implicit interest].

‘*Hand of help*’ could be has a variety of meaning has these excerpts show:

Maybe someone comes to the city to visit and needs a place to say, I have to be ready to accommodate them in my house. (Semi MT2)

I just heard our neighbour’s daughter is in the hospital, in this kind of situation, if I had collected their money I would be forced to send money home for treatment. But now I can tell them I do not have money and they would not disturb me. (Michael MT15)

It means many things o, if there is a marriage I must send money home, if there is a new born baby, I must send money home, for any celebration, I must send money home. Almost every week there is a celebration, if I have to send money every time, I would not even have enough for the business. (Tally SA7)

It usually means, you also bringing a village member to the city and helping the person to start a business too. (Mike SA16)

Although this form of financing should be more appealing because there is less financial obligation for the entrepreneur the analysis shows a mix of responses from individuals. A good number of respondents knew people that had accessed this source of finance although I did not meet any. One of the respondents revealed the undefined meaning of “*hand of help*” as a deterrent to accessing this option of finance. A few of the respondents stated that they could only accept this source of finance if they were
really in need and had no other option, because sometimes the investors could be “unrealistic” in their demands.

I know a young guy that, two months after he got to Lagos, they started making demands from home. Someone was sick and they asked him to send money for the person to be treated. And this guy had not started any business by then; he was still studying the Lagos market, so the money he eventually sent to them was part of the money they gave him to start the business in the first place.

(Risikat BO25)

The attractiveness of this finance option lies in the understanding that, at times of default family members are more understanding. Also, there is the knowledge that the borrower cannot suddenly or unsympathetically demand their money because of the possible repercussion of being excluded from the family or community. Although sometimes it is effectively a higher business interest rate or an implicit interest rate, everyone knows what the rules are and are bound by it.

4.3 Market Community: Competition Mixed with Cooperation

The previous section highlights the village community and that though Lagos is definitely not a village, the various actors in the economic space leverage on the occurrences in their villages in handling economic matters. While discussing that, I highlighted a situation where a business-owner would report an errant employee to her competitor in expectation that the competitor counsels the erring employee. In the capitalism literature, one of the key characteristics of the private sector is to be competitive (Boardman and Vinning, 1989; Jessop, 1997; Porter, 1998; Callinicos, 1999). Entrepreneurs selling similar goods or services are usually advised to be ruthless to their competitors in order to gain customers, it is expected that businesses should be devoted to individual profit (Yunus, 2007). What sort of competition then occurs in this economic context?

Although competitions exist amongst entrepreneurs in the Nigerian business context, from the research in this study, I noticed the type of mode of competition in this sense is different from the competitive characteristics of capitalism. There were situations were supposed rivals selling similar products start their day coming together as a group and praying to one God, for Him to bring customers and for them to make a
sale; there was also the case where apparent rivals were convincing potential customers to patronise the rival’s store. This will become clear in the following anecdotal analysis of the experiences of my interviewees. This is an example of a situation I observed while on the field.

Igwe sells wristwatches, belts and sunglasses and located right opposite him is IK selling very similar wares. In the early days of my research I noticed in the mornings when I got to their place both stores are usually opened, but Igwe was never in his shop, but on the other hand IK was around looking after both shops, when I asked after Igwe, he told me he was around somewhere either eating, or attending to something (IK always had a story). But as time went by and they got very much familiar with me, then there was this day, I got to the market very early, and what I noticed was that, after IK opened his store, he also would in turn open Igwe’s store and will man the shop till Igwe arrives. The situation is that IK lives 10 minutes away from Allen, while on the other hand it could take up to 2 hours for Igwe to get to Allen from his home in Ketu.

When it comes to making a sale when Igwe’s is not around this is what happens; because they both have an open display store, if he notices a passer-by looking into his shop, he beckons to the passer-by to come have a look at his wares, in case he sees something he wants to buy. On the other hand, if the passer-by looks at Igwe’s shop first, even though Igwe is not there, he encourages the passer-by to go into Igwe’s shop while he follows the passer-by to try to make a sale. He does not suggest his own shop, until the passer-by is not satisfied with the wares on display at Igwe’s shop, only at that point would he encourage the passer-by to look into his shop. And on the other hand when both of them are in shop, the way they make a sale is by who cites the potential customers first; by who calls the passer-by first. At situations where their merchandise does not satisfy the potential buyer, they direct the person to the others shop. (IGWE BO8)

The narrative explains how the business environment amongst this class of people is laden with co-operation while being competitive and it highlights possible rules on how it functions. What is immediately evident is the effort towards luring the customer for patronage, but that is the point where competition stops; as soon as the potential customer moves towards a seller, soliciting stops. Which is evident in the way IK or Igwe tries to beckon to any passer-by looking into their shop. After that, they do what they can to make sure the sale goes ahead, therefore they are very competitive and also cooperative.
I try to understand why this occurs, and the reoccurring response I get is that, they understand the other person’s ‘situation’. I ask him on what basis will he not conduct himself in this manner, and his reply was, “if the person is not hungry”. I ask the respondent to tell me more, he says,

“Yes Igwe is my friend, but if I see that he is doing very well, what will then make me not fight for customer? He has plenty food at home, his family is not suffering, he too will even understand I need the customer more than he needs him. But my brother, if you are in this kind of business our situation is the same (he says laughingly)”. (IK BO8)

Therefore, an understanding of each other’s economic or financial condition is what encourages this behaviour. In a slightly different situation, this is another instance of a show of solidarity amongst competing traders:

There were two shops located side by side and selling female dresses, both shops are owned by Christians (One of them is owned by Mummy Precious), and they each separately employ a sales girl, to do their sales. But because the owners believe in the same God, every morning the owners and their sales girls (compulsorily) worship and pray together; I also noticed that they lend each other their sales representatives when one is not available (maybe she went to get something, or went for lunch). Meaning the sales girl from the next shop can leave her shop, and market the wares of the next shop even though, she sells exactly the same thing in her own shop.

On one particular day during my research, three ladies were walking together in the hope to make some purchases and as they were passing, both sales assistants competitively beckoned to the ladies to patronise their shop, eventually the ladies chose Mummy Precious’s shop. In this shop she had 3 chairs, the owner sat on one, I sat on one, and there was a free one, two more chairs were needed and Tami (the sales assistant from the other shop) without being asked, noticed the need for more chairs and brought them for the comfort of the potential buyers. (This happened several times and several other examples I witnessed bound). (MumP BO21)

In the previous narrative the owners of the business were directly involved. In this narrative, unlike the previous narrative, the participants here are employees of different business-owners. And the behaviour was still the same among the employees. Although it can also be seen that the owners of the business also support this action, by joining in prayers when they can. In the case of these sales girls, their motives for rendering cooperation in sale is different but it still borders on the same line of thinking. When I ask Tami why she kept on supporting her supposed rival’s shop she replies by say, “Mama Precious is like my mum, from time to time she gives
me money, and since the customer has already entered her shop, they buying is the key thing everybody needs to make money, life is very hard. As you saw, me and Lola will fight it for customer but as soon as they chose the shop they want, game over. Na to sell important pass” Which underlines the same thought as the earlier narrative also depicts, an understanding of the other’s economic or financial condition is what encourages this behaviour. I then decided to discuss with both business owners separately on my observation and this was their response:

“First of all, it is God that makes a sale, also we are all children of God chasing the same scarce money, so we do our best for each other to get it” (MumP BO21)

“I do not see what is wrong with that, the economy is bad, if I am not making the money then let them make it. Tami should not then act at my detriment sha!” (Nene BO47)

Both responses use economic terms; the pursuit of “scarce money” and “economy is bad” and they all see each other unified in the face of similar economic challenges. Their responses and behaviours demonstrate their belief that they are not meant to be in a totally competitive environment which capitalism emphasises as a characteristic of the private sector. Although Nene makes sure to add that, it is important that her sales representative does not take actions that would be detrimental to her business while being corporative; showing there is a boundary to these actions of solidarity.

Having presented narratives from people in the semi-formal sector, the following is a narrative of a situation in the informal sector amongst street hawkers in Allen, which is common in any other place.

I noticed for street hawkers, when they are selling their goods during heavy traffic, they have this bond with each other to the extent that they want to see their other colleague make a sale. What drew my attention to this was that, on one occasion while I was in traffic, I beckoned to a snack seller in other to buy Gala (It is quiet common to buy snack in traffic and to see Gala Hawkers on the streets of Lagos); when he handed it over to me, I checked the expiry date, I noticed it was a few days from expiry, so I requested for a fresher one or another brand, and although he had another brand which he knew I was already considering, he hurriedly beckoned to another Gala seller asking him of his expiry date, as soon as the other person quoted a further date than his, he told him “come sell to am, he no like my own” (Meaning: come and sell to him (referring to me), he does not like my own). Then after buying it, the new seller asked if I was also going to buy
a drink with it, which I agreed, he then called the drink seller, I bought a coke and as I was paying him, he jovially said, “Oga I like the music way you dey play for your car, you don buy the latest Olamide CD? If you never buy, make I sharply call the CD guy”

**Meaning:** “Boss I like the music you are playing in your car, have you bought the latest Olamide Album? If you have not, let me quickly beckon to the CD seller”

This narrative typifies the sense of community that exists in this commercial district. A look at the narrative shows the promptness in his action to call a competitor, as soon as he noticed I was hesitant to purchase based on actions beyond his control, he was quick to call a competitor, he had a few options he could have explored, either to convince me to buy the other brand he sold that still had a reasonable expiry date or to just let me go, bearing in mind it was a moving traffic, and transactions are carried out within seconds or at most minutes, but his default reaction to my hesitation was to quickly look for a competitor and direct him towards me.

Also notice the way the seller promptly suggested I purchased a complementary product, when he asked if I was going to buy a drink and then promptly beckoned to the drink seller, and before he left, he also suggested I should buy an audio CD. The level of cooperation amongst the hawkers was absolutely remarkable. After this I noticed it was commonplace, for these street hawkers to do this. At a later time when I was able to interact with some street hawkers, they tell me it is important to always help the other man make a sale; that at the end of the day it is money for survival they are all looking for. This starts to bring clarity in understanding how actors in this urban space interrelate to achieve their personal and the group’s survival, and, on a wider scale, to promote the economic development of the place they occupy.

Apart from these narratives of individuals and businesses in the semi-formal and informal economy, I also noticed it amongst businesses in the informal sector, albeit in another conduct. It was more focused on their operations rather than over clients. The following is a narrative of a business centre owner:

Electricity is the key resource of business centres because it is a place where people come to surf the internet, make photocopies, prepare office documents and so on. Meanwhile electricity supply in Nigeria is very poor; the highest
ever peak generation was 4,517 MW for a population of over 170 million in contrast to South Africa that generates 40,000MW for 50 million people.

Richardson a respondent owns a business centre on Allen Avenue, and not too far from him is another business centre; they both have their small electric generating set that runs on fuel. In December of 2013, they both concluded plans of buying a bigger generating set, that would have the capacity to power both centres. When I draw each other’s attention to the fact that they are competitors and that, the lack of electricity in a rivals’ shop, will attract more customers to others, which is a good. They both do not care:

Richardson says, “At the end of the day, it is God that brings customers. I mean, before I use to send some customers to him, so sharing customers is not new. Or when government’s so called promise to provide constant light happens, isn’t it going to be the same situation? My brother, we both spend a lot of money running this generators, buying fuel is our highest expenditure every month. Let us combine for this one, at least there are still many other levels we can compete”.

Since February of 2014 they have both been running on the same privately funded electricity generating set and they say this has reduced their daily cost by half and it is the best decision they have made to date. (Richardson BO24)

This narrative raises several points and follows in line with the other sectors of the economy, where individuals see a need to corroborate and pool their resources together in order to weather their economic challenges in the country. The respondent mentions that not only is he partnering with his competitor to pool resources to cut cost, he has also previously referred clients to his competitor. The respondent still recognises that there are other levels in which he can compete with his rival. He highlights “quality of service delivery” and “customer relationship” as other levels to compete. A theme that also emerges is the religiosity discourse; this would be discussed in another section.

In all the narratives and quotes presented above, solidarity and cooperation amongst traders in the private sector is common and it is expected. The interviewees rationalise their actions in the fact that they understand the economic situation of the competitor and acknowledge the fact that both parties are jostling for the same scarce resources, which in this case is money for survival.
From the above it can be concluded that competition mixed with solidarity is a feature of the Nigerian market economy, which in a way defies one of the features of capitalism in which there is cutthroat competition. These experiences typify how Nigerian business works and those that formulate developmental economic policy most times miss this show of solidarity. This is because those who are entrusted with the responsibility of developing this policy decide on adopting working western economic model and applying it in the Nigerian context, without taking cognisance of the peculiar Nigerian economic context. The common man and the people on the street do not totally see themselves as absolute competitors because they can relate and understand the situation in which the other supposed rival is going through, so as much as possible they will try to make a sale; they will try to compete for resources, but there is a cut-off point to the competition, after which one another’s welfare becomes primary.

4.3.1 Raising Capital and the Market Community
The market community also serves as a viable means of raising capital; I observed that capital was raised from successful community members. I observed a phenomenon where a long-standing successful business-owner in a market or a particular community is bound by responsibility to help any member of the market or the community chosen at his discretion to finance his/her business. In this phenomenon, the successful individual and the new business owner both live in the same community or location. This usually begins with a successful business-owner taking on a member of the community or a serving employee and the individual is given some funds to start-up a business. Usually the business could be in the same line of business as the benefactor or in something entirely different. The key is the ability to prove the viability of the chosen business venture. This is an excerpt from a conversation that I had with a respondent:

**Q:** Why do they keep coming to you? Did you advertise or something?
**R:** “No I did not. All of us that have been here for a while, maybe 20 years or more, although it could be less, there is no fixed time frame, we are bound to help the next generation coming up. As it stands, it is only 3 of us that have been here for over 18, so these boys naturally come to us, but as you can see I’m the most friendly; that is why you have seen more at my shop. Like Chike, Silvanus and Loretta, I was the one that helped them start up. I think Chike came to meet me, but for Silvanus and Loretta, I observed them for a while. Then I told their boss about my intentions. They supported me and had good things to say about them.”
So when it was time for Freedom\textsuperscript{2}, I told them I was going to give them money to start their own business.”

**Q:** Why do you do it?

**R:** (Laughs) I will call it a voluntary tradition. It’s like that in all markets; if you go to Aba or Enugu or even Alaba here in Lagos. This is what we do.

**Q:** How did this start?

**R:** “I know why I do this, or should I say why we do this, but how did it start or who started it, I do not know. I was born into it and it just seems like what one is meant to do. Although I know nothing will happen if I do not do it. But you see these things are peculiar and I’ll recommend it to others as well. (Age BO29).

My conversation with this elderly businessman was rich in information. In answering the first questions, he explained how they are bound by necessity to help others set up a business. Although there is no written rule governing that, this is an unwritten rule that governs economic life in this urban space. The respondent mentioned places in the east of Nigeria and other parts of Lagos where this action is also found, however I was not able to corroborate his statement. I also noticed that helping others to start-up a business was something that people took pride in. The respondent was quick to name people he had helped in recent times, who had in a short period grown very big he says. During observation, I noticed that most of the time at his shop, when he was scolding his employees, he cited the fact that he had helped successful people, and that they should behave better so that they might have a similar path in life. In answering the second question, the respondent called this economic action a voluntary tradition that is common across the country and he explained the culture. The fact that the interviewee responded to my question with a hypophora seems to suggest that this is an idea that he strongly subscribes to and that he was trying to answer any questions that I might have concerning it.

Successful individuals who look around for a person they can help to start a business usually initiate this form of capital. However, sometimes, members of the market who are looking to set up their business do approach individuals they deem to be able to render this kind of support. These excerpts depict this:

‘I’m just waiting for my boss to leave; she said she was going to close early today. I told Baba Raji I would come and see him. I have been discussing with

\textsuperscript{2} ‘Freedom’ is a term used among informal businesses in Nigeria for when apprentices come to the end of their service. The length of service depends on the trade.
him for a while he wants to help me collect kiosk that I’ll use to start selling jerseys. So I can ready myself for next season. Its time to start my own business’ (Bimbo BE6)

“I went to meet Oga Agene two months ago and told him my situation. Chidi told me, his boss (Age BO29) has been observing me. I just hope he helps me; there is nothing I can do to influence his decision. My freedom is December. (Mende BE11)

Both respondents are looking to start-up a business, although currently Mende is an apprentice while Bimbo is an employee. Bimbo is about to start a business selling football jerseys with plans of stocking jerseys of clubs in “La Liga, English Premier League and Seria A” before the new season starts (The premier league is very famous in Nigeria with immense following). She approached a long-standing business-owner in the market called Baba Raji. Baba Raji was well mentioned by most of the market traders. He seemed to be the moral market leader, although the actual market leader was the ‘Iyalaja’ (a term used for a female head of market). He was elderly and was consulted more for advice. There was a situation that had to do with power cut; he was the one that led the delegation to the electricity company. Baba Raji has agreed to help out, but in the case not with seed finance, rather by paying for a year rent on the shop which the business will be conducted. In the case of Mende, he approached Agene, and the response he got was that “I’ll get back to you”. Now an employee of Agene has disclosed to him that his boss is now observing him. Mende goes on to say there is nothing he can do to influence Agene’s decision

I interrogate further to find out how these decisions are reached as to whom to support in starting-up a business. There seems to be no definite criteria for selecting whom to support; it all depends on the long-standing business-owner to decide the criteria for selecting whom to support. The two long-standing business-owners give insight to what these criteria might be.

Q: What influence your choice or what would you like to see in the person?
R: First the person must be of good character, and I’ll spend sometime with their boss to find out what she has to say of her. Is she industrious? Also when I spot someone like that, I’ll keep monitoring the person on the side. What is his attitude to work, does he come late to work, when does he close, does he grumble? Then find out about his family, if I’m satisfied with all my findings, then I’ll find out what he wants to do, does he want to start his own, because some people are better as employee than owner. Some people are not made to take risk, some
people panic when business is not going well. So I have to check if the person can handle all these. Then I’ll consider the business the person actually wants to go into. Most times it is the trade they are doing at the moment they usually enter. So they should already have the necessary knowledge and experience, but I’ll find that out. (Age BO29).

While Baba Raji says:

I’ll like to find out the persons’ attitude to money; does money control them or do they control money? I’ll try to find out if the person is a debtor, at least one or two people will know, nothing is hidden in the market. I’ll find out where they live, the neighbours must know something. All this information is readily available in the market. Nothing is hidden in the market, even if it is a rumour, the individual will have to explain the rumour and also say why such rumour will be carried about them. That means they have offended someone or someone is not happy with them. Who is this person that was offended, all this will influence my decision? I will even ask the boss of his rival business what he thinks about the chosen person’s attitude to work. I usually only speak directly to three people; the person, his or her boss, and the owner of a competing business. All these matter. I am about to give someone my hard earned naira, of which many people also are seeking the same opportunity; before I part with my money I must be sure of the person beyond reasonable doubt. Then we can now talk of business plan; importantly will the business make money. This is usually the first and the last question. It starts the consideration and also ends the consideration. (BR BO12)

These business-owners provide capital for budding entrepreneurs and a look at both responses reveal some similarities in their selection criteria. Beneficiaries of the capital on offer will have to face the following checks; a character check, work ethics, current employer reference, employer’s competitors’ reference, background check that includes both family and neighbourhood check, personal credit, business prospect and profitability, level of risk aversion and financial intelligence. These checks are not dissimilar to what a commercial bank would check when granting a loan, albeit some like business plan and cash flow might be more detailed. Both say they do not actively do investigation into getting this information, and that this information is readily available in the market, “it’s just about talking and listening to the right people”. The benefactors insisted they hardly ever actively searched for information but rather the information comes to them, however I noticed a process. The process is comparatively similar to an ethnographic research where the potential recipient’s actions and motivations are understood through informal interviews and observation. I noticed the benefactor’s employees are a major source of information. Whatever the employees hear about the potential receipts sometimes during lunch or after-work
hours at the ‘beer parlour’ are usually relayed to their employer. Sometimes beauty or barbing salons also served as a place where information was picked up.

While the business-owner insisted, they do not actively search for information, but rather information comes to them. I found that sometimes the informants actually actively search for information. Take for example their employees, they actually actively ask about the potential receipts while socialising at bars in the evening. They claim to do this because they have their boss’s interest at heart, while it could also be to secure the favour of their boss. One of the benefactors tells me:

“Gossip is normal, I never tell them to go and source for any information. Even if they were not sourcing the information for me, they will still talk about the person. But that does not mean the employee will receive any preferential treatment from me, if they are doing it to get favour from me, then I am sure that has failed. I do not favour people based on gossip, although I like hearing it, because it makes me know what is happening behind me, I do not reward it.” (BR BO12)

Also worth noting is the approach of the potential-recipient’s employer’s competitor for character reference for the entrepreneur by the benefactor depicts the level of inclusivity in the community. This shows the roles the market community play in the starting a business for those in the economic bracket.

I find that decisions could take months to be reached, hence why potential entrepreneurs make known their interest early, which on the average is a year. Also, there are no agreements; no contracts are signed, no formal targets set for the recipient to compulsorily meet. But what if the business fails?

Q: What if it then turns out to be a bad investment, say the person starts making a loss, what do you do?
R: Man proposes, God disposes. But I’ll find out what exactly as been happening. How has she been spending the money? But before that, after giving her seed money to start, for me to get myself involved, the individual would have to invite me. I would not even select to support anybody that would not invite me to help them grow the business in the first place. I can only give advice, the moment I give the money out for the business, the money is no longer my own, I can only
hope the God guides the person and also guided me in my choice. All the people I have given so far, you can see them they are still in business, we have no reason to cry, and we give thanks to God for that. Although there use to be one young man I helped, he has moved to Otigba (popular called Computer Village, it Is a big village where computers, mobile phones and all accessories are sold) now. He was selling handsets. This area is not the best for handset considering Otigba is not far from here. So when is business was not doing well and considering he put in a lot of efforts to make the business succeed. We later agreed that he should go and look for job in Otigba, he is now a very big boy over there, he has plenty boys under him. (Age 29).

Findings show the benefactors not only provide funding, they also play a mentorship role in the business venture of the recipients. Chapter six would expound more on this. The benefactors try to improve the financial literacy of the recipient, if needed. They also support in securing suppliers helping the supply chain, by leveraging on their reputation in the market. They also help by referring potential customers to the business.

4.3.2 Solidarity On the Street Versus Government

The show of solidarity among the market community even goes further. Another way in which solidarity plays out in the Nigerian business context is in the way traders in the so-called ‘informal sector’ pay taxes. A large informal sector exists in Nigeria and particularly Lagos the commercial centre of the country. In 2005 the government of the state sought for a solution on how to tax the people in the informal sector and a suitable solution was agreed upon between the government and the market leaders and trader’s association. I call it ‘taxing by association’. A flat tax rate of two thousand five hundred Naira (£8.22) yearly was agreed upon. With this the government institution in charge Lagos Inland Revenue Service (LIRS) commenced the establishment of mini tax offices within informal markets to facilitate tax monitoring and payment. In relation to this an excerpt is presented below in which an interviewee who is a tax officer is talking about how the solution was arrived at

“It was almost impossible for us to tax the market women or should I say the informal sector on any transaction let alone profit. Many of them said they could not even write, talk less of keeping book records. I mean Nigeria is a cash-based economy; most of them didn’t even have a bank account. Initially we taxed them by given them a rate, when that did not work, we instead levied a fixed sum for different categories, that still did not work (I guess it was too
high). Then we ran an enlightenment program on government’s use of their tax payment, simply put, letting them know what we are using their money for, but this didn’t produce any result. We even sent out law enforcement agents to apprehend defaulters, this did not produce any meaningful result; rather it resulted in a standoff between the market people and the government.

Now this is what we do in most cases; we discuss with the Iyalọja (a term used for a female head of market) pleading with her that we would love her to raise a certain amount from her market; by ensuring every member pays their tax. So the Iyalọja gathers the money on our behalf. Usually she divides the collection into groups, people in similar trade are grouped together and given a particular amount to pay. Therefore, every month there is a particular amount of money that goes from the market to the tax station. Then the Iyalọja and the tax revenue officer of the market go to the bank together to pay it into the internal revenue account.

The tax officer issues each trader a tax identity card and gives it to the Iyalọja and this card is used subsequently; so every year payment is made the card is updated. A general receipt is also given covering the group (example Alade market meat sellers). Then electronic tax clearance cards are issued, this card acknowledges the payment of tax, and it is only issued to individuals who have fulfilled the requirement of the Personal Income Tax Act. It takes 3 to 4 months for it to be ready.” (TxO LGO26)

Traders, artisans pay a flat rate of 2,500 (£8.22), this arrangement only exist for those in the informal sector, but when a business is seen to have employee and a little upscale by the tax officer, the business is to pay 7.5% income tax. Before they could agree with this figure, another of my interviewee tells me that the government had insisted on different rates and methods like telling shop owners to pay N5,100 (£16.77) while the traders who rented the shops should pay N2,600 (£8.55) which the traders rejected then the LIRS came with some categories telling people to pay N10,000 (£32.88) while some N5,000 (£16.44) and N2,000 (£6.58), depending on which category they belonged to; which they rejected. Then the traders decided to come together as one and that made it possible for them to force the government’s into agreeing with their desired sum and by so doing legitimising their business venture, moving them from being classified as operators in the informal economy to sometimes semi-formal or formal economy.

Previous experiences of the people at the bottom of the economic pyramid have ended up with them building distrust towards government. They simply believe their taxes
will end up in private pockets of corrupt officials. The government then needed to
gain the trust of its citizens so as to persuade them to pay their taxes. The best way to
build this trust was to ensure the taxes were promoted and collected by the market
leaders or association leaders, which the informal business operators trusted.
Therefore, all traders situated in a market were mandated to register with the market
association, and as the tax officer interviewee said: “…even to the smallest trader “de
ori awon ton ta pomo” (even to the sellers of cow skin) …”. This is one of the
reasons, government frowns at street hawkers; they evade even this system of
taxation, because they do not belong to any market through which the government
collects the taxes.

This narrative explains how the business owners amongst this class of economy have
leveraged on their co-operation and solidarity to determine the taxes they pay to the
government. No matter how the government tried to work out a rate for them, as long
as it did not favour them, they fought it. Which is evident in the way they kept on
rejecting every governments options of taxing them but they later came up with their
option. The government even now recognises the effectiveness of this cooperation
and that is why the interviewee says, “we discuss with the Iyaloloja pleading with her
that we would love her to raise a certain amount from her market”. Meaning the
government understanding the peculiarity of the people they are dealing with has now
leveraged on this cooperation amongst the market traders to its own advantage.

This approach has been massively successful in 2014; taxes on businesses\(^3\) in the
**formal sector** raised just over nine billion Naira to be exact N9,392,939,866.44
(£30,583,700). While taxes on business in the **informal sector**, though cannot be
exactly ascertained, Lagos State Government has categorised it under “Other
Revenue”, which generated over a 100 billion Naira to be exact N108,585,043,089.18
(£353,556,000) (NBS Report, 2015). (*Caveat: I cannot ascertain what percentage of
the hundred billion was raised from the informal sector*)

The discussions so far, have been to highlight how through the discourse of inclusion
the Lagos State government has thus far effectively managed the informal sector in

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\(^3\) All individuals, businesses entities, communities, families, executor, trustee and self
employed who receive or derive income in form of gain or profit either from trade, business
profession or vocation within or outside Nigeria shall be liable to direct assessment.
the state. Albeit directed towards the government’s interest in generating revenue and the gains therein. The State Government has taken steps towards integrating the informal sector with the city’s economic planning and legal frameworks in form of tax receipts.

In an entirely different situation this is another instance of how traders show solidarity and the consequence of not keeping to the solidarity in the Nigerian context against law enforcement official that are agents of the government. While I mentioned street hawkers earlier and how they show solidarity amongst themselves I also want to show a sort of solidarity amongst them against the government. As I mentioned a few paragraphs above the government of Lagos state where this research was conducted frowns at street hawking on major streets, of which Allen Avenue is one, which also makes it attractive for street hawkers. There is a government task force setup called Kick Against Indiscipline (KAI) in charge of apprehending these street vendors, they come to inspect Allen regularly for defaulters sometimes up to five to six times a day.

When the KAI officers come, as soon as they are sighted from afar off by one of the street vendors, the onus is on the first ‘sighter’ to alert the rest by shouting and immediately running away, failure to do this might cause being opposed in the area and being cast away as “too slow” or “a traitor”. Usually they all run into a particular adjoining close; once in this close, the KAI officers cannot apprehend them because, one the law stipulates that “no-hawking on major streets” of which they are no more on a major street. Two, they as a group in superior numbers can resist arrest while hiding in the close which will make it dangerous to arrest them because the situation might turn violent.

I noticed that among the street hawkers apart from the unwritten rule of making a sale and trying to initiate a sale for the other, there is also a rule of alerting each other to activities of the local government. They are engaging in an illegal activity, and are therefore on the constant lookout for the taskforce officials charged to apprehend them. Failure on the part of anybody in the “street-hawking community” to sight and alert will lead to being an outcast and which they all dread because it will mean they have to look for another location to start their street hawking, which furthers means having to join a new set of “street-hawking community”, which could be in a less
lucrative place and also involves having to build new friendship and trust in this new location. Pending when that fully happens, which dictates when the person is finally and ‘truly’ accepted into the community, this would have an impact on the individual’s income and a threat to his or her livelihood. From the above it can be concluded that the street hawkers in considering each other’s financial needs have developed a code of conduct for working for each other and even developed a punishment for any one that defiles the code of conduct. They also are obligated to work in solidarity for their own economic survival and also morally for the group against government institutions.

The discussions so far, have been to highlight the level of cooperation and togetherness in the market community. I have shown that actors in this economic space leverage on their togetherness for their advantage both for daily economic sustenance and to oppose unfavourable government policies. Still on community, the next section expounds on the religious community.

4.4 Religious Community: Business Construction and Religion
In the previous sections, one would have noticed the mention of God by a few respondents. One of them said God would help bring customers therefore needing no
reason to compete for customer patronage, while the other said God will help make a sale. This line of discourse was frequent on the field even among business-owners. Therefore, in understanding how Nigerian businesses work, I thought it important to find out from people in business what informed their choice of business. And I noticed one influential factor that kept on coming up was God. One respondent told me “God told my pastor to tell me, to start a nursery”. Apart from this, I noticed individuals refuse to collect money for payment of a good from a customer because the customer is a spiritual leader. It was therefore necessary to investigate the influence of the religious community on the dynamics of businesses in the Nigerian context.

One of the evenings while reflecting on my field notes, I picked up on a theme; all of my participants up until then claimed to be businessmen or stated de facto “I am into business”. I had interviewed 19 people as at then, and in my thinking I thought I had carefully selected my interviewees amongst traders, small business owners, small firm and big organisation employees. But here I was noticing that all of them referred to themselves as business owners, businessmen or “into business”. On several occasions even employed people said so; adding that relying on their salaries alone is not enough. This implied that a good number of jobs in the so-called formal and government sector hardly offered job security, or there were cases of delayed or withheld salaries, and individuals had to engage in other activities usually in the informal sector to generate income. Not surprised, according to the National Bureau of Statistics (NBS 2013) the unemployment rate in Nigeria currently stands at 23.9% and youth unemployment stands at 54% so it is not uncommon to hear this. Then I continued my interrogation and asked, “What do you mean by business?” I got an understanding of how business as an economic activity is perceived on the street, as any activity that generates (makes, brings) “money”. This perspective is discussed in more detail in chapter 6.

This then led me to further interrogate my findings and explore in-depth the nature of business construction in this economic space. I noticed the influence of religion/spirituality in the choice of business was prevalent, although this is not new to business formation literature its prevalence is worth taking into consideration. In this section I explain how the god-factor influences the choice of business.
This is a narrative of one of my respondents, whose choice of business and operation is strictly founded on spirituality.

Chris is a brand consultant; and his business is 18 months old. He is a devout Christian, and God guides majority of his activities, he says. He talks me through how his business started. In 2012 he notified his employers (advertising firm) of his intention to resign by the end of the year. He says God influenced the decision.

“I was at a fellowship meeting and I heard God tell him to resign and then start up my own business, that He wants to make me big. Days and weeks passed but I kept on praying, and then started strategizing on how to go about it, and what branch of communication to go into. I spoke with a few colleagues and they advised me against the decision, citing the current economic situation in the country. But I did not listen to them I reminded myself of this scripture ‘but Isaac sowed in the land and he reaped a 100 fold’.”

Later that day I called my wife, told her what the Holy Spirit told him, and we both decided to pool all our entire savings.

Also another thing that inspired me into starting my own business was that one of my pastors from nowhere called me and gave me 1million Naira. As this happened, I knew the Lord was on my side, and that I wouldn’t regret the decision.”

(This is a scripture in the bible, where there was drought and famine in a particular city, and everybody was leaving the city, but a certain man called Isaac sowed crops in that same land based on instructions from God and the bible records that he reaped a 100 fold.) (Chris BO5)

Narratives like this are not uncommon among the very religious Nigerians and I observed they have brought their beliefs into business. Where the reason to venture into a particular business was influenced by their spirituality. I further asked the respondent, if he had before that particular day, thought of starting his own business, or some person had suggested it to him, or he had just witnessed someone just start his own, and to all these questions he responded “No” after putting them to thought.

While this particular respondent’s decision is personal, by divine revelation to the respondent. I countlessly witnessed situations where spiritual leaders influenced the choice of business by individuals. During my observation, I noticed the confidence
individuals had in their spiritual leaders. On a few occasions I observed that people made business formation decisions based on their pastors without subsequently conducting a feasibility study or market research. Most businesses in this lower cadre of the economy hardly conduct this research, and that is why they have resorted to relying on divine revelation and powers to confirm or guarantee the success of their business. This is an excerpt from a conversation with another respondent a furniture retailer that has been in business for almost ten years, a business that is profitable.

“Many years ago when I was pregnant with my first child, I quit my job to raise my kids. After a few years, I was bored at home; then one day after service I was chatting with my Pastor, I told him to suggest a business for me to do, and he told me why don’t I sell furniture. The only experience I had before then was when we were buying the furniture in our house. I told my husband about it, although he didn’t respond immediately, he suggested I sold ‘lace’ instead, but I didn’t want to do that. That is how we started” (Mrs Okeowo BO30)

From her statement it is clear that her reason for starting the furniture business was based on the suggestion of her pastor, even though she says her husband who was to provide the capital for the business was not fully in support, and rather suggested a different business for her to go into. She refused insisting on the furniture business suggested by her pastor. Although I did not get a chance to have a lengthy conversation with her husband to find out why he opposed the idea at the time, but one thing I observed is that the business owner and her financier-the husband are glad she followed her pastor’s advice. Not only did she follow his suggestion, she did without conducting any market research. When I further question my respondents if they did some sort of risk analysis or assessments or planning, calculations, risk assessment? Her response was simple,

“No! When you doubt God you fail. And doing any of those research means I doubt God” (Mrs Okeowo BO30)

This also highlights a common occurrence where spiritual leaders are revered and their suggestions and opinion are taken as expert opinion because they are seen to be divine. I spoke to a business owner who came up with a very good business idea, but on conducting some research he thought to himself that it was not a wise decision for him to embark on the business venture doing to the saturation of established
competition in the area, but he thought it best to consult with his pastor in his church, and this is excerpt from his narrative,

“You should never do what isn’t meant for you, it was a good idea but I needed confirmation that it was the right thing to do, so I spoke to my Man of God. We prayed together that day and he told me, ‘the Lord is with me in my steps’ and that I should not discontinue it. Needless to say I took the advice.” (Wale BO19)

This respondent has over 15 years working in the financial industry most of it in an investment bank, and he is fully aware of the necessity of conducting a research before making an investment. Even though his better judgment told him not to go ahead, he decided to jettison the findings of his research and follow the advice of his pastor, who according to him does not have any business knowledge.

Q: Does pastor have some entrepreneurial skill or business knowledge, or how well does he know the area or this particular business?

A: Pastor knows nothing about this business, he said that himself. He does not live in this area and as for entrepreneurial skill or business knowledge (laughing) I doubt that. I know this because I volunteered to help manage church finances some years ago, and trust pastor needs some major brushing up in terms of business knowledge. But this is not what I need; for business knowledge and research I can easily do all that, so I do not need him to give me input based on that. I only need him for the spiritual aspect; which he rightly did. The truth is, if he had this business knowledge you are talking about, then there might be a bias in the message he has for me from God. He might interpret the message from God wrongly. But has he has no idea about business and particularly this business, the more reason why I trust the message he has to deliver from God. Since I have started this business I have never looked back. Difficult times are meant to come, and we would overcome it. We have been extremely profitable before now and we would get back to those days soon” (Wale BO19)

He related the latter part of his response to difficult times, because that is what led to the question of what made him go into this business in the first place. The business as at the time of this research was facing some difficult times. I had to stop questioning the decision because I noticed the respondent had a frown on his face, and was looking uncomfortable by the fact that I was questioning his decision to follow his pastor’s advice against his better judgment. It was as if I was questioning his spirituality. In all the time I spent with this particular respondent, both while observing and interviewing him, this was the only time I saw him put on an angry
face. Many weeks after, while both us where having a religious conversation, I used that, as an opportunity to tell him, I had never noticed him get angry except on this particular day, and his response was simple:

“I do not play with my God. The questions you were asking me that day, was a test of my faith. I did not mean to get angry, I’m sincerely sorry.” (Wale BO19)

Matters of religion are highly regarded and have a say in the way people conduct their lives and businesses. Apart from spiritual leaders, I also witnessed a few who started their businesses based on seeing it in a dream/vision; they then say the dream was divinely given to them by God. Also it is not uncommon for people to choose the business to venture into, because it does not come against their religious beliefs. This is fully covered in the literature on business formation and it is not peculiar to Nigeria but it is prevalent and worth noting.

4.4.1 Price Determination and Religion

In understanding how businesses work in Nigeria, it is interesting to note that it is not only market forces and the interaction of the forces of supply and demand that determine a price. God also plays a role in determining price, especially amongst those at the bottom of the economic pyramid or those operating in the informal sector. Moreover, God not only plays a part in fixing the price, he also has a role to play in making the sale, based on my experience on the streets of Lagos. An integral part of business is to do with buying and selling and in fixing prices businesses take God into consideration. Here is a typical example of a practice that happens regularly in the business sphere in Lagos.

I noticed that people were ready to sell goods for free to a Pastor or an Alfa (Muslim leader in Nigeria), in order to receive blessings from God. A few times, I sat with Mohammed at his kiosk. He sells a range of everyday items such as candy, toiletries, biscuits, recharge cards (top-up cards), tobacco products and the like. I noticed that on a regular basis, a particular Muslim cleric bought items without Mohammed collecting money. I asked why this was and he said:
“Boss (referring to me), why do you want me to collect money for his purchases? I cannot collect money from him; that is not what we do. Alfa can take anything he wants for free. Do not worry, God will replace it for me” (Mohammed NR17).

He believes that God will replace his stock even though that has never happened. During my time with him, I also noticed that the Alfa came almost every other day, and throughout my time there, not once did the interviewee complain or grumble even after the Alfa had gone. So it was not a case of him trying to put on an act; rather, it actually made him happy. I always noticed a smile on his face.

In yet another instance, I saw a respondent sell goods to his religious leader for free and at the same time another person purchased the same goods at a quoted selling rate. Even though the second buyer made an effort to haggle, the business owner remained adamant, and the buyer went ahead and paid, expressing an understanding of the seller’s decision. In this case, the second buyer did not belong to the same religious community as the seller and so different economic rules applied. On the other hand, if he had belonged to the same religious community but had had a lesser role than the first buyer, the best offer he would have received would have been to buy at a lower price than the second buyer. The second buyer would still have paid more.

A point to highlight here is the second buyer’s reaction to the seller’s decision. As soon as the seller explained in a few words his relationship with the first buyer, without haggling too much the second buyer knew that he had to pay the quoted price. He knew that the same privileges did not apply to him based on his understanding of the workings of the community. There is therefore a practice of particularism, which is a way of thinking whereby the standards for the way in which a person should be treated depend on the community to which that person belongs as against the standard treatment for everybody.

A particular situation exists where there are two shops, located side-by-side, selling similar merchandise. Both shop owners are Christian, and they each separately employ a sales girl to make their sales. But because they believe in the same God, every morning when the girls resume work, they gather in one of the shops and
worship and pray together. They take it in turns, each week, to go to the other’s shop to pray. On a particular occasion, Mummy Precious reduces the salary of her sales assistant (Lola) due to her missing a few morning prayers. She tells me:

“Lola should not bring bad luck to my shop. If she cannot join them in prayers, it simply means she does not want us to make a living. She should pray so that God will bring customers to us. If she cannot do this simple action, then I think she should leave” (MumP BO21).

From the response of this interviewee, it can be seen that she connects the daily customers’ patronage to the daily morning prayers. Apart from reducing her employee’s salary, she threatens to terminate her employment if she keeps missing prayers. I then asked her if there was an obvious link between the days she missed prayers and product sales. She said “yes” but she could not prove it. Another interviewee had actually kept a record and he said that he had noticed that the days they did not pray or did very short prayers they ended up making few or no sales. Since then, he has made sure that they spend a minimum of thirty minutes praying.

Religion seems to be used when needed to gain advantage. A few non-economic issues come into play in conducting business in Nigeria like; for the seller, being of the same religion as the buyer, will help attract patronage from a possible buyer, same also goes for the buyer. This also helps when haggling for a favourable purchase price or other added advantages, like after sales service, return/exchange of goods and eliminates any possible trust issues the buyer might have with the seller. Religion sometimes influences decision in the following contexts: who trades with whom; who did what business; whom to employ; who gets what contract; it influences buyer’s decision; influences landlord’s decision and so many others.

A number of times I witnessed individuals use their religion to their advantage. My personal experience was at the beginning of my fieldwork research I had just gotten to Lagos and I wanted to change some pounds sterling I had taken back to Nigeria into Naira. Bureaux de change (BDC) operators on Allen Ave. and in Nigeria as a whole are predominantly owned and operated by Muslim Hausa’s. I approached a few dealers in order to carry out this transaction, I was offered a rate of N247 for £1; this was the best I was offered with all my haggling efforts. The rate still remained the
same on the next day for me, but this time around I brought along a Muslim friend of mine to the market and when he negotiated he was offered a rate of N254 for £1, even when he approached the same sets of people I had earlier approached. After a few similar occurrences I decided to pay attention to the interplay of religion in business and in the Nigerian context in general. Religious bias is almost certain in business transactions.

4.4.2 Access to Finance and Religion

As we can see, religion is a core element in economic life. In Nigeria, the church is seen differently from the way in which it is seen in Britain, where mostly it is involved in charity work with the poor and needy and referral. In Nigeria, the church cuts across all classes including the middle, upper and lower class and it plays numerous functions. It is not uncommon to see the church fully involved in political or economic activities. Furthermore, it is perfectly acceptable to go and talk about business to your pastor. Statements like “…one day after the service I was chatting with my Pastor, I told him to suggest a business for me to do, and he told me why don’t I sell furniture…” and “…my pastors from nowhere called me and gave me 1million Naira (£4,000) to add in starting my business…” are seen as normal.

The findings show that there are various ways of accessing funds in the church. One of these is by approaching the Pastor directly and soliciting assistance. A key to accessing funds this way depends on the individual being a member of the church, and various criteria are used to define a member depending on the church. If the pastor can help personally he will do but as an administrative officer of the church, he might help on behalf of the church using church funds. Some other churches have a department in the church that is backed up with a pool of contributed funds that are specifically for handling situations like this. Their goals sometimes include assisting members in their businesses with funds if they meet certain criteria.

Another way in which capital can be raised is from a church ROSCA. Churches encourage their members to be in groups and sometimes they even set the criteria for grouping. A member of the church can then join one of these groups. The groups operate like a ROSCA but their binding factor is the fact that they are members of the same church. Some churches have groups that are divided along the professional path,
so it is possible to see “Bankers’ Fellowship”, “Engineers’ Fellowship”, and “Businessmen’s Fellowship” (the name of the group varies according to churches) and usually the groups are encouraged to help each other. Usually businessmen and prospective entrepreneurs leverage this network to access finance from a member’s bank.

To some, the church plays a key role in being the meeting point for both business individuals and bankers. With this observation I spoke to the parish pastor of one of the churches I observed, and he was forthcoming in his response:

A: Our duty is to lead people to Christ; to teach them to become who God wants and to make them live a life of purpose. But different things bring people to church, and if people come to church for a business reason, then that’s better, because with that we are able to win the fellow to Christ and teach him or her the gospel. In these last days everything can be used as a form of evangelism”

Q: So are you saying that people come to church for this, or have you noticed this before I mentioned it?
A: I have been a pastor for over two (2) decades; surely I know people come for this reason”

Q: Do you encourage it?
A: Yes, we encourage it by not discouraging it. So we indirectly encourage it. But what I do is to mention it in my preaching in the pulpit. “You might have come for different reasons, but now that you are here, you have to locate God and build your relationship with him.” I mean, people come to church to look for a wife or husband, we surely do not discourage that, why should we now discourage this?”

Q: And what about the “bankers’ fellowship?”
“Yes I know people do target the Bankers’ Fellowship. I can only say, God should bless their endeavours. But the mainstay for top business people is The Isaac Group, which consists of very successful businessmen. These ones are very radical about the gospel with their finances; they give in millions of dollars. And if those people are wise they should target this group (we both laugh). They have just set up a business support unit in order to help committed (his emphasis) members of the church. They inspire and also help them to start their business; they also help them with strategic advice, and in some cases offer financial support. They believe that children of God should live in abundance and this is their own effort at ensuring that”. (Rev Matthews NR23.)

The group politely declined to discuss their activities with me quoting the bible, which says:

But when you give to someone in need, don't let your left hand know what your right hand is doing. (Holy Bible NLT, Matthew 6:3)
On Allen Avenue alone I counted seven churches, if the ones off the street are included it will make the total count more than double the number, and they have proven to be useful sources of access to credit. The respondent says he knows people actually come to church for business reasons and he says they do nothing to discourage this motive. He says a group of wealthy church members formed a group, which financially supports and inspires entrepreneurs to start a business. The findings show that, the church operates beyond being a meeting point for only religious activities. However also a place for establishing trust between fund managers and clients; and not only this, but they also play the role of financing businesses and offering business support service like strategic advice.

**Summary**

The discussion so far, has been to highlight the communal system in existence. The findings show that there is a connectedness in existence in this economic space. That community functions through a series of different levels; there is the market community, village community and the religious community amongst others. And how these communities are leveraged upon. For instance, in the village community, those at the bottom of the economic pyramid invoke the village practices in business practices in the city. They are used when solutions are sort to settle staff disputes, discipline employees, determine channel of distribution, it even sometimes serves as a paralegal system. The analysis also found that, there existed a link between those that invoke the practices and the frequency in which the actual village is visited, which on the average is once a year.

We also see that the community is leveraged upon when establishing a business especially in area of raising capital. We witness situations where villagers pool funds together in savings and members of the community access this funds in order to setup business in urban cities. Where the villagers see the loan as investment, and charge considerable interest rate for non-members in order to generate income. We also see the case of the market community where successful business-owners in a market space are duty bound to assist the potential entrepreneurs in that market achieve aspiration of business ownership by providing capital and mentorship. They see the purpose of business as to enable the community to flourish. This also highlighted the talent acquisitions skills by the villagers and the market leaders.
Further we say the inclusivity of the community in the business operations of the market. The findings highlighted the essential features of competitions, which in this instance are mixed with cooperation. We found that rival businesses are competitive but only to a certain point. There is fierce competition in securing the patronage of a potential customer, but as soon as the customers chooses an option, the paramount aspiration is between the rivals is to ensure the customers makes a purchase even if it involves cooperating. In general, we found that there is a lot of cooperation among business rivals in general. This is adduced to the fact that actors in the economic space believe that the political elite does not care about them and they therefore seek economic survival of the group and they promote the economic development of the community they occupy.

We also found how important business mechanics such as pricing, business construction, tax system, among others are all embedded in the community. We found that there are almost two Nigeria’s one in which businesses function as economic unit and straightforward economics apply, which is the rule of life everywhere, such as – competition among businesses, buying low and selling high, trusting employees. Additionally, there is a much larger construction that runs alongside this economics, and because it is larger, because it affects so much as what goes on, that is the one that is important. These all needs to be considered in policy making.
Chapter Five: Trust and Relationships

5.1 Introduction

The theme of this chapter is trust and relationship within the Nigerian semi-formal and informal business context. I draw on data extracted from the field, to elaborate on how trust works within the Nigerian street business environment. Trust, as highlighted in chapter four, is a key element in business, and it is implicitly embedded as part of everyday social relations and community. In the course of fieldwork, I observed that sellers needed to gain buyers’ trust in order to make a sale and likewise, buyers needed to gain the trust of sellers in order to offer after-sales service or credit sales. Along the same vein, banks need to gain the trust of businesses and individuals so as to attract deposits, and businesses need to gain the trust of banks to access finance. Employees need to gain the trust of their employers, and vice versa, and the government needs to gain the trust of its citizens to persuade them to pay their taxes and other related duties. Trust is essential to relations within a community.

This chapter utilises empirical data to present a narrative around how the systems of maintaining trust have emerged and more so, how credibility and creditworthiness is established. This is achieved through the accounts given by research participants on the field. The primary data used for the analysis here is from narratives elicited in response to open-ended questions about the respondents’ actions, e.g. how did you raise the funds for your business? Participants’ responses to these questions would enable the reader grasp an understanding of the workings and the rules that govern economic life on the streets.

Using instruments such as direct observation and interviews, it was possible to identify how these street entrepreneurs build and establish credibility amongst one another as a group, and how they navigate the different trust dynamics. As the research shows, trust and trust-building play a central role in business operations in Nigeria. A major aim of this section is therefore to illustrate how trust relations are leveraged on and how this has shaped the ways in which individuals raise capital for their businesses, whereby for instance, market elders are duty-bound to raise finances for apprentices in the same market. It will also outline the development of a culture in
which business owners are duty-bound to employ family members, but also do so as a means of employing trustworthy staff members. The section will begin by discussing how economic actors in this context go about the business operation of employment and, how this leads to access to finance.

5.2 Employee and Employer Trust Relations
Firstly, it was observed that it is a common occurrence for small businesses and traders to hire relatives as members of staff or shop assistants. As much as this serves as a flexible labour force for the business owners, it also ensures that they work with a trusted person. This also fits into the existing system of apprenticeship. This is not a novel observation, and it has been discussed extensively in the family business literature (Sharma et al., 1997). However, in the case of Nigeria, narratives of compulsion and “necessary responsibility” make the existing system of apprenticeship unique to this economic situation. This section will proceed to outline how employees and employers build trust amongst themselves.

Since Nigeria’s small business owners face the challenge of not being able to financially afford to conduct background checks on prospective employees, a system exists whereby employers request guarantors. This still offers insufficient assurance, as checks are hardly ever performed on the guarantors themselves. Below is the transcript of a conversation I had with Godwin, an electronics retailer, who has been in operation for ten years. He explained why he has his nephews and relatives working with him, and why the guarantor system does not ensure any form of guarantee from risks.

**Q:** Which of your boys is up for freedom soon?
**A:** Up for freedom how? I am not letting any of them leave now. I told Nonso and Chika yesterday that they cannot leave just yet; I will speak to their dad. See, it is difficult to get trustworthy sales boy[s]. See what is happening to Mr Opara. Last week twelve ACs went missing, and since then we have not seen Demola. They tried to call the number of the guarantor; it was a wrong number, even the address nobody knows where that is in this small Lagos.

**Q:** Has the case been reported to the police?

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4 ‘Freedom’ is a term used among informal businesses in Nigeria for when apprentices come to the end of their service. The length of service depends on the trade.

5 Nonso and Chika are Godwin’s nephews.
A: This is how I know you are not from here (laughs). What will they do? If anybody reports matters to the police, trust me, it is just for the sake of the record.

Q: So are you saying you can only employ relatives? But not all of your staff members are your relatives.

A: Most of them are related to me, and those that are not were introduced to me by a family relative. I have learnt my lesson in this business. Mr Eze taught me about getting a letter from a guarantor, but do not forget, this is a letter that can be easily forged; apart from that, with the way Lagos is not properly mapped, how will I be able to locate the person’s address, or even if I do, what if this guarantor dies, or what if the guarantor moves from that address? My brother let me save myself the stress and employ a relative. Although that comes with its downside, because if Nonso’s dad calls me for money I cannot lie and say that I do not have any, his son will tell him the truth. So for me I do it 50/50: some close relatives, or referred to by a relative. (Godwin BO18)

The above response introduces a new concept, known as ‘freedom’ and apprenticeship, which will be discussed in-depth in the next section. In the informal and semi-formal business context in Nigeria, the word ‘freedom’ means the graduation of an apprentice into an entrepreneur of his/her own right. In the case of Godwin, the young men working with him must work as apprentices for more than the customary three years. I noticed the apprentices have remained with Godwin and have not expressed a desire to leave or indicate that they have thought of their future graduation. Therefore, the question: ‘Which of your boys is up for freedom soon?’ was asked carefully in a non-suggestive manner, as some of the apprentices could overhear the conversation. Even so, Godwin was firm and loud in his response as if to make sure that everybody heard, using the opportunity to make himself clear on the issue. He later told me, he had heard of discussions among his employees about one of his apprentice wanting to leave at freedom. He prefers employing a mix of relatives and non-family members, but people who are nonetheless referred to him by family members. Having them as employees, he is assured of the security of his goods. He cited the example of a theft experienced by a neighbouring business and attributed it to the employment of non-family members.

The choice of the follow-up question (‘Has the case been reported to the police?’) was deliberate. In regard to the workings of the police and legal system in Nigeria, the less privileged generally believe that they only serve the rich, and it is popular opinion on the streets that police officers sometimes require incentives to pursue a case.
However, the question was nonetheless included, because in a properly functioning economy where the rule of law is obeyed, reporting a crime to the police should be the next course of action after a theft. The response demonstrates the difficult situation of local business owners for whom employment of family relations is seen as one way of circumventing the inefficiency of law enforcement.

The owner of an architectural firm operating in the formal sector had this to say about employee and trust.

R: I got an employee from an agency and you wont believe what happened. By the second week, the fellow ran away with three hundred thousand (£985) of my money. I involved the police and the agency and the police tried tracking her down. The agency could not locate the guarantor. After a long search and tracking, we finally found her in Asaba. And it was not the Police that helped us find her, I found her by my own means, I cannot really say how, so as to protect the person because it was not through a legal means we got it, I’ll only say the phone network company of the person proved useful. When we even traced the person to Asaba, we had to pay the police in Asaba again to help us make the arrest.

Q: Have you employed anybody since then?
R: I actually have, and it’s been tricky. I definitely will not be using employment agencies again, that’s for sure. Or maybe I should say, till I am sure of sanity in the system, until then, I would not use agency. The three staffs I have employed since then have all been referrals, with the referee serving as the guarantor. That I think as been the joker; when the referee knowing the experience I have had with that criminal employee and is still willing to serve as guarantor, I am a more assured.

Let me also add, when I had this problem, an uncle of mine refused to help. He knows top guys in the police force but he was not helpful. Although he told me he was on top of the matter, I think it was just by mouth. What happened is that, he wanted me to employ his wife’s younger brother, but I was not for it. First of all, the man is too old, and he would not be inclined with the current thinking of this generation that is why I did not employ the man. But I guess my uncle was not happy because I did not employ him that is why he did not really help me for the police case. Not once did he call to find out if we had apprehended the criminal. It was later I heard from my mum that he is not happy with me. (Tope BO27)

Again we experience a case of theft by an employee even though the business-owner went about filling the vacancy through an employment agency. This still did not forestall the case of theft. The respondent goes on to explain the difficulty in police investigation in the country, which several other respondents corroborate. To mitigate
against this next time, the respondent has chosen to employ people referred to him. We also see from the narrative, the consequence of refusing to employ a family member. Employment process as an economic activity involves filling a vacancy with a productive individual. Here we see that, even when the business-owner does this in economic interest, he receives the repercussion of not employing a family member by his uncle not helping him out even though he possibly can. I then asked:

Q: As this therefore also influenced you employing family members in order for you to avoid this sort of backlash?

R: In a way it has, because I surely do not want to offend any member of my family. Although I do not appreciate the way my uncle went about it. He could have told me straight-up that he was not pleased with me, instead of him faking it. Also now that I am choosing to employ people I know, I still make sure to employ competent family members. The unemployment is high. The more unemployed relatives I can get to become employed the less the burden on an individual. I think that’s the lesson I have now learnt and the angle by which I am looking at it. (Tope BO27)

In general, what I observe is that business-owners require that they trust individuals who will stay back at the shop when they are not around to conduct businesses on their behalf. These business-owners mentioned frequently that it does not matter who they employ to manage the shop so long as the individuals are not absolute strangers, but have come through a referral or other acceptable avenues for employment. Although there seems to be a preferential argument for family members, the respondent also adds another dimension to this discourse by family employee and prevailing economic condition, where he says “the more unemployed relatives I can get to become employed the less the burden on an individual”. This is discussed in more detail in the section below.

The definition of ‘family’ in business can vary according to ethnicity or the individual. The idea of family may sometimes extend beyond the nuclear and extended definition, to encapsulate members of the same ethnic group and otherwise. While Godwin referred to ‘family’ as people to whom he is related by blood, another respondent considered it differently, although he also insisted on employing ‘family’ members. Hamza runs a business that is heavily cash-based, both in local and foreign currency, and he deals in a high volume on a daily basis. He stated that he is very careful whom he employs. In addition to this, he owns three branches in different cities, thus making it impossible for him to be present in all of them at once. In his
Lagos branch on Allen Avenue, none of his employees have worked with him for less than 15 years. During one discussion, he stated, ‘for this sort of business I can only employ honest family members’, but his conception of family differed from how it is commonly defined:

Family is not by blood, but by loyalty. In a business that deals with cash like this, what you are looking for is someone loyal to you, someone honest; not a family member that might be dishonest or disloyal. So an honest and loyal person is my family. Adamu and Ali are from my village. I know their family very well; we are all one (Hamza BO3).

His definition of family is someone that is loyal, honest and also from the same village or town – a line of thinking prevalent among the Hausa tribe in the North, as seen throughout this research. Another respondent, Mohammed (also from the North) repeatedly referred to the owner of another store as his brother throughout the entire six months of my fieldwork. Only upon proper interrogation did they admit that they were in fact not related by blood. When I finally asked him to explain the relationship he answered that he had known the owner for a long time and that they came from the same village.

Therefore, this broader definition of family is used to a large extent in the running of small and medium-sized businesses in this setting. The overriding observation was that business-owners prefer family members as employees, because they believe that they are people of integrity and that this will protect them against theft. We can thus conclude that family relations are integral in meeting the staffing needs of businesses, and that they play an important role in protecting against possible financial losses and insecurity.

5.2.1 Bound by Responsibility to Employ a Family Member

Another widespread phenomenon in this context is the obligation for business-owners to take on a family member as an employee. In fact, the predominant reason given by respondents as to why they hire family members is a sense of responsibility. The unspoken rule is that when one becomes ‘successful’, one is bound by responsibility to take on a family member as an employee to support them in gaining more income or financial stability. Most of the business owners included in the research, in fact,
began their economic life as apprentices working for family members, or as staff members within businesses owned by relatives, until enough capital was raised to enable them to start their independent activities. Similarly, individuals are often bound by responsibility to raise capital for a family member, a phenomenon that is discussed later in the next chapter.

In a conversation with a small businesses-owner named Igwe, he explained that he had an obligation to employ his nephew as mandated by a system of which he was a beneficiary twelve years earlier, even though all of his income went to restocking his store and caring for his daughter (Igwe BO8). Despite this, Igwe is still looking to get a shop assistant; although he also claims not to want or need a shop assistant - the shop is very small, and it can only accommodate one person. Also, with such insufficient income, he can barely feed his immediate family. But he claims to be left with no choice than to employ his nephew. He said:

“My parents, brother and I have been discussing for a while for me to take one of my nephews in, to serve under me. Just like I started 12 years ago. This is one of the reasons why I want to save so I can move into a bigger shop. I do not necessarily have to pay him a salary. As long as I provide food for him he is fine; this will mean I can open my shop early, at least that’s the only advantage to me I can think of at the moment.” (Igwe BO8).

While the previous respondent did not need a new employee, the next respondent actually needed one but was constrained in doing so. She had to wait for the family member to reach the age of sixteen before hiring her, even though she needed staff before that, thus elucidating a potential rule of this unspoken system. When asked if she decided to wait because her niece would not collect a salary, she replied,

“If I employ someone now, somehow the news will get home that I have done so, and everybody will start looking at me somehow, and me, I do not like trouble” (Risikat BO25).

This implies that it was going to be problematic for her if she had employed another person – even if on a temporary basis. She explains that the ‘everybody’ she refers to her members of the extended family who might condemn her so she preferred to endure an excessive workload until her niece was available to take up the employment. Which also relates with what the earlier respondent received from his
uncle. Every respondent with a family member as an employee discussed this sense of responsibility as one of the reasons for employing relatives.

There are two categories of people that are eligible to be employed in this way: those that are young and those that are about to come of age. This could be from any age. I witnessed children as young as twelve serving as employees or apprentices. While some in this age bracket serve exclusively as employees, others combine it with formal learning. I observed that the age range of employees varied from twelve to twenty-four (12 – 24 years old). Only two out of thirteen in this age bracket had no secondary education, and had no plans of pursuing one, while the others were either in or had completed their secondary education. Only three of this expressed a desire to further their education to tertiary level.

In this first category, there is no standard age for those that are young and about to come of age; it is situation-specific. For some, they become available when they complete their secondary school education and their parents or guardians do not have the finances to send them for further studies at a tertiary institution. They are then made available for apprenticeship and an arrangement is made for a successful family member to employ them or provide them with funds to start a trade. Also among them are those who are made available upon completing their tertiary education, and who have not been able to secure gainful employment.

The second category includes those that are old enough usually starting from the age of twenty-five (25 years old) to have tried other means of financial sustainability and have not been successful and are therefore judged to have become a nuisance to the family. In this category, when an individual is not gainfully employed or does not undertake any form of business and this has been happening consistently for a few months or years and now they have become a nuisance to the people around. That individual is then made available and an arrangement is made for a successful family member to employ them or, on very rare occasions, provide them funds to start a trade. In the case where an individual has unsuccessfully tried but failed at a business or lost a job, arrangements are also made for this individual.
After an individual is identified as requiring this assistance, a list of family members will be looked at, and the successful ones will be marked. Success in this case might mean that the individual is gainfully employed or operates a business, has his/her own accommodation and sometimes sends money back home for general upkeep. The extended family elders will then send someone (go-between or middleman) to the successful family member to deliver the request – this initiates the process. This could be done by the middleman travelling in person to see the successful family member or could be done over the telephone, where the elder puts a call through to present his request. Depending on the situation the individual involved (employee or apprentice) might or might not be consulted; after a decision is reached and an arrangement is put in place, the individual is then made aware. In the case of apprenticeship, a fixed duration is agreed in which the apprentice would work. At completion, which is locally called Freedom, the individual is then given start-up capital. As for the individual that just serves as an employee, there are no time limits.

I asked my respondents, “What happens when the owner thinks the business is not yet a success and the family members think otherwise?” This is an excerpt from a particular respondent’s reply:

“(Laughs) that one is a serious disagreement! But wait, do you mean – ‘I am not ready to take the person now’, or ‘I am not going to take the person at all?’

Q: I’d love if you could elaborate on the two scenarios.

“If it is, ‘I am not going to take the person at all’, and it is not that, you have an issue with the person and it is because you think you are not yet successful, then you should be ready to face the music. Everybody in the family will distance themselves from you and what you did and the things you didn’t do; they will say you did. You will gather family enemies and with this comes misfortune in business; you know that right? For us Igbos, going home for Christmas will be unbearable for you and your children; everybody will just be looking at you as a bad person. But for those that do not go home like us during Christmas or go home in general, they might not feel this part of it.

In the case where you disagree with the elders, and say you are not yet successful, they will expect you to give them a time when you will be ready to take the person on, so that one is really not an issue as long as you can give them a time” (Inn BO9).

Meanwhile another respondent said:

“This happens regularly. The thing is that you will have to fight your case. You will have to let them know that you are not making enough money and you
won’t be able to take anybody on, but what you do not want is for it to turn into a major fight between you and the family, where they see you as unkind or unhelpful and start bad-mouthing-you. You also know juju is real; you will just start making a loss, and you won’t understand how” (MumP BO21).

These responses partly corroborate Riskati’s response regarding the consequences of disagreeing with the elders. It will become a situation where the individual is spoken about in a bad light by the rest of the family members and given a bad reputation. These respondents even went further to add a point about their fetish beliefs by saying it could also lead to bad fortune in business operations; thus clarifying the social sanction that comes with failure to follow the tradition of employing relatives. This discourse raises a few points. It not only establishes the necessity attached to employing family members as shown by the business-owners, it also gives an insight into how this obligatory responsibility works. Another part of this will be looked at in more detail when explaining capital of success, family as a source of capital, in the next chapter.

5.2.2 Discipline Settled at Family Meetings as Opposed to Court

As briefly mentioned in chapter four, another reason that can explain the preference for family members as employees is the belief that it is easier to discipline a family member with regard to work ethics than a non-family employee. This is because if anything goes wrong it can be settled at a family meeting rather than in court or at the police station, which are generally avoided, as was observed earlier (Godwin BO18). It is quite common for business owners to correct a dissenting family member by making threats to report the behaviour to the immediate family.

On one of the days that I was observing the market, I witnessed a case where a mother came to plead on behalf of her son to be accepted back to work and to guarantee that her son would not misbehave in the future.

The young man of 21 years of age had been working with his “Aunty” (the best explanation I could get was that she is his mum’s-step-sister’s-cousin’s daughter-in-law.) As a sales-assistant for over a year, the business-owner gave him a monthly allowance. In the two months preceding this particular day he had not been given his allowance and this was due to the business going through some very difficult times financially. In his desperation for money, on three different occasions, he did not remit the sales of some merchandise in the shop.
The owner noticed some discrepancies between the available stock and the revenue; on investigation he admitted keeping some money for himself. She immediately sent him home saying that she did not want him to come back again and she reported the matter to her husband and mother-in-law.

The employee was back with his mum and she was pleading on his behalf to be accepted back to work. She promised to pay back the missing funds and she also promised that he would never repeat the action again. After almost five hours, the employee was forgiven and resumed work, while his mum and the business-owner spent another few hours chatting, mainly about the prevailing economic situation in the country as well as family gossip.

Earlier on in the chapter, I discussed how having a family member as an employee gives business-owners assurance of the security of their stock items. However, the scenario above seems to negate this point. Here was a case of theft by an employee, but the business-owner would not report the case to the police; instead she sent the worker home. A few days later I was able to discuss the event with the business owner. Below is an excerpt from our conversation:

**Q:** I did not even ask; did you report the case to the police?

Ahh gbesè (trouble)!! Why would I? Do not forget I know most of my workers and we are linked somehow. The first thing you do is to do an internal investigation. You first find out from among us who stole the missing item, or how the item went missing. They all know me. I’ll talk calmly, I’ll threaten, I might also use a bible, water or sand to swear at them; in no time they will confess. Then when they confess you deal with the person, but if after that nobody confesses and it cannot be traced to any of them, then you can bring the police into the matter. Even with that, I am not sure if I will still bring the police into the matter.

**Q:** So if because of the family link you cannot immediately report a matter such as this to the police, don’t you think that family members are more prone to stealing from you since they know the matter would not be reported to the police and the most you will do is send them home or report them to the elders?

A: No. The reason this boy will still stay even after stealing is because I know his family and we are connected, so there is nowhere to run. If I did not, do you think he would have stayed? No, he would have run away the day he stole the money. And you know it is difficult to trace people in Lagos let alone in Nigeria. Even banks complain about not being able to trace customers at times, let alone us small traders.

I would prefer to employ family members any day. They cannot run off with anything stolen, and if they even decide to run, you have a confirmed person that you can hold responsible. Straightaway I will call a family meeting, we will
discuss it, and if his parents or guardian cannot afford to repay me the stolen funds, the rest of the elders that suggested or initiated the idea that I employ him will chip in all they can afford to reimburse me. But usually people do not run away because of the shame and financial liability they will bring upon their family. (Rume BO7)

This excerpt further reinforces why family members are employed as trusted employees to safeguard against theft of stock items and also as a means of overcoming the lax security monitoring system linked to the rule of law in the society. This excerpt also shows the depth of the link between employers and employees through the way in which the employee associated herself with the employee. It’s interesting that the business-owner used the term “among us”, even though theft is not an event that one should associate with, and in this case she was the victim of the theft but she still went ahead and associated herself with her employees. This further buttresses the point of the close ties that lie between employers and employees among businesses that operate in this economic space. Trust in this economic context hinges heavily on the relationships that exist. This action of favouring relatives and friends is noteworthy especially when one begins to examine corruption in Nigeria and the role nepotism plays. This is discussed in more details in a later section in this chapter.

5.2.3 Trust, Family and Work Ethics

Businesses in Nigeria, as in any other part of the world, strive to be successful, however, due to the prevailing economic situation and level of inequality there is fierce competition for the available scarce resources, especially amongst those in the informal sector and in the lower cadre of the economic pyramid. Therefore, business-owners not only want people of integrity as employees, they also want employees with a sense of responsibility and good work ethics. The reason they believe that family members possess these qualities is that if the right family member is selected, he will also see himself as an owner of the business and therefore will be ready to put in more work regardless of the working conditions, which they believe are not their fault but a result of how the economy is managed (Kitching, 1997). Usually family members in the informal and semi-formal sector do not receive a salary; instead they are given an allowance. Some do collect a salary but it is not guaranteed. They are paid according to the monthly financial position of the business. The business owner
takes it upon him/herself to provide for the necessary expenses of the employee, which usually includes transportation, food, and phone credit.

During my inquiry into trust, family and work ethics, I noticed a shop on Allen Avenue that operated late into the night, even after every other competitor and most shops had closed. Mike and Obi are the sales assistants managing the shop. On further interrogation I discovered that they are the younger brothers of the owner and they understand it as their personal duty to make sales, even if that involves opening the shop at night outside normal work hours. In their communication I found that there was a link between their relationship and the extra hours. This was a conversation between the owner and the two sales assistants.

Owner: I'll soon close, I'll head to Ejiofor’s place then from there go home. When are you guys going home? If I finish at Ejiofor’s place early, latest by 6:00 PM, I’ll just pick you guys at closing time.

Obi: Don’t worry about us, today we are staying back to work. It seems schools are about to resume or have resumed, this week will be busy in the night with all these ladies buying dresses.

Owner: Are you sure? What did Mike say? You guys want to start this thing again? Anyways me I am going, when you guys are tired, start coming home (Obi SA16a)

A picture some individuals operating their store at night while others have closed for the day
Then I interrogated them,

**Interviewee:** You guys are the only ones opened, why?

**Mike:** We want to sell, this is the best time to sell, no rivals, every customer can only patronise us, and we can fix any price we want.

**I:** Are there usually more customers at night, don’t the other shops know this?

**M:** It is not every time, it has its season, but other people know about it, but they think it is not worth it, but they do not know what they are missing, we can sell a dress at considerably higher price than we would normally do during the day and that’s more money for Brother…

**Obi:** Those that patronise us at night, either work during the day and have no time to come here; or are ashamed of people seeing them buy from places like this; or they urgently need what they are buying. And if you see it, these three sets of people would be ready to pay just more for what they are buying. This in turn means more money for our business.

**I:** Does your boss, give you guys commission?

**O:** Not at all, although Brother gives us pocket money aside our salary, and sometimes he buys stuffs for us. It is not because of commission we do this. If you think of it, if Brother’s business flow (sic) very well, that would mean him being able to afford to give us money if we want to start our business

**M:** It would also mean Brother go fit help more people for the area plus we too imagine if we both have our own business, then more people would not suffer.

(Mike SA16)

I observed that for every sale, a record was kept and the actual amount sold was recorded. Meaning the sales assistants did not keep the difference gained between the selling price and tag price, they remitted every sale. The employees were only interested in the profitability of the business, which they believed would result to start-up capital if they wanted to establish their own business. They also mentioned the subsequent profitability leading to more family members and members of the community (’for the area’) aided to start a business and would lead to alleviating poor economic conditions. It is important to note the competitive tendency and profit drive in their action. However, I still witnessed during the day this same individuals going to a competitor’s store to pick up merchandise to sell on their behalf, claiming to the buyer, that they also own the competing store where the merchandise was picked. In other instances, I witnessed them directing potential customers to their competitors. This shows even though these individuals are competitive and profit driven, they still cooperate and seek to find other grounds to compete this has already been discussed in chapter four.
When I interrogated a few other sales assistants of competing trade, I asked why they did not open at night. They said the following: “it is not necessary”, “it is too stressful”, “how much am I being paid?” or “will the boss double my salary?” When I suggested a double salary or extra payment for the time worked, I received the following responses from the same people:

“Oya let’s do it” (Oya, in this response, depicts enthusiasm; this could be loosely translated to mean ‘Come on’) (NR 30).

“Now you are talking”. This was said in a sarcastic way to mean you should have suggested this before (NR 30a).

Another sales assistant actually suggested it to her boss, and the boss responded in excitement to the suggestion. However, while planning how the modalities would work, the sales assistant included the fact that she expected to be paid for extra hours and this immediately drew a frown on the owner’s face. At this point the owner was less enthusiastic about the idea since she had to pay. She went on to say that she would look into the idea at a later date. Three weeks later, I asked the boss about implementing the idea, citing that I had noticed her initial excitement about it. She told me:

I do not have the money to pay for that cost. Apart from her extra pay I would have to pay for the generator to power electricity in the shop, and you know other costs associated with this. I do not even think my husband will support the idea. It is not something I will be doing.

Q: What if Lola did it on her normal salary without anything extra, would you do it?
R: “If she won’t collect extra money, what is stopping me? I’ll definitely do it.” I mentioned the other factors that she had listed like the running costs and her husband.
R: “We can always work around that. But I know Lola won’t do it unless I pay extra, so let’s leave it” (MumP BO21).

This shows that although the business owner and the sales assistant both see it as a good business strategy to have the store open at night, the extra costs involved makes the proposition less appealing to the former. As other sales assistants who are also eager to work at night expressed, they are willing as long as they are given extra pay. On the other hand, Mike and Obi are opening their shop at night without extra pay,
with very similar working conditions. However, because they are kinsmen with the owner, they take on extra responsibility and remain unperturbed as to the conditions. In a different scenario, I spoke to another business-owner who explained why he now prefers employing family members ahead of others.

“I trust Kike (his cousin) to do everything in her power to make a sale. I believe in a way that she sees herself as part of the business and that the success of the business is her success. This was not why I employed her, but I have noticed under her we have made a considerable sales improvement. So I took time to understand why we have experienced this difference compared to the other two girls I had. I think there was a limit to how much the previous girls pushed in order to make a sale- their give-up point was too soon. This could be because of many things. I’m not sure but I think the thing about it is that the last two girls knew that whatever the case, they were going to get paid at the end of the month whether they worked or not. While Kike knows that if we do not make money, she doesn’t get a salary and that even food at home will be difficult, not just for her, but for everybody” (Richardson BO24).

With Richardson’s statement, he acknowledged that there could be other reasons why a non-family member might not make an extra effort to make a sale. But he trusts a family member to make a sale regardless of the working conditions, which sometimes might be worse because they are not guaranteed a fixed income at the end of the month.

However, I believe that there is the possibility of family members as employees being lackadaisical in their attitude because they know that it will be difficult for them to be dismissed. When I told the business-owners this, I noticed two varying answers. Sole-traders, shop and storeowners who are at the very bottom of the business pyramid agreed with the possibility of this attitude from family members. But insisted that it would not be tolerated and the employee would have to be sent back to the village or family elders (which is similar to being sacked, but sometimes a plea by family members can lead to them being reinstated like we witnessed above); because of the difficulty in making a living such an employee would not be accommodated. For small businesses in the formal sector, they also agreed but believed that it would be difficult to let the staff go because this could cause a family rift.
The observation found that when applying the obligatory necessity to employ relatives, the more formal businesses scrutinise the potential candidate in detail before employing. However, after employment, termination of duties is rather difficult unless that family member employee commits an adjudged grave offence, which is situational. While for those in the informal business, they could easily dismiss the staff. It would appear from observation that the difference lies in the level of success an individual is adjudged to have reached. The formal business-owner is seen to be successful and should be able to tolerate to some extent bad-behaving relative in order to shoulder a larger responsibility. As one respondent said, “it’s more like taking one for the team”. While the economic situation of the informal business-owner is understood and if the employee is seen to be deficient in work ethics, he is relieved of his duties and their no social sanctions repercussion.

In speaking with Kike, I found out the following:

**Q:** How have the sales been since you started working here?
**A:** It’s been going really good. At least since I came we have never made a loss in any month; the worst that has happened is that we made back our costs.

**Q:** Do you have any idea how this compares to the previous sales girls before you?
**A:** Yeah. I am doing way better than them. When I got here Ric was unnecessarily strict. I found out that this was because the business sometimes makes a loss. Something like, one-step forward, two steps backwards. When I came my parents told me to represent them well and that I should have in mind that anything I do will affect the chances of anybody helping my other siblings.

**Q:** So what have you done differently?
**A:** Basically anything to make the business boom. Most of the time I am the one that closes last on our row, in case I get any last minute customers. (Traders of similar goods most times locate themselves in the same place). (Kike SA24a)

On the part of employees, the findings show that they are willing to keep their shops open and put in extra hours due to obligation, not only because of the economic reality. The process that initiates the job means that a good work ethic is expected. Also, reciprocity is important; they are obligated to act with a good work ethic so the act of assisting towards financial independence will continue for other members of the family. The personal connection is also revealing. I observed the use of the following phrases by employees: “the business”, “our shop”, “our business” on the one hand, and “his business”, “her business”, “Oga’s shop” on the other. Relatives of the
business-owner most often used the first set of terms while non-family employees used the second set. Looking at the usage, the first set is used instead to refer to someone with whom the speaker or person addressed is associated. In this case the family employee associates himself or herself with the business. Meanwhile, non-family employees use the other set, and subconsciously dissociate themselves from the business.

This section has discussed the various trust relations and how obligations, ties to morality, and reciprocity play important roles in this economic context. We have also established that individuals working late because of obligation and not because of economic reality.

5.3 Systems of Establishing Credibility between Trader and Customer

The previous sections elaborated on the establishment of trust between employer and employee and as discussed in Chapter Four, religion and the community at large are used to establish credibility. Establishing credibility and trust is crucial for businesses. Nigeria is a country where the security apparatus is still very poor; the police cannot apprehend thieves easily. Because of the security issues and the prevailing economic situation, everybody is suspicious of everybody. Added to this is the prevalence of advanced fee fraud, popularly called ‘419’; both buyers and sellers are suspicious of each other. Therefore, businesses and customers alike use any means possible to establish and build trust, and one of the ways of doing this is by knowing the extent to which a person is religious. It is believed on the street that the more religious a person is, the less likely they are to be fraudulent.

I also needed to establish trust to be able to carry out my research among the people; my school ID card was not enough. One of the ways in which I navigated this was by letting people know my religious inclination. On a few occasions, trust was established when the respondents found that we were of the same faith. As an example, Chris, Wale and Mummy Precious spent considerably more time talking to me because of this. In this section, I discuss how traders and customers establish trust and credibility.
After sales service is very rare, especially when it has to do with the semi-formal and informal economy. The market environment is one in which when a purchase is made; there is little or no room for return. Different sellers gave varying reasons for why they do not accept product returns. The most common excuses for not offering returns or refunds included. Most times, the seller would have spent the purchase sum. Also, there is hardly bulk stocking of products by sellers. Most sellers just have one unit of an item, therefore if returned, an exchange is less likely. Buyers prefer refunds but the seller is most likely to have spent the money.

Also the sellers say they are not sure of the genuineness of the return claim. It is possible that the buyer might have swapped it with a counterfeit and then want to return (replace) it. Apparently some people engage in an illegal activity whereby they deliberately make or buy inferior or counterfeits of a particular product. They then go into shops to purchase the originals and then return them for cash or exchange the product.

Herein lays the reliance on personal relationships or religion to establish trust. While observing, I noticed an electronics shop that maintained a “no returns policy” on most of the appliances sold. But on a few occasions some customers came to exchange appliances bought, sometimes even after three months. On one occasion, a particular customer came to exchange his purchase after seven months. I asked the store manager why he was exchanging the product even though it was one of the “no return” appliances. He said:

“As you can see (showing me the customer’s receipt), he is a pastor. He cannot be lying about what is wrong with the iron, don’t you think so?” (Dave A9).

The customer, while purchasing the product, put the title ‘Pastor’ on the receipt and this was sufficient for the manager not to doubt him and to exchange the product. Although this was against business policy, which is loosely defined for most businesses in Nigeria, this decision was based on the religious inclination of the buyer. At a later date, while discussing this with the owner of the business, I asked him for his reaction and he replied:

A: “If a pastor comes to exchange a product he bought from me, I will gladly do so”.

Q: What if he is an impostor?
A: We know these things happen; sometimes we catch them and sometimes we don’t. My staffs know that if they do not feel right about it at any time, they should not exchange. Importantly we do this because of the customers; if they know they can return their goods even with the current situation in Nigeria then they will patronise me regularly. (Inn BO9)

Another respondent sells wristwatches and sunglasses in his kiosk and on the street in traffic; he told me that he never entertains any form of return policy or exchange. During my observation period with him, I noticed that he exchanged a pair of sunglasses for one of his customers. This is an excerpt from our conversation:

**Q:** How come you exchanged that guy’s purchase? Did you know him before?
**A:** Did you see the bible in his bag? And even the way he was talking? I know he is a Christian.
**Q:** So you attended to him because he is a Christian?
**A:** Yeah.
**Q:** Don’t you think people can play on this factor and hold a bible and call themselves Christians and still carry out fraudulent acts?
**A:** Of course a lot of people do that. But if you use God’s name to lie, God will punish you. Are you also forgetting that I have the Holy Spirit in me? With that I will use it to discern who is fraudulent or not.
**Q:** So it is a situation where the spirit in you helps determine who is genuine or fake, and if that doesn’t work, you bank on God punishing anybody that defrauds?
**A:** Exactly my guy, abi how I go do? (He gesticulates).
**Q:** What if he was a Muslim, would you still have exchanged?
**A:** Isn’t it God he is serving? And that is the main thing, my guy? I’ll also exchange it for him. But everyday is not Christmas, sometimes if you like carry ten bibles I might not change. So it also depends on my mood. (IK BO8)

The latter part of this conversation shows that the respondent did not establish trust along the lines of his religious grouping (Christianity), but on the worship of God. This was similar to the manager of the electronic store, who, although he is a Muslim, based his decision on the religiosity of the customer, although the customer was a Christian Pastor. These respondents reveal a norm in the rule of business in this context. Religion is important and it is used to establish trust with respondents. It also shows that they do not necessarily have to share the same religious beliefs as the buyers.
5.3.1 The Word ‘God’ In Business Name

Another common way in which I noticed that individuals, particularly buyers and suppliers, established trust in sellers was in the business name given to their organisations. Allen Avenue is littered with businesses that have “God” “Zion” “Jehovah” and “Al” incorporated in their names. Most of the time this shows the religious inclination of the owner of the business. Some business-owners stated that in adding this name the intention was not to secure trust. However, I find that it is the customers that put business name into consideration. They mostly use the name to establish trust in the trader or business to transact with.

Q: Why do you have God written in your business name? (God’s Tent Furniture)
A: No reason really. I believe in God and when I was thinking about a name, this came to me.

Q: Have you experienced situations where because you have God in your name, people have been attracted to deal with you?
A: Oh is that why you are asking? Sure, people are inclined to trust our business because of this. At least I’m sure when we first started we knew people patronised us because they could take us as being trustworthy based on our name. But you know, a lot of people now add God into their company names, so adding God to your company name is not a key factor like before. You know in Nigeria we approach every transaction with absolute caution (laughing). See, when you told me your name, I translated the meaning to “Crown of God”, which made me have the feeling that you are from a good home, but I still had to relate with you to be sure. And that is how it is in
business too; adding God to your name reduces the cautious approach I think. (Mrs Okeowo BO30)

Meanwhile, another interviewee who is a business-owner said,

“It gives an impression that it is owned or operated by a god-fearing person who is judged to be honest and deals diligently” (R 25).

The respondents mention the positive difference adding a faith inspired name to the business name could add. With this understanding, I approached a few passers-by on the street and patronising customers to find out how influential a faith inspired business name is. I received a mix of responses:

“It does not matter” (Passers-by NR31a)

“I won’t lie, I’m more attracted to buy from my people…. And this helps me easily recognise my people” (Passers-by NR31b).

“No I won’t buy from a shop like that when I see Emmanuel in the name; my money cannot be used to worship a messenger they call God” (Passers-by NR31c).

Sometimes, in the case of different religious beliefs, for some it reduced patronage. For example, a Muslim decided not to patronise a business when he saw the name ‘Emmanuel’ or it had a religious connotation to it. And vice versa.

“I do not think it will matter to me, but if I see Allah in a name and Jesus in the next and they are both selling the same thing, I will walk into the shop with Jesus written in the name. For me it is better if they do not write it” (Buying Customer BC32).

The responses show that, whereby perhaps it once mattered to customers that a business bore a religious name, now, customers have become more circumspect. The last two respondents showed that buyers sometimes leveraged on commonalities in order to gain a favourable purchase deal. This was also discussed in more detail in chapter four in the section that covered price determination and religion.
### 5.4 Trust, Government and Economic Initiatives

Mistrust of the government is widespread in Nigeria and this could be enough of a reason for developmental economic policies and models adopted by the government not to achieve their stated aim. Although these policies are adopted for the improvement of the living conditions of the people, however citizens are less cooperative in the implementation process because they do not trust the government. During my study, I noticed the mistrust of the government had varying perspective; a few examples are given below.

The government of Lagos State, where this research was conducted, operates various initiatives to tackle unemployment in the state. One of these is the establishment of skills acquisition centres and technical colleges, some of which are free to attend. The aim is to train unemployed youths and women with the added possibility of securing funding for business at graduation. One of the centres is very close to Allen Avenue. I noticed one of the respondents spoke very fluent English, and on investigation I found out that he had attended high school, but could not further his education due to financial constraints. I asked him about enrolling in one of the free government vocational schools in the Ikeja vicinity. He replied:

**A:** It is all a scam! Do you believe government will want to do anything for free? You know what? I do not even want to go there. They can go ahead and be doing their thing

**Q:** I have been there and this school is actually free and in operation?

**A:** (He hissed and gesticulated in disbelief) I do not care about anything the government has to offer. It is all to score political points, the people they will admit into the school will have to be APC\(^6\) members.

**Q:** But you have never been there. How are you sure, or do you have some information?

**A:** “Na today?” (meaning this is not the first time) When has the government ever helped you? If you do not know, they never help people like us” (Abayomi A10).

His body language, tone of voice and response showed an uncaring attitude towards the government’s initiative. It mirrored a total breakdown in trust. Even though I told him that it was actually functioning correctly and that he could trust my judgement as a neutral, he was still not interested in the efforts of the government. I could not

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\(^6\) A.P.C: Acronym for All Progressive Congress. A political party in Nigeria
transfer trust. He looked for another possible excuse when he stated that students would be admitted based on their political party inclination. He defended his view further by saying that this was not the first time, meaning that the government always does this and so his mistrust is based on the reoccurring and continuous failures of the government.

Another interviewee who operates in the informal sector also shares this opinion. He organises the parking and protection of cars belonging to visitors to Allen Ave. on a street off Allen Ave. The land on which he does this is part public street and part private space, which does not belong to him. Parking is in high demand for visitors to Allen Avenue. This is a very ingenious idea but he has no proprietary rights to the land. At anytime he could be displaced by the government who are strongly against the informal sector or by the owner of the private property he is trespassing on. With this in mind, I listed a few programmes that the local government officials had told me they offer people without jobs like him. He said,

“I have never heard of anything like that, don’t mind the government, they can lie. They will definitely lie to you because you are coming from jand (a western country). Those government officials only pocket the money or put their family members in these schemes. I am not their family member; so they do not care about me, let me take care of myself. The day they come and chase me from here, God will provide another opportunity for me” (Dele NR7).

The message from these two responses is clear: even though the government has put in place initiatives and programmes that should and will aid their situation, they have refused to take it up, and there is a sense of a lack of trust in the government activities. This respondent’s statement also portrays a bias by the government, in this case towards family members; while in the other respondent’s testimony there was a bias towards political party members. Also, following a similar pattern, the two of them have decided to take their destiny into their own hands by deciding to provide for themselves regardless of what the government is doing. This also shows that because of this inherent mistrust, they have failed to keep up with information on the activities and initiatives of the government, and they see it as non-beneficial. In the case of Dele, he has not only decided to do things himself regardless of the

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7 Trust transfer: This is what I refer to as a situation where trust is gained because of the recommendation of a trusted fellow.
government, but he has also chosen to trust God. He said, “God will provide another opportunity for me”. Here we see the religious discourse appearing again, conveying its prevalence.

The mistrust of the government does not exist only amongst individuals in this lower cadre of society; business individuals higher up the economic pyramid also echo it. Another respondent revealed that his mistrust lies in his suspicion of the government’s motives and he believes that ethnicity and nepotism are still widespread in Nigeria; a system that he boldly stated he has benefitted from. Alhaji Hamza owns a business that operates in the financial services sector and is well connected in the government circles. He questioned the 2014 removal of the Central Bank of Nigeria’s (CBN) governor, saying that it was politically and ethnically motivated. I asked him whether he cares about the removal because of a possible change in policy or anything like that which should be more important to him in view of his business interest. He plainly told me:

“No, my own is, why are you removing him, is it because he is Hausa? I mean, I don’t really care about his policies except it directly affects me. It will look like I’m a tribalist for complaining about his removal but no, it is the president that is actually a tribalist and corrupt for removing him because he is Hausa and he questioned the government’s spending”.

Q: Have you looked into the new person who has been announced as taking over, since your business has a direct link with the CBN? I think what is important should be policy changes, if any.
A: My friend, are you listening to me at all? I DO NOT CARE (his emphasis, with a stern look on his face) about any policies at all or the person taking over. The point is that the current occupant is being removed because of his ethnic background and because this person challenged corrupt transactions by the government”. (This conversation took place in April 2014.) (Hamza BO3)

On June 22, 2014 the CBN, under the new governor, released new guidelines for BDC operators and raised the operating capital base to thirty-five million Naira (£114,713) from ten million Naira (£32,775) to check the persistent depletion in the country’s external reserves and the financing of unauthorised transactions and other rules. When I contacted Alhaji Hamza about this latest development, he said:
“I told you they had an agenda. A Hausa man would not have championed this. This government is very insincere; this is why you can never rely on them for any help. The truth is generally that I do not trust any government” (Hamza BO3)

I then suggested to him that it was possible that the previous CBN governor might have planned to pass it as a law if he had continued in office. Alhaji replied:

“… at the end of the day this is why the government is never your friend. We all must do our best to ensure our economic survival”. (Hamza BO3)

The interviewee’s first reaction to the change of CBN governor was that it was ethnically motivated and he did not care what the government was doing. He introduced a factor that has been commonly mentioned by researchers and public commentators, and that has been perceived in general as a major obstacle to the overall politico-economic development of the country, “ethnic bias” (Otite 1990: 145). This consideration of an ethnically biased government decision, I noticed, was not uncommon among the Nigerians interviewed. The majority of the respondents seemed to have this notion, a notion that has further fuelled the mistrust in government and made them suspicious of the government’s activities and motives. However, when I asked them to prove it, they could not. They mentioned a few examples but I replied by making a case for the government and giving countering examples. I did this not to support the government but to question this notion and find out how deep rooted the notion is within these individuals. I observed that ethnicity plays a major part in the lives of people and that this also extends into business dynamics in the Nigerian context.

Mistrust does not just happen; it actually builds up, and this comes about due to a reoccurrence of failure or disappointments. In another interview, a business-owner who is a new entrant into business in Nigeria said, “things do not generally work in Nigeria”. His business is new and he had initially schooled and worked in England for some years before deciding to set up his business in Nigeria. He said that he could only get a speedy government approval with the intervention of his father’s contacts in government. This intervention, he said, he would not have called upon if things had worked correctly. I questioned his idea of “correctly”, and asked whether he was comparing it with what he had experienced in England. He said that this was not the
case, but his expectations were hinged on promises and statements from the government. The result of these constant disappointments is mistrust and the result of this mistrust can be something much worse. This is an excerpt from one of our conversations:

“I don’t know what the problem is really. There is no infrastructure whatsoever; everybody in government just wants to loot and leave. I have told my dad to contest for a senatorial post; let us eat in the national cake. It is as if they do not want businesses to progress. Banks are not ready to loan you money; have you heard what Jason said about getting an overdraft? Imagine a guy like that not getting an overdraft from the bank. Then the government will come with their go-slow mechanism; those junior staff wants you to oil their hands for jobs they are being paid for. Do I even blame them? How much is their salary? Then they see what their bosses are making; why wouldn’t they behave like that?” (Akin BO2).

This interviewee used some interesting phrases: “eat national cake” and “oil their hands”. He further explained that the treasury of the economy is the national cake and then suggested that his father should contest for a political post, so that they could “eat in the national cake”. When I explained to him that this is exactly why he was complaining that things do not work for businesses because public servants and politicians loot money, he replied, “As the saying goes, if you cannot beat them, join them”. He went on to challenge me on the thinking of Nigerians, “I challenge you to ask the next twenty people you speak to, if they would like to join the political government to steal some money”. We laughed about this statement, but before leaving him he insisted on the challenge and asked that I get back to him. The next twenty respondents I asked actually all said something similar. He explained that “to oil their hand” means to give the government staff some money to motivate them into action, which I call a bribe, he disagreed and insisted on calling it oiling, mobilization or motivation. Here is his distinction, he insists that for people in lower positions, collecting kickback is not a bribe, because they are poorly remunerated, their pay is often delayed and this mobilization serves to alleviate the difficulties associated with their low pay. Meanwhile if the people in higher positions collect this mobilization that is when it can be termed bribe. This is similar to what was discussed in the previous section, regarding how seemingly negative actions are excused and pardoned because of an understanding of an individual’s economic situation.
The interviewee also highlighted the infrastructural issues. A number of researchers have highlighted the prevalence of inadequate infrastructure in Nigeria to support businesses and with this issue comes the resulting increase in the cost of doing business. One of the major infrastructural deficiencies, which the government is working to improve, is the electricity situation in the country. The government has embarked on neoliberal deregulatory policies in the industry. A privatisation exercise was conducted among the electricity generation companies (GENCOs) and distribution companies (DISCOs) in the country. The citizens have lauded this first step, although suspicions have been raised. The eventual success of this exercise lies with the citizens, in that they are the final consumers of the electricity to be generated. So much lies in the hand of the citizenry who are the eventual consumers, but scepticism is sometimes expected when the government introduces a novel idea (Poortinga & Pidgeon, 2003).

I noticed a lack of confidence by the people in the government being successful in this endeavour; instances were also cited of the government’s failures in the past. I will present a narrative suggesting this. I encountered a business owner who, although fully aware of the government’s current effort to provide electricity, still wants to expend some investment in generating it privately. I reminded him that the power distributing companies have been privatized and that the electricity situation would soon be better; therefore, it would be no use investing in such a project. He replied that:

“The government still owns a percentage of the power generation companies, and I know they will fail in the generation as they have always done and there will be nothing left for the privatized companies to distribute to us, so we better take things into our hands and provide for ourselves” (Chris BO5).

While this is an on-going project, I encountered some other smaller businesses that have gone ahead in executing theirs. This interviewee owns a business centre and for business centres electricity is key for the functioning of their business. This business is a place where people come to browse the Internet, make photocopies, and prepare office documents. Located next to this is another business centre. They both generate electricity privately with a mini power generating set; they are rivals. In December 2013, they both concluded plans to buy a bigger generating set that would have the capacity to power both centres. I drew their attention to the government’s effort to
improve the electricity situation; they both stated that they do not care. Richardson in particular laughed very hard and said:

“Do you want me to wait for the government? That would be the biggest mistake of my life. You should have seen this picture.”

(He brought out his phone and showed me a picture that has been circulated widely in Nigeria.

A newspaper with the headline “NEPA NO MORE BLACK-OUT 1986 Deadline”.

NEPA is the abbreviation for National Electric Power Authority. The authority was promised to end black-out as far back as 1986. This was 2013 and the blackouts were still constant.

He then asked me, “my brother what year are we now? Waiting for the government is an invitation to death” (Richardson BO24).

Since February, they have both been running on the same self-funded electricity generating set and they say that this synergy has reduced their daily costs by half, although it is considerably more expensive than if they were connected to the national grid. The reaction of laughter by the respondent to my explanation when I enlightened him about the government’s effort and initiative, and him further showing me a picture that is in circulation that pokes fun at the government conveys a message about the level of confidence that the citizenry has in government initiatives.

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8 NEPA (National Electric Power Authority): was the organisation charged with governing the use of electricity in Nigeria.
This is not to say that this is the position of the majority of the people. I did not get to speak to any representative of a manufacturing firm for the basis of this research. This shows that even though the government could embark on initiatives and policies that would bring about economic development, there is a possibility of resistance. All of these interplay amongst the lower cadre of people who constitute the majority of the population in Nigeria show that there is a lack of confidence or a general mistrust in the abilities, motives and operations of the government.

The existence of this mistrust in government is most of the time transferred to government initiatives and policies. One of the policies introduced by the government in 2006, was micro financing to combat poverty and bring about economic development and growth. Eight years down the line, scholars and policy makers have identified reasons why this is either failing or may have possibly failed in Nigeria. In conducting my research on understanding how business works, I deemed it necessary to pay attention to people’s thoughts, perceptions and interactions with the government’s micro-financing policy and more generally, with the banking institution.

5.4.1 The Microfinance Economic Initiative

As discussed in chapter two, access to finance is a necessary condition in order for small businesses and start-ups to flourish. The banking institution is seen as the body that can address this. But for years, this has not been successful; the rate of the unbanked is high and there is a general mistrust issue between the banks and businesses. Individuals do not trust the motives of banks, while banks do not trust some individuals and businesses, to pay back loans that are granted to them. Hence this has created challenges for businesses accessing finance across the country.

The Nigerian government’s approach towards addressing this problem especially for those in the informal sector and small and medium scale enterprises owners was for the Central Bank of Nigeria (CBN) to introduce the Microfinance Policy Framework in 2005. This was to enhance the access of micro-entrepreneurs and low income households to the financial services required to expand and modernize their operations in order to contribute to rapid economic growth (CBN, 2011). However, the research showed that actors in this economic space had a sense of mistrust for the
microfinance banks and the economic initiative. This is a tale from a respondent of mine. He said:

“…brother, they (referring to Microfinance banks) are a big scam, trust me. I will look elsewhere for funds to expand my business. I actually had a situation with a supposed MFB staff member. He said that he works for (name withheld). He said that the interest rate on my loan would be 10.5% and I would deposit a 25% equity contribution. And I would have to pay the 25% before the bank granted me the loan. I had raised some money for the equity contribution but I could not meet the rest; so I decided to walk into the bank to see if they would understand and renegotiate, only for me to find out that no facility like that existed in the bank. I was being defrauded. So I played along with the staff member and told him that I could only raise 19%, and because of this I would not be able to continue with the transaction. You won’t believe it; this guy kept on calling me and telling me to bring the money. He said that he would speak to his manager. When I said that I had spent the money I had saved, he still said I should bring any amount I had, and that he would speak to his manager. At this point I knew he was a fraudster. I just cut contact.” (MR12)

I told the respondent that he had fallen victim to a scam and that the bank itself was not fraudulent. He said that the nature of their operation and regulation had made it possible for scammers to infiltrate the industry, which was all the more reason why they could not be trusted; safety is not guaranteed he insisted. Although influenced by another experience, the respondent referred to the microfinance bank as a scam, echoing a perception I also observed about retail banks being ‘thieves’.

More importantly I believe is the low patronage level of this economic initiative by those it was designed to cater for. Since this is a policy predominantly targeted at the majority of my respondents, I expected them to have a good idea about it, but that was not really the case. One particular respondent had spoken at length about the failings of microfinance banks, but when I asked him if he had ever conducted a transaction in a microfinance bank his reply was:

R: “The truth is your money is not even safe with normal retail banks, let alone microfinance banks, so what am I doing with them?”
Q: So are you saying you have never used the service a micro-finance bank?
R: “Categorically, that is exactly what I am saying.”
Q: So what has informed all you know about the failings and practices of the banks?
R: “There is information readily available out there. Although a friend of mine who encountered them told me, and this made me do further research”
Q: If you don’t mind me asking, I am just curious, how did you get to do further research without going into the bank?

R: “(Laughs) the voice of the market is louder than the voice of an individual.”

(At this point he sees a business owner he knows walking past his store and beckons to him) “Una, what do you think, my brother here wants to start a business and he wants to take a loan from a micro-finance bank, which one should he go to?” (He asks the question with a serious expression on his face and seems genuine.)

Passer-by: “Micro what!! Is he new in Nigeria or doesn’t he know those people? You better leave those micro-finance people and go and look for money elsewhere; those people will not give you money.”

R: “Thank you, (now facing me). See what I told you, everybody knows those people are not serious” (Boma BO36).

There were complaints of unreasonable terms and unsuccessful applications from those that had tried to access loans from micro-finance banks. Although a few of the respondents had approached micro-finance banks for loans, none were successful. Furthermore, none of them were willing to consider micro-finance banks as a possible source of finance any longer. Here is one respondent’s experience of trying to access credit:

“I applied for a loan of Four hundred thousand Naira (£1,300) from this jokers and guess what… and to be fair to them they gave me a reasonable interest rate compared to the others but by the time I got the terms of the loan for signing, I was told I had to repay Seven hundred thousand Naira (£2,280) in a year. That is a crazy interest rate don’t you think? I should pay back almost double in the space of a year. They are not even giving the business enough time to flourish” (Chioma BO42).

This unsuccessful applicant used the word jokers when referring to a micro-finance bank, depicting the operation and activities of the bank as something not to be taken seriously. He went on to explain the terms of the loan he was offered, saying that the only reason he did not continue with it was because the interest rate was too high for him to keep up with. Another respondent, in this case a former employee of one of the banks, whose application was unsuccessful, gave an insight into whom microfinance banks would like to loan money to. While he was an employee at a bank he applied for a loan with a micro-finance bank, which was successful, although he stated that, “it was like a salary advance’. Based on this experience, he decided to go back to them and request a loan for his start-up. He stated:
“I do not understand those people, why are they even in existence? I provided every document possible but you won’t believe… I was told to join a cooperative society before they would give it to me. I went (name withheld) for a loan of N1.2 million and I was told that I could not get more than N100,000. Are they alright? I thought I hadn’t heard properly… probably I wasn’t paying attention. They then suggested I should register with a cooperative society… then as a society we should come for the loan but that the maximum amount they would be able to give us as a society was N500,000. Can you now understand why I say they should not be in existence? I ask for 1.2M, you say I should go and join a society and come, but the maximum you can give is still 500k. What’s the point?” (Wale BO19).

Wale’s experience shows that this bank might actually have a preference regarding those they grant a loan. And for them this is a way to mitigate possible risk. My conversation with a current micro-finance bank employee corroborates this position. He said:

“We give loans regularly for both business support as well as salary earners who need money before their salary gets paid. The truth is, looking at it, we would prefer to give out more loans to salary earners because they have a confirmed source of income and we know our loan is usually short term. They will easily be able to pay it back and we can turn over the money quickly” (Kam BS11)

According to the act establishing microfinance banks, their target clients include economically active low-income earners, low-income households, unbanked and underserved people, in particular vulnerable groups such as women, physically challenged, youths, micro-entrepreneurs, informal sector operators, and subsistence farmers in urban and rural areas. But from the responses during the interviews, it seems that the banks have decided to focus on a certain group in order to minimize risk.

Also respondents did not see microfinance banks as different from retail banks. There is a perception and rightly so that majority of time they function as retail banks. Respondents say they do not understand why microfinance banks have luxurious looking branches, and fleet of executive cars. Although, there exist a misconception in their operation among traders:

“They are very proud, imagine they do not want to come and be collecting cash from us in the market, if we want to make deposit we have to go to the bank. Before they use to come and collect money from us and sometimes they use to have kiosk inside the market just beside those tax people where we can deposit
our money with them, but when they had more money, they closed it up. Whereas, our cooperative collectors come and collect money from us in our shops. All these fine fine (repetition hers, meaning beautiful) buildings that is why we cannot put our money with them, they will use it to buy more fine buildings.” (Ope MT22)

This is a misconception; the Central Bank of Nigeria in 2009 mandated microfinance banks not to collect or receive cash deposits other than at cash centres or branches. Therefore, previous stalls or shops that existed in the market place were converted into customer interaction centre also called meeting point as required by the government and deposits and withdrawals are not allowed at meeting points. This action is not appreciated by the traders and seems to put a distance between the traders and the bankers. This respondent particularly highlighted his preference for cooperatives that are still permitted to collect money directly from members in the market place, making their activities more relatable to individuals at the bottom of the pyramid.

Out of almost seventy respondents consisting of business-owners, shop-owners and workers, apprentices, customers, informal sector operators, and passers-by, only twenty-six had been into a microfinance banking premises, one of whom works in a microfinance bank more telling is the fact that, none had actually accessed finance through the initiative. It is ten years since microfinance policy was introduced in Nigeria and within a two miles radius of Allen Avenue there are a total of thirty-six microfinance banks, serving the commercial district of Allen Avenue. Many of the respondents see microfinance banks as no different from retail banks and doubt their motives for operation and their viability. They rather prefer cooperative societies, which is discussed in more detail in chapter six.

The microfinance banks were setup to provide access to credit; however, this section highlights the failure of the initiative. Individuals and business-owners perceive microfinance banks in relation to access to credit and why this perception has somewhat fuelled the failure of this imported policy. If the government had chosen to understand and develop the credit system so that it works for businesses in this sector of the economy, it would probably have developed a different microfinance policy to that adopted.
5.4.2 Retail Banks, Trust and Loans

The perception towards the retail banks is not very much different. The phenomenon of mistrust in the banking sector is not peculiar to Nigeria. A general distrust of banks is prevalent in developing countries (Andrianova et al., 2008). One of the key observations in this chapter is the mistrust exhibited by individuals, not just with regard to the banking institution but also in relation to their own primary bank - the one they use. You would expect that since individuals have the right to choose, they would choose a bank they can trust. Trust is a key factor when depositing money (Singh and Sleger, 1997). But we see situations where individuals do not trust their banks. While talking with an accountant and another member of staff of a particular business, the accountant received a text message from the bank, alerting him of a transaction (it was COT transaction for the month, the bank’s Commission On Transactions). The accountant voiced his disgust:

“These people have started again; they have started deducting out of our money”

To which the other staff member replied: “They are thieves, what do you expect?”

(Aba NR1)

These comments and reactions show the way in which the bank is perceived; an account they signed up for, more so a legal transaction. In order to ascertain whether this was a general feeling they had toward all banks or just towards that particular bank. I asked:

Q: “Why haven’t you guys changed your banks then, if this one is not performing as you would prefer”. The accountant replied, “Forget that idea, they are all the same! Let’s just say, they are the best thieves of the lot”

Q: But why are you referring to them as thieves?

R: All of these COTs they are collecting don’t make sense; it is too high. All these charges for deposits and withdrawals - to me it is just thievery (Aba NR1).

This conversation gives an idea of the perception that people have of banks in general. The second respondent plainly called the banks thieves. In my follow-up question, I deliberately refused to use the word thief (as used by his colleague) but rather, I described the situation by saying, “not performing as you would prefer”. However, the accountant responded by also referring to the bankers as thieves engaging in thievery and he further categorized all banks as the same. Then I inquired further:

Q: So tell me more sir, why are the banks thieves?
A: I guess you were young then, but between 1993 and 2004, many of the people lost their money. Several banks failed, trapping our money. Meanwhile their owners went free without any punishment. Look now, their operation just stinks of greed. They do everything possible to get you to deposit your money, but after that, to get your money back is not easy. Too any rules, too much deduction. They feed off us. From the little we have, they mount all these silly charges. To cap it all, getting an overdraft or loan is near on impossible. There is a common village proverb that goes, “To be avoided is the one who always collects without giving” (Aba NR1).

These observations point to three factors regarding why banks are not trusted, as the other excerpts will show. Firstly, there is a lack of trust due to previous bank distresses over a period of time. Secondly, the banks mode of operation is: easy to deposit but difficult to access and the consistent charges. Thirdly, there are traditions, traditions that are both local and religious traditions. Another respondent, a female clothing seller, made a similar statement. She does not deposit her daily cash revenue in the bank; she feels that there is too much of a bottleneck in accessing her money when she needs it. Most of the banks have a daily maximum withdrawal limit due to the recently introduced cashless policy by the government. So she prefers to hold-on to her cash, until it becomes a large sum. She stated:

“I wonder why accessing my money is difficult. It is as if it is not my money, (calls the name of the bank) and the government want to be holding onto it, right? They will be charging you unnecessary fees for every transaction; this is one of the reasons why I do not like keeping my money in the bank. They are making money when they did not work; then if you ask them for a loan, they will bluntly refuse, as if they do not have my money.”

Q: Have you ever requested a loan from your bank or any other bank?
A: “No, but everybody knows they do not give money. My husband even says it most of the time. God forbid that I collect a loan from them myself!” (MumP BO21).

In this excerpt the respondent clearly voices her displeasure with her bank and she gives a few reasons for this. One of these is the difficulty in accessing her funds as and when she needs them, and also the belief that banks do not lend out money. The respondent also stated that the banks are “making money when they did not work”, an expression used to describe a thief, which also corroborates the perception of the previous respondents who openly referred to their bankers as thieves.
I noticed generally amongst the respondents that there was a perception of suspicion towards the motives and operations of retail banks. I also noticed that there was a lack of confidence from some business-owners in relation to accessing loans, as (MumP) highlighted. Based on her other experience, her husband’s testimony and possibly many other factors, her phrase “God forbid that I collect a loan from them myself!” suggests that she would never collect a loan from the bank. However, her perception was built on hearsay. A new business-owner that I interviewed shared his experience in setting up his consulting firm.

**Q: Did you consider the bank as an option for raising capital for your business?**

“No-one can get a loan from the bank except if you are Dangote or Adenuga, or a big company, so I didn’t even consider it at all.” (Dangote and Adenuga are the two wealthiest individuals in Nigeria, worth $26 billion and $5billion respectively according to Forbes Magazine 2014).

**Q: What are you basing your opinion on?**

R: I know many people that have tried the bank… even from the way the bank treats its customers. You know they are not interested in giving loans to entrepreneurs like us and don’t forget my wife worked in a bank (Tope BO27).

Tope’s and MumP’s statements echo the feelings of most of the business people and individuals that I spoke to. But what was most striking to me from most of the respondents’ statements is that it seems that their opinions are based on hearsay and not necessarily on first-hand experience; this echoes a bandwagon effect. It gives an idea of how information is passed around and also the most effective channels through which information is shared. The analysis also found that opinions are mostly pre-determined by the group. According to Hofstede (1994), this is a further indication of individuals in an economic space existing as a collective.

Although it was not entirely impossible for all of my participants to access loans from retail banks. One participant told me of the ease with which he was able to access a loan based on his relationship with a staff member in a managerial position. He said,

“I was able to get a loan and what I did was to maintain a strong inflow and outflow in my account for three months. Then I parleyed (meaning: made very close friends with/personal relationship) very well with my account officer and after that I took my loan request and he pushed it through for me.” (MR6)

The trust on the basis of which the bank was able to grant this respondent his loan was based on the enthusiastic efforts of his account officer. Other factors might also have
played a part in the success, but the respondent credits it to this. While relationship management worked for this participant, it does not always guarantee a successful loan application. For example, one new business-owner had just relocated from England; he carefully selected a bank after doing some research and he also maintained a strong inflow and outflow, not dropping below One hundred million Naira (£325,600). Because of this, he had a good relationship with the branch manager of the bank. After almost three years of the banking relationship, he requested for a Ten Million Naira (£32,560) loan to start-up a business. His loan application was denied. He said:

“I was very surprised, because the bank could clearly see I had money in my account, and in the last few years they had treated me as if I was their only customer, buying gifts for me on my birthdays, visiting me when my wife delivered our third child and many other things. The reason they gave was that I did not have a guaranteed source of income or secured employment. Needless to say, I moved my money from the bank that week. I finally got my dad to borrow me the Ten Million Naira (£32,560) for me without interest. I would have preferred not to go down this route, but I eventually had to” (Akin BO2).

Credit and loans are all about trust; banks need to trust individuals or businesses before they can extend a credit facility to them. So while there is a lack of trust with regard to the motives and operations of the banks by businesses and individuals, there is also mistrust on the side of the banks towards businesses and individuals, due to the fear of failure to pay the money back, which explains why one MFB employee said, “…we would prefer to give out more loans to salary earners because they have a confirmed source of income...”. Although this might not be the management’s position of the bank, it is indicative of the reasoning within the bank.

While conducting another interview with a member of staff in retail bank, he explained why trust is necessary and how they go about ensuring trust in order to facilitate access to credit. I told him about people complaining about not being able to get finance from their banks, and the general feeling on the street, which is that people have lost hope in getting finance from the banks. He confirmed that banks do not really lend to SMEs because of the high risk of financing them, their poorly
articulated business plans and their inadequate loan collateral. He listed issues that cause mistrust on the part of the bank. He said,

“…for example, some entrepreneurs come to request finance but do not have statement of account; they keep no accounting records. A lot of their current transactions don't go through the bank system. They carry out most of their transactions in cash and sometimes they use the proceeds to buy liabilities like cars or something similar. How do you expect me to grant a loan to people like this?

Another regular occurrence is that… you will be surprised by the number of people that walk through our doors to request loans without thinking about how they will go about their Return On Investment. Also, the short-term nature of funds held by commercial banks in this country means we cannot just lend. We cannot throw our depositors’ funds anywhere. We are not business angels, venture capitalists or hedge funds that throw away money and hope to make it back. We do not do test experiments here; we take calculated risks. We must be certain to a good extent of the business entity or the individual and of the business operation itself.

The people we do not grant loans to hardly ever separate business from personal. They do not have audited financial statements, which is necessary; this states a true and fair reflection of the business. If they want to get a loan, they should build a structure by banking all their proceeds from the very first day. They should invoice all their sales (transaction); if possible they should have a contract that guides all dealings” (Mik BS14).

This is all very important because it illustrates where Western expectations of what 'proper' economic behaviour is - sanctified in accounting practices - meet the realities of Nigerian economic practice. The points highlighted by the respondent I experienced on the streets of Lagos; there is a constant mix of business and personal and very poor financial management. That poor financial management is common amongst the majority of the people is not a surprise, but how are these common factors taken into consideration when formulating microfinance policy or any other poverty reduction policy? Also, more importantly for this research, is how businesses achieve sustainability in the absence of proficiencies such as financial literacy.

In 2011, five years after the microfinance policy was initiated, the Central Bank of Nigeria revoked 224 operating licences (CBN, 2010). Two years after that in 2013, the CBN again revoked a further 83 microfinance banks’ (MFBs) licences (NDIC, 2014). In January 2014, headlines in the news and in newspapers speculated that 600
MFBs were in danger of their licences being revoked out of a total number of just over 800 MFBs in the country. And if this is the situation for microfinance banks, which were established to grant credit to small businesses, and mistrust exists in the financial institutions as discussed above, how then is the access to finance quagmire to be resolved? Mik pointed us in one direction, by saying:

“...banking should not necessarily be the first port of call for financing a business. Banks love to help, but they need to be sure their money will not go down the drain. So, get some funding from somewhere else; if we see that you have demonstrated credibility in a specific area, you got money from someone, a cooperative, a funding organisation, an angel investor, then we are more willing to come on board” (Mik BS14).

I was therefore interested in finding out how businesses raise credit in Nigeria to finance their business ventures. Although chapter four has covered some sources of finance, chapter five will cover other sources of finance discovered on the field. Evidence show the most important sources was cooperative model of financing.

**Summary**

This chapter reveals the degree to which economic activity is complemented by non-economic institutions such as family and religion. Trust we see is a key ingredient in business, which is implicitly embedded as part of community. As with any other business setting, the study observed that in Nigeria, businesses face a myriad of challenges in their daily operation. Challenges such as enforcing the rule of law and fraudulent practices; staffing needs (recruitment, luxury of conducting background check, work ethics and work place dispute); creditworthiness and many more. To address these businesses have had to utilize and rely on personal relationships. The analysis reveal that the people at the bottom of the pyramid believe the police only serve the rich or will only respond to them after parting with a sum of money called ‘mobilization fee’ and are therefore disenfranchised in reporting malpractices to the police. In confronting this, personal relationships is leveraged upon as a way of tackling some of these challenges and also show the mechanisms by which trust is deliberately established and maintained. The key discourse here is ‘traceability of the root’ and so some other criteria in employment include employing people from their community, which in this sense mean, people from the same hometown, of the same religion, living in the same geographical location.
Apart from the necessity on the part of business-owners to use family members and kinsmen as key staffs in order to tackle this security and staffing challenges. We found that, there exist the culture of ‘bounded responsibility’ to employ family members. It is believed that at attainment of certain level of financial comfort, the individual is obligated to also assist a member of the family to also attain some level of comfort. Financial comfort this study reveals is defined by superficial means by elders of the family. Of which failure to help attracts social sanctions. This culture of employing family and kinsmen also reveals itself in another way. The culture encourages nepotism, and this is evident in the principles that make individuals obligated to employ relatives or kinsmen. It is these same culture that informs and encourages people in position of power favour their relatives and friends. Of which the citizens do not appreciate this. This they say is the major reason for corruption in Nigeria and has subsequent lead to people mistrusting government.

The findings have shown this mistrust of government has led to less embrace of government’s economic initiatives. There is the belief that the various initiatives will only favour those that are connected with government officials hence the less the favourable reception of the microfinance initiative. Asides this, the findings also reveal individuals are bounded in communities and relationships, and when it has to do with money, this relationship plays a key role. In order for people at the bottom of the pyramid to save money with institutions they expect to have regular informal interactions. This they believe portrays the institution as humane. Therefore, as discussed above, the CBN’s requirements in the operations of cash centre as regards money exchange removes the informal setting and makes it more difficult for this class of customers to build trust because of the formal structure.

The formal operations of microfinance banks seem like an invisible barrier between microfinance bank and potential customers, hence their attraction towards the informal cooperatives and peer-to-peer lending which is discussed in the next chapter. The findings also show that microfinance banks do not trust the entrepreneurs to repay loans, and therefore have chosen to channel their funds into financing a different class of customers outside their initial scope such a salary earning formal employee who they are certain would pay back loans. The analysis in general reveals
the connectedness in a community, where personal relationship is used as a system of establishing and maintaining trust.
Chapter Six: Mechanics of Business

6.1 Introduction
The discourse of the last chapter focused on how businesses manage the systems of establishing and maintaining trust and credit worthiness through the personal relations developed. In that chapter we observed instances where subjective factors such as family, morality and age, in no small way, had an impact on how respondents managed their businesses. In this chapter, the researcher focuses on the social contexts in which respondents’ economic actions take place. Through an analysis of the interviews with individuals in businesses, this chapter explores the understanding of business. In the interview with business-owners, one of the questions asked was; how do you define business? Or can you explain to me what you mean by business?

The chapter begins with the discourse surrounding what constitutes a business in Nigeria, since almost every respondent interviewed claimed to be a business-owner in some respect. Therefore, I investigate and understand how the term “business” is defined in the lives of these individuals by exploring how they talked about business and what it means to them. The second section discusses the social dynamics surrounding the economic action of pricing; it will look specifically at the constant contrasting decisions that sellers have to make in determining which is a priority to them, Cash-At-Hand or Profit Sale. After this, I will discuss the involvement of religion and financial literacy, and I will then close the chapter with concluding comments, based on the arguments presented.

6.2 Defining Business
One particular evening while reflecting on my field notes, I picked up on a theme; all of my participants up until then claimed to be businessmen or stated de facto “I am into business”. I had interviewed twenty-three people as at then, and in my thinking I thought I had carefully selected my interviewees amongst traders, small business owners, small firm and big organisation employees. But here I was noticing that all of them referred to themselves as business owners, businessmen or “into business”. Then I continued my interrogation by asking “And what do you mean by business?” I began to understand how business as an economic activity is understood on the street.
It is seen as any activity that generates (makes, brings) “money” in cash as opposed to a credit sale for maintaining a living. A loose interpretation of the most common definition from the words on the street was “anything that brings in money, as long as it is not a salary for my sustenance”. In my analysis, I will explain how this definition is arrived at. I will also explain how this definition further influences another key business practice, which I call “Profit Sale vs. Cash-At-Hand” which ensures the flourishing of cash economy, and also shows the stigmatization of institutional credit financing.

In understanding how businesses work in Nigeria, I thought it necessary to explore the understanding of “business” from perspective of those at the bottom of the economic pyramid. This will become clear in the following analysis of the transcripts of the interviews, in which the interviewees talked about what they do and answered simple questions regarding whether they are business owners and what business means to them. Take the example of the following quote from an interview, in which the interviewee talked about what business means to him.

Q: *Since you say you are an entrepreneur, how then do you define business, sir?*

The first thing I learnt as a young Igbo boy in Aba was that we Igbos are born to be enterprising. The second thing we learnt was that business is what makes you money. What puts cool cash in your pocket! In short cash equals business.

Q: *So you mean if I give you cash now, this is business (laughter)?*

Oh yes, that is the business of talking and listening. A young man listening to an elder’s words of wisdom, wisdom for ear (sic) cash for pocket (Laughing). This was the first thing I learnt growing up. If in my shop now I have four stabilizers and you come and tell me now you will buy the four and pay me at the end of the month, while another person says he wants to buy two at cost price and pay me now, I will sell to him rather than you. Your deal is not business; his deal is business to me. Do you get what I mean? (Inn BO9)

This interviewee owns a chain of electronic stores and has been in business practice for over twenty years. For fourteen of those years he has been in the electronics trade on Allen Avenue. In his own words, as can be seen in the excerpt, he defines business as anything that makes money and he actually narrows it down to cash; by saying “What puts cool cash in your pocket!” and “cash equals business”. Even though I explained to him that credit means cash at a later date, which he agreed with, he still
did not subscribe to this view; this can be understood from the illustration he painted above. Where he chooses to sell his goods to someone that is ready to buy two of his stabilizers at cost price with immediate cash payment rather than to an individual that is ready to buy the four stabilizers at selling price but on credit. Later on during our discussion, I asked him why this was so and he said:

“We both know credit would not buy rice or garri for my family; how do you want me to tell the seller? Someone owes me one thousand Naira (circa £3.25), give me hundred Naira (circa £0.32) garri, when he pays me, I will pay you. Now let us think of him, if he wants to buy something, will he now say someone owes me N100 (£0.32)? Where does it stop? Nigeria is a cash economy; we cannot copy the oyinbo (western) people. Everyday there are several purchases to be made; the majority of those we are buying from do not even have bank accounts. This is just one side to the story. What about the part where people are untraceable? Our parents were wise when they taught us to do business this way. They also taught us to be content with what we have; why buy what you cannot afford? You become a slave to the seller” (Inn BO9).

The interviewee anchored why he sees businesses as cash, on a number of reasons ranging from practicality to morality. He started by explaining that most transactions conducted in Nigeria are still mostly cash-based, coupled with the frequency of daily purchases. Also, he highlighted that there are some expenses that are incurred daily, which can only be paid for in cash, for example transportation, airtime, fuel and food are daily costs that are paid for in cash. In thinking about these daily expenses, it is therefore a necessity for him to have cash and not make credit sales, which could jeopardise his future income. Furthermore, from his response we can also see that he sees the credit system as a western idea. This is in line with what his parents taught him, that the credit buyer is a slave to the seller, thereby stigmatizing the system and that rather, they should be content with what they have or can afford. This will be discussed in more detail in another section of this chapter. In addition to the reasons the respondent gives above, he mentions the security concern of not being able to trace someone who is granted a credit sale.

It is important to keep in perspective that this conversation started from the question “how then do you define business, sir?” This interviewee alone raised a few themes that are worth further exploration: that business involves transactions in cash and the necessity of cash for minute purchases for daily living; that the credit system is a
western system; and that due to the difficulty in tracing buyers who default in the credit system, it is not an appealing business arrangement. He finally mentions moral teachings by his parents of the need to be content with one’s current means.

If we assume that the above respondent is someone at the bottom of the economic pyramid, it would be interesting to find out how an individual that owns a growth oriented firm defines business. Below is another excerpt from an interview with the owner of an IT firm, and was trained in England. He talked about what business means to him.

Now that’s an interesting question, I have had to do some redefining myself; so do you want the dictionary meaning, what I learnt in school or do you want what I have learnt so far which I’ll call the Nigerian definition? (Laughs)

Q: Please feel free to tell me about all of them.

This is what I now know; business is any activity that generates current and not future income. While I lived in London, I had a good idea of what I wanted to do and how I wanted to go about it, but I’ll be honest, Nigeria has shocked me. Maybe shocked is not the word. I relocated with my family; believe me, after one year I had to send my wife and kids back. Business is any trade or occupation or profession you are involved in, which is very true, but the only add-on here is that, money speaks. I mean, cash now now (his repetition for emphasis).

The point is that business in Nigeria is about money, and mind you when I say money, I mean cash. Why am I an entrepreneur? In order to feed my family, for survival; that is aside from the fact that I am meeting a need. Based on this, I have learnt you need cash to go about your daily activities. Also there are very few POS machines for card payments, and I do not even trust the safety of using my card over here, which further compels one to keep and spend cash (Akin BO2).

The way in which the interviewee started his response is noteworthy. He says he has “had to do some redefining” himself then asked if I wanted the “dictionary meaning”, what he had learnt in school, or the “Nigerian definition”. He is obviously of the opinion that the meaning of business in Nigeria is different from how it is actually known in other parts of the world. From his response we can see that the distinguishing factor with regard to the “Nigerian definition” is the necessity for instant cash, which corroborates the earlier respondent. I noticed that just like the previous interviewee, this interviewee’s answer regarding what business is drifted from the activities involved in it towards the fact that Nigeria is a mainly cash-based economy.
Obviously business is about making an income, but the understanding from the above responses highlights in what form the income is preferred in Nigeria. Also the interviewee linked the cash-dominated system to infrastructural deficiency in terms of a cashless system and also the deficiency in security that is associated with this system. In another situation, I struck up a conversation with a passer-by on Allen Avenue, in between our conversations. I stopped him, gave him more detailed information about what I was doing, and asked if I could use his responses in my research. I played our conversation back to him and he agreed. This is an excerpt from our exchange:

I am an entrepreneur and if you look at it you will notice almost everybody in Nigeria is actually an entrepreneur.

**Q:** Oh really, it’s nice talking to you; what business do you do?
**Me:** I’m a teacher at a school but in the evening and mainly during the holidays I am a lesson teacher; this is my own business.

**Q:** So your main business is teaching specifically lessons but you are employed as a schoolteacher on the side then?
**Me:** Something like that, I’m at school from 7am to 4pm, then do home lessons for 2 hours each day.

**Q:** Do you do this because you do not like being idle or for the love of teaching?
**Me:** See this man oh! You need to work to live, but in Nigeria you need to do business to live. What we get paid is never enough and our salaries could sometimes be delayed for except if you are working for all these big companies; if not, you need a business on the side for survival. Man must live! Man must eat!

**Q:** Interesting, so what do you define as business then?
**Me:** Maybe I define business as any activity whatsoever one does to survive.

**Q:** Talking about your business, how do you get paid or when do you get paid?
**Me:** I collect my money per lesson, although I have some clients that pay me every two weeks. My salary comes at the end of the month; there is no way I can survive till then. I have to pay for transport from home to work, to the house where I am doing the lesson; you know how it is in Nigeria with all the fuel issues and the constant hikes in transport fares. So I collect my money after every lesson. (R33)

From this interviewee’s response we can understand that he sees himself as an entrepreneur ahead of being an employee, even though he spends more hours working as an employee and he makes more money as an employee. Regardless of this, my major focus here is that he defines business as any activity in which one engages to
survive. The word **survive** connotes struggle and hardship, which is also linked with his phrase, “*man must live! Man must survive!*” This meaning that he sees business as an activity that can bring an instantaneous result to enable daily living, which if viewed from another perspective may mean that credit sales will be ruled out. This links back to the previous respondents, who defined business as any activity that brings “cash”. Also, the respondent’s method of collecting money after every lesson is further evidence for the preference for cash over credit.

I decided to interrogate this theme further to find out more. When a group of people, popularly known as **area boys**, found out what I was doing and questioned why I had refused to consider them to take part in my study. A simple understanding of **area boys** is that they are similar to street urchins, mostly unemployed males who cluster in an area to attempt to extort money from people. However, this particular group, although they were referred to as **area boys**, had a different mode of operation and recognized it as a business. This is an excerpt from our conversation and an anecdote explaining what they do:

**Q:** And how is this a business, isn’t this even illegal?
**No,** this is not illegal at all, and we must survive so we improvise by meeting a need. They need us as much as we need them, without us these people’s car could be stolen or even broken into, so they are not doing us a favour and we are not doing them a favour; it is a business transaction. Boss… therefore this is a business. (Dele R7)

![Parking on streets off Allen Avenue](image-url)
Allen Avenue experiences heavy vehicular traffic and there are very few parking spaces. On-street parking is not allowed, as cars get impounded. There are a few streets off Allen Avenue where individuals can park their cars but the problem here is safety; cars are sometimes stolen or damaged. Herein lies the need for what the respondent and his friends were referring to as their business activity. The on-street parking in these places is a source of livelihood to some of those living in this area (not necessarily the owners of the spaces). There are groups of individuals, usually males, who levy a fee of two hundred Naira (£0.65) from those who wish to park their cars, and they protect these cars from being stolen or damaged. Sometimes these people claim to work for the local government; at other times they claim to be collecting the fee on behalf of the Alade Market Association (Alade is the name of the market in the area). Most of the time, this is false. I saw them sometimes split the money amongst themselves and at other times I saw them reserve part of the money for someone else (usually their leader, a community elder, or a local government official). This action gives a kind of legitimacy to their actions. This is why the respondent wanted me to interview him; his business activity involves a financial transaction, which has economic value.

In all of the excerpts presented above, which consider the definition of business across various categories: individuals in the informal sector, sole traders, microenterprise owners and individuals in growth-oriented firm, we saw that the definition of business given was this: any activity that yields income, but in this case, cash income is much preferred to “future income”, i.e. credit. There are a number of reasons for this; the most significant being that there seems to be the need for daily survival, as daily transactions in Nigeria are still heavily cash based. Furthermore, in Nigeria, a high proportion of the population remain unbanked, and credit financing is stigmatized. There is also concern around security that is, not being able to track people who request a credit sale and default on payment. Respondents expressed concerns with regard to security against fraud when using one’s card electronically.

While the cash economy in part can still be improved upon with government initiatives and policies, more work is needed in the area of adults teaching children and the younger generation. As most of the responses above show, in most places credit purchases are stigmatized as the debtor is seen as a slave. The culture in Nigeria
is one of respect for elders and the words of adults, and the mistrust of the government has brought about its subsequent failings, which makes the younger generation rely on and trust the teachings of elders. All of this has come together to determine how the majority of individuals define business and how it governs some of their business operations.

6.3 Price Determination: Profit Sale vs. Cash-At-Hand

Following on from the discussion above, I also observed some practices, which I term profit sale versus cash at hand. I first noticed this one evening while in a traffic jam on Allen Avenue. One of the street hawkers walked up to me and tried to sell me a windshield wiper, and we started haggling on the price. I had no intention of buying but the seller became persistent, so in order to ward him off, I offered to pay half-price but he was reluctant to sell. However, within the space of a few seconds he agreed to that price. Then I slashed the price half again and again, after a few minutes of hesitation, he agreed. I apologised and told him that I had no money on me, and he finally left. But this got me thinking, why did he agree to sell at one quarter of the initial quoted price? Was it that he had initially quoted a price with a massive mark-up? Was that the actual price? Or was he ready to sell at a loss? And then I tried the same thing with another seller and I noticed a similar action. With this observation, I wanted to find out whether this was a regular practice, and if so, why. Furthermore, was it only peculiar to street vendors or did other categories of traders also operate in this way?

I found that it was not only street vendors that did this. A few other categories of traders also practised this, and it stemmed from the fact that seller’s only preference is to sell the merchandise, even if this was at a loss, in order to have cash-at-hand for daily expenses such as transport, feeding and other expenditure. This observation mirrors the previous section, where business owners defined business based on cash activities in order to meet their daily financial needs. The following analysis of the spoken text helps to provide an understanding of the necessity of cash at hand over profit sales:

**Q: Be honest with me, how much did you buy the watch?**
I bought the watch for one thousand two hundred Naira (£3.90) and it makes absolute sense that I sell it for nothing less that one thousand seven hundred Naira (£5.53).
Q: But you just sold it for eight hundred Naira (£2.60), that is definitely a loss of four hundred Naira (£1.30) and we haven’t considered the cost of your shop and other expenses you accrued towards buying the watch, like transport to the place of purchase. How will you be able to replace your stock if you operate like this?

Have you asked me how I will eat tonight? Or how I will buy pampers for my daughter or even how I will get home tonight? Rent is still there, both shop and house rent. **We do not pray to sell all our stock like this**, but this is what we face. My wife and daughter will not **eat** explanation, and my landlord will not take an explanation as rent. So I have no choice; the important thing is that I make a sale everyday. **I cannot go home empty handed; then I will be seen as not being a man.**

**Q: Who is not going to see you as a man?**

If it was just my wife, I think I would be able to deal with that. But the landlord, my neighbours, our family… all of them will see me as a failure. (IK BO8)

The interviewee had tried selling at a seventy per cent mark-up but rather sold it at a thirty-three per cent loss after some hesitation. He gave his reason for selling at a loss as being because he had immediate financial needs, which included expenditure food, transport, the sanitary needs of his baby daughter and also the larger costs of house and shop rent. He stated that due to these needs there was a necessity for him to make a sale, even it was not a profit sale. Also, the interviewee stated that if he failed to meet his family’s immediate basic needs due to not making a regular daily sale, this would attract stigmatization from society. He said, “I cannot go home empty handed, then I am not a man”. This introduces the discourse of masculinity and portrays a society in which a man who is unable to provide for his family is stereotyped a failure. In order to avoid this label, it seems that he will do whatever he can to make a cash sale, even if requires him forgoing profit. A few other respondents also corroborated the dominant idea in this community that masculinity is only secure through a man’s ability to financially cater to his family.

Please buy from me; Tosin’s mum is already calling me impotent

(This was literally translated from Yoruba to English, and might therefore have lost part of its meaning. “Jor ra lowo mi iya Tosin ti n pe ni okobo”. Tosin is the name of his daughter.) (R16)

Here the seller is pleading with the buyer to purchase from him, saying his wife is already referring to him as impotent and he not taking money home to support his family’s needs would compound his situation.
You better come and drink something, you know you are not taking money home. (R2)

The respondent in this excerpt sells local cocktails that enhance sexual performance. She had this to say, while beckoning on one of the market traders who owns a neighbouring shop to patronise her trade. She later explains that, since the trader did not have a favourable day at the market financial hence not going home with substantial money, he should not fail in his next biggest responsibility of satisfying his wife sexually. These respondents have therefore shown the link between masculinity and financial provision, highlighting the importance of cash sale to business-owners, as it has to do with the societal expectations.

This is another instance of the constant dilemma that sellers have with regard to what is a priority to them: Cash-At-Hand or Profit Sale.

**Q:** But why do you want to sell at a loss. That is not good business sense, don’t you think?

Anytime I leave the house in the morning, depending on the situation, I know how much I must come back home with. So it is either I keep selling my stock at any price till I meet the figure, which is what I usually do, or I hold firm on my price. But when I see it is getting to 1:00 or 2:00pm and I have not realized much, I’ll just start selling at any price, profit or loss. It is really not my business at that point. The main thing is for me to realize that figure.

**Q:** So this figure you usually set, will it be able to restock your wares and cover your other needs or how do you arrive at the figure?

You know I told you I am a student at a polytechnic, and my current daily target is for me to meet my school fees. You won’t believe even in this hardship; the government has increased our tuition fees. Selling phone chargers is my business. I have been doing this now for 2 years, but restocking is not a priority to me now; my school fees are the priority. (Lemo NR13)

This interviewee is a street vendor who sells mobile phone chargers to drivers on busy street and he has been doing this for two years. He is a student at a polytechnic where he takes evenings and weekend classes. He is also confronted with the dilemma of either making a profit sale or any sale as long as it yields immediate cash and meets his immediate needs. He has developed a strategy in order to make decisions on sales. He either sells at any price, be it at a profit or a loss, until his desired daily financial target is met or, he holds out for a profit sale, and when it is getting late in the day, he starts selling at any price in order to meet his daily cash-at-hand target to meet his...
immediate needs. This dilemma is faced frequently and it is a situation that retail banks are well aware of. This is shown in the following excerpt from an interviewee who works as the head of SME banking in one of the retail banks in the country:

One of the challenges we have is what I call financial or business illiteracy on the part of SMEs. Most of them do not have the big picture of the business before them, and this makes them readily forgo sound business practice with regard to making a profit. They would rather sell at cost price or even at a loss because they want to meet their present needs. And you know this is definitely not favourable for us, and these are some of the challenges we face that hinder us granting loans to SMEs (Mik BS14).

The interviewee acknowledged the issue of cash at hand against profit sales, and stated that this is a major hindrance that prevents retail banks from granting loans to SMEs. He attributed this to financial or business illiteracy but analysing his response, he mentioned that, “they would rather sell at cost price or even at a loss because they want to meet their present needs”. Their “present needs” is the key phrase here, which links to the fact that business people make decisions based on the current prevailing economic situation in the country and the necessity of meeting their immediate needs. Thereby they require cash and therefore they may choose to forgo profit sales in order to have cash-at-hand.

6.4 Stigmatization of Formal Credit

Emerging from the discourse on how business is defined was the observation of a stigmatization of the credit system. Earlier on, I showed an excerpt from an interviewee, who while talking about how business works, stated that elders taught them to be content and that anyone that uses credit is like a slave to the seller. “They also taught us to be content with what we have, why buy what you cannot afford? You become a slave to the seller”. Furthermore, another interviewee said, “Nigerians do not like credit; that is just simply it and I have learnt that. They do not like to owe in any way, shape or form”. The following is an excerpt from a conversation with a female social entrepreneur:

Q: If you wished you would have started earlier. Why didn’t you seek outside investment?

“No way, that puts you in a position of disadvantage. I like to be self-sufficient, and that’s how I was brought up. I was not going to ask any bank, or any
organisation whatsoever for a loan; maybe from my family definitely yes. If that’s the case, I do not mind that it took me this long to start the business. I do not like borrowing; to me it is a bad thing” (Monu SE 35).

From this excerpt we can see that the respondent sees taking on outside investment as putting her in a position of disadvantage. She stated that this is how she was brought up, and she had a negative perception of the credit system. The respondent did not generalize and she rightly stated that this might be peculiar to her. But in fact there is a clear pattern of people not liking to borrow. However, behaviours and beliefs are picked up from the context in which people live; since a good number of individuals stated that they do not believe in credit then it must be that this is what is being taught in their society. This is confirmed by their statements; in which they say that this is how they were brought up.

In terms of this belief about credit, this is a similar excerpt from another respondent, although this interviewee was, at the time, looking to move into a bigger shop.

**Q: Why do you not just get a business loan?**

“God forbid! As long as I keep praying someone will just walk up to me and give me part or all of the money. I do not believe in borrowing; I do not want the bank to start controlling what I do. I will not be able to sleep at night because all I will be thinking about is the loan. I have seen what these banks have done to people that have failed to pay up, which was not a fault of theirs. At least with my business like this, I can sleep with both my eyes closed and wake up without any fear in me. But I think they can do better. When a bank lends you money, first they should give you enough time to pay it back; they should also have an officer attached to you as your advisor. That person shouldn’t act like my boss, but like my helper and on a monthly basis we’ll look at my spending and sales together” (Godwin BO 18).

The respondent starts his response with the expression “God forbid”, reflecting a deep wish that something should not happen. Even though he expressed a pressing necessity to actually move to a new shop, he continues by saying he also does not believe in borrowing, laying any need to raise credit on religious discourse, another important aspect, which has been earlier, discussed. He comments on the controlling effect of the bank after taking a loan and the continuous stress and worry attached to meeting up with the loan agreement as a deterrent for him in accessing formal credit. The respondent also introduces a suggestion regarding how banks should go about the lending process, stating that offering a longer time for loan repayment, as well
assigning advisors to the borrowers for guidance, could lead to lower loan default rates. Even though this respondent stated all this, he did mention to me “I am working on a current arrangement to secure a pick-up from my cooperative” He is a member of a cooperative society. A pick-up is when you are entitled to draw on that contribution. In this case, what he means by the statement, “I am trying to arrange a pick-up” is that he is looking for someone to swap pick-up dates with to enable him to get access to the funds earlier. This is discussed in more details in a later section.

It should be noted that the stigmatised credit is the kind offered by commercial institutions, such as retail and micro-finance banks, while a loan from a corporative society is seen as more acceptable. Therefore, although the cultural influence seems to be a stigmatisation of credit at first glance, more sophisticated analyses (Fine and Kleinman, 1979; Cole, 1979) make it clear that culture is not a once-for-all influence but an ongoing process, continuously constructed and reconstructed during interaction. It not only shapes its members but also is shaped by them, in part for their own strategic reasons. When interrogated about the reasons why loans from cooperatives are more acceptable than those from commercial banks, respondents were quick to explain the humanness of cooperatives activities.

One of the interviewees believes the banks should have different terms: he thinks that the banks, after granting the loan, should follow up on the progress of one’s business at agreed intervals, and should be ready to restructure the terms of the loan relative to prevailing economic conditions. If these conditions were followed, it would constitute a win-win situation for both the bank and the borrower. These suggestions were communicated to the two bank officials included in the interview process, and one remarked that they had embarked on a similar initiative whereby they offer assistance beyond the loan terms. This includes entrepreneurial development classes, which involve training the borrowers to save, to be aware of market trends, to have a grasp of financial literacy, and to be able to gauge risk, among others. To increase local confidence in the system, some of the teachers were local business owners who had started at the same level as their clients and scaled up. When asked if this was done as a form of social responsibility on the part of the bank, the official clearly replied that it was a commercial decision that came up as a result of their past experiences. Other banks also decided to construct business hubs, or to organise bazaars or marketplaces.
where buyers and sellers could meet – with the sellers mostly being the bank customers themselves.

6.5 The Cooperative Financing Model

If access to formal credit is limited, how then do businesses raise capital in this economic space? The previous chapter has shown that access to capital from financial institution is difficult for myriad of reasons. Also most respondents complained of the difficulty in saving funds to start a business. A few new growth-oriented firm owners said they found it difficult to initiate expansion or execute one-off substantial asset purchase due to the difficulty in saving money in the current clime. Even amongst those that intend to set up a microenterprise, they say it takes longer to save compared to before and this is attributed to increased consumption cost and cost of living. This increased consumption has also had an effect on the running of business ventures. I give this example,

This is how I spend my daily sales revenue: my baby daughter’s food and diapers, food for my wife, transportation to and from work, and then my food. As you can see, I come last. This is the order in which I spend the money, so my wife and I cannot eat unless my daughter’s food and diapers have been taken care of. Everyday I make like three thousand naira (£9.83) and sometimes close to ten thousand naira (£32.78) on a very good day. For that day, I know God just wants to specially bless me.

Q: Are you saying this is how you spend your profit or your revenue?
My sales are (sic) my revenue.

Q: Please do not be offended; do you know the difference between the two?
Sure! I can’t be offended; you can ask me anything. Profit is the money I make after I remove my running expenses from my revenue. Revenue is the money I make from my sales.

Q: In that case, if you spend all your revenue like this, how then do you restock?
Now you understand the kind of situation we are facing in this country. It’s only on days when I make a major sale. Days I make a massive profit on a particular item, and then I will quickly place an order with that profit. But before that I will take out money for the upkeep of my daughter, and then the remaining money I use to buy new stock. Now you can see why it is almost impossible to save. (Igwe BO8)

The respondent has explained the difficulty in saving but even with the situation depicted most people in this category have a way of navigating around this issue of savings and also raising finances. I found that most respondents had a source of finance different from microfinance and retail banks. The cooperative societies were
mentioned as this source. They are a source of finance for start-up, working capital, expansion and asset finance for both business and personal purposes.

The cooperative is very popular in the business context of Nigeria. Several respondents patronised at least one. I encountered different types of cooperatives. I found out that, although respondents complained of the inability to save, savings were regularly done through the cooperative system. The system entailed market traders contributing a daily or weekly sum from their revenue to a collective purse. The system is a simple thrift collection based informal or formal financial service, wherein an assigned thrift collector collects small deposits of funds from the participants of the cooperative on a daily basis or however is agreed. The deposits collected from the participants are determined at the beginning of each new monthly cycle by the participating members and sustained until the end of that particular cycle. In some other instances the participating member determines the amount he/she can deposit on a daily or weekly basis as agreed by the group. There exists extensive literature that documents this practice of raising credit. This practise was not only common amongst traders, employees of large and small firms also engaged in this cooperative activity.

I found that although traders complained of the difficulty in saving, I noticed they were totally committed towards meeting their regular saving contribution towards this practice. I observed that the money for this cooperative contribution which the Yoruba traders among them called ‘Ajo’, would have already been removed, at the point of sale, sometimes mentally by the business-owner and at other times physically by business-owners. This is what I mean; Igwe BO8 is a trader and has a minimum daily revenue target of three thousand five hundred Naira (11.40) and he makes an obligatory contribution of five hundred Naira (£1.63) twice weekly. On a particular day after selling a product costing five hundred Naira (£1.63), taking his total sales revenue figure for the day to two thousand six hundred and seventy Naira (£8.69). As soon as the sale was done, he complained to me that he was one thousand three hundred Naira (£4.33) short on his minimum daily target. I asked him, “How much have you made today in total?” and his reply was “two thousand one hundred Naira” (£6.84). I looked a little bit confused, because I had mentally followed each sale and knew he had made more money (£8.69) then I told him
“I thought you had made two thousand six hundred naira (£8.69), but maybe I was calculating wrongly” and then he replied “oh yeah, I have made two thousand six hundred Naira (£8.69) but you know I have to drop five hundred Naira (£1.62) for my Ajo”. (Igwe BO8)

Although Igwe earlier said the order in which he spends his daily income is his daughter, his wife, transportation and then himself, that order was actually wrong. From observation, the order in which Igwe’s money goes is his contribution (Ajo), his daughter, his wife, transportation and then himself. This then spurred my interest to find out more about these cooperatives, and how come individuals who could barely afford necessary daily expenses, could be so loyal to such a system.

I interrogated to find out the reasons behind members’ loyalty to cooperatives. I discovered that the cooperatives are usually based in the community; I did not find any cooperative that had branches in another part of Lagos apart from Allen Avenue area. I also found that participants of a cooperative see one another as partners:

“The money is over necessary self (sic), the next person to carry is Dumola she wants to use the money to buy industrial sewing machine, and if we do not buy it now, the price will go up, the sellers are actually doing a discount which would end in May. So all man has to look out for each other (sic) so we do not miss this opportunity” (Ope MT22)

“All of us na we we (meaning all of us are the same), this ajo money is what I use to restock my shop, when my goods have finished and that is how most people use their pick-up and therefore if I fail to put my contribution, the group will die and each of us business too will die.” (IK BO8)

Both respondents talk about the consequence of failing to meet up to their obligatory contribution; while the first respondent talks about missed opportunities, the second respondent talks about the system collapsing which would subsequently lead to the closure of his own business also, since he uses his pick-up to restock his store. Many other interviewees had similar narratives. The idea of partnership is evident in the response of the first respondent when she says “if we do not buy it now”. The respondent owns her own shop, and has already purchased her own industrial sewing machine, but she uses to use the word “we”. I questioned her use of the word we,
Q: Why are you using ‘we’, are you also using the pick-up?
R: No o, she is the one using her thing, I have no use of the pick-up, but we are all in this together. Her business is my business, my business is her business, in fact it is all of us business, as long as we are in this society together. (Ope MT22)

This sense of partnership and care for each other; ensuring that everybody progresses positively, is what makes members committed to the cooperative. This in turn guarantees the cooperatives survival and growth.

A cooperative is usually made of people with shared interest; they are usually in similar trade, profession or locality. Members are individuals that are already generating income; to be a member one has to financially contribute towards the cooperative. Contribution amount and interval of payments vary according to group. While I met participants that contributed up to fifty thousand Naira (£164) monthly, I met participants that contributed as little as five hundred Naira (£1.64) every week. The major objective of a cooperative society is to save for and lend money to members. In some instances, loans were granted to non-members but at a considerably higher rate than that offered to members.

Members of a cooperative agree on a certain sum to contribute at intervals, and an appointed individual depending on the size of the cooperative collects the money. The larger cooperatives usually had an administrative team, the minimum membership I observed was twenty-three while the largest consisted of twenty-seven members. Then there were the self-managed; I noticed that the maximum membership of this type of cooperative group was seventeen, while the minimum membership was a group that consisted of only four individuals. The law in Lagos State requires for a minimum membership of ten for it to be recognised as a cooperative society. Hence the lesser group can be classified as rotating savings and credit associations (ROSCA).

There are different models by which the cooperative system functions, but the most common was one where members contribute money according to the person’s financial capability as accepted by the group or definite sum as agreed by the group and after a stipulated period, each person would collect their contributions back
usually with interest. It was a means of saving. Usually the management team engaged in income generating activity, like lending the money to non-members at a much higher rate, or sometimes the cooperatives decide to own a grocery shop in the locality. The other model by which the cooperative worked was when each member agreed to make equal contribution at regular intervals usually weekly or monthly and the savings are recorded. Each member of the group then takes the group contribution until it has gone round everybody. Then they recommence the contribution.

Other than the reason given above, about each person seeing each other as a partner, I found that individuals preferred to patronise this source of finance than the microfinance banks because of a few other reasons. Not surprising, the ease in accessing funds.

“With my cooperatives you can easily get money, unlike the banks, where you have to drop something (collateral). With cooperatives as long as you are a member you will easily get cash. Even if you are not a member, as long as you know a member or you can bring someone to stand for you (surety). Maybe someone like baba-oja (the market leader). Then you can get money sharply (quickly)” (Wale BO19)

“All the people that have deposited money with them (microfinance banks), what did they use the money to do? They have not given one person I know any loan (sic). They are just keeping the money, or using the money to buy fine cars.” (Lola SA4)

“I started my business with money from cooperative, though I am in another cooperative now. I was still a hairdresser at Ikeja Under Bridge (a name of a place). The money they borrowed me was what I use to buy products and stool for me to start my own salon in Alade. Leaving them was difficult, but I had to start my own. I told them of my plan before I joined, I told them when I pick-up my money I’ll use the money to start business in another area. So I made sure I was the last to pick-up. So it was a combination of pick-up and loan.” (Chidera A18)

The last respondent mentioned that, the cooperative was the source of her capital. She had joined a group that comprised twenty-two people in another part of the Lagos, then she worked as a beautician, but had the goal of setting up her own business. To achieve this, she joined a cooperative, so she could save to finance:

“When I got here, everybody was part of a cooperative, and my boss said, if I’ll like to start my own business one day, I should better quickly join a cooperative. So that when I need the money it would not be difficult” (Chidera A18)
Following the advice of her employer, she joined a cooperative, which she was a part of for over two years. She mentions that at inception she made her desires known of wanting to set-up her own business, which was going to be in another part of the state and they understood and agreed. She eventually used her saving contribution over time and loan from the cooperative to set-up her business. She paid back the loan with five percent (5%) interest in the space of three months, three months earlier than agreed.

In some other instances, I found that, members of trader cooperatives pool their resources together and buy goods in bulk in order to enjoy discount, then subsequently sell individually. Countless respondents expressed their preference for cooperatives to microfinance banks, and these are a few responses I got.

“If my money is with the cooperatives, I know that they are helping another person in this community, I know they are helping the business of someone I know, and this help will help the person come out of financial troubles and together we would tackle the financial situation of this country, since these politicians are just there to eat our money (sic)” (Yinka MT28)

This respondent preferred saving with cooperatives because of its resulting impact on the community, in that the businesses that would be assisted are based in the community. This way they tackle the economic realities on ground in that community. This explains the reason why the earlier respondent had to mention her desire to locate her new business in another part of the city before joining. Another reason given for the preference is the informal interaction at the point of money exchange. As earlier revealed that the CBN has banned microfinance banks from receiving or collecting money, other than at cash centres, cooperatives on the other hand are allowed to collect money anywhere. I find that traders prefer this option, where they money exchange is informal, it adds some sense of trust to the exchange.

“Are you minding microfinance banks, see now? The Collectors use to come to my shop everyday to collect money from me, but all those banks are too proud to come and collect money from me. They expect me to take money to them, after I give them finish, they will now make it very difficult for me to get my money bank. Please I do not want those microfinance people” (Mohammed NR17)
Not only is the collection at shops preferred because of its informality, I find that it is also preferred because it aids savings. Due meagre income made by these traders, the fact that the collector would collect it at their shop prevents them from having the time incur any expenses. It also leaves no room for dissuading thoughts to save. A few complained that, before they get to the bank or cash centre, they would have been able to convince themselves on the need to incur a particular necessary expense.

“I prefer when they come and collect the money from me in the shop, because, that way I wont be able to spend it. Before I even think of what I’ll spend it on, you'll already hear the Alajo (collector) greeting you, already talking and laughing at the background, is as if he knows when money comes in.” (Abayomi A10)

I was not able to speak to any of the collectors or cooperatives personnel. In all these, respondents recognised the risk associated with this sort of banking, such as the possibility of member’s savings being mismanaged by the managing team or person. However, they still preferred this method of saving highlighting its communal features. While for those seeking to borrow, alluded to its humane features. The cooperatives model has been a major source of finance for individuals in this economic context. There is a sense of unity, a sense of communality in how businesses operate, even to how they raise finances for their operation.

6.6 Raising Capital: Family and Capital of Success

Another common way businesses raise capital in this economic space was through funds from a successful or older family member. A type of this source of finance was discussed in chapter four while discussing “Raising Capital and The Market Community”. Just as in the apprentice system in which business-owners are bound by responsibility to employ relatives, successful or older entrepreneurs are bound by necessity to help family members start their business. They usually begin by taking in the relative as an employee and, after a few years, they provide him or her with some money to start an independent business. This can be seen from the following excerpts:

I came to Lagos twenty-four years ago, from the village, to live with my uncle. My uncle at the time was a manager in a multinational company and he also owned a paint shop. I was nineteen, I was becoming a nuisance in the village and I was of an age to start making money. After a few discussions between papa and uncle, I was sent to Lagos to make a living. When I was born it was agreed that my uncle would help me start a business but I had to first work in my uncle’s
shop. After a year in Lagos, I convinced my uncle that Alade market was a good place to sell provisions and he gave me money to start. (Inn BO9)

I had always talked about properties and real estate; everybody in the family knew that. I had advised my dad on some land purchases, which eventually were very successful, although I studied law at university. I was working at a law firm then, although they were paying me peanuts, and there was no way I could raise enough money to start my own business. There was no need to try the bank, so I mentioned it to a few family members, just so they knew. One evening I came home and my dad said that my uncle wanted to see me. We had a very interesting chat; he wanted to give me the capital to start but I had to work for him for three years first, for me to learn the trade I guess. (Yinka MT28)

It is quite a common occurrence that a successful individual invites or is sent a family member, in the expectation that he may help the person achieve financial independence. If this individual owns his or her business, the family member would be employed therein; otherwise, he or she would simply find an apprenticeship for the family member, setting aside a sum of money that would be used by the individual to start-up his or her business once ‘freedom’ was attained. For the first respondent, the father of Inn initiated the dealings, while in the other response, Yin’s successful uncle offered to finance his start-up.

Another way in which this works is when the benefactor chooses not to employ the beneficiary but to find a place of employment for them, or the beneficiary may even search for one himself, but this would have to be approved by the benefactor. The reason why this is done is for the soon-to-be-entrepreneur to gain valuable business management skills, and gain an understanding of the workings of the business environment and of the market, amongst many other things. This can be highlighted as one of the ways in which businesses in Nigeria go about tackling the challenge of a lack of certain skill sets, such as financial management, which is required for business scalability. Also, in this case, all of the parties involved are fully aware that upon gaining freedom (the attainment of certain objectives), the beneficiary will be assisted in setting up his own business venture. This now brings me to another point. According to whom or on what basis is a business judged to be successful?
6.6.1 Defining “Success”

For this source of raising capital, an interesting question that arises is what defines a successful person. According to some entrepreneurs, such as Igwe and Richardson, there is an agreement that while they are still struggling and trying to fully establish their economic pursuits, in the eyes of their family members they are already considered successful – leading them to send a relative to Igwe and Richardson to help with their financial independence. While Igwe did not resist the suggestion, Richardson initially attempted to do so, but was unable to oppose his family in the end. As pointed out by Igwe:

“How do you want me to explain to them that I have been in Lagos for 12 years and I’m not able to support my younger ones to start a business. I’m a failure then. Don’t forget to whom much is given, much is expected. They sent me 12 years ago; they are expecting a lot from me. So let her come first; at least she can start working with me, and when I raise enough money, I will help her start her own business” (Igwe BO8).

Meanwhile Ric1 stated that he resisted the idea:

“I told them I’m not ready, that I’m currently embarking on a project, but they wouldn’t listen. It almost turned to an insult. They think, because of the size of the shop, that I am making big money. So I accepted that. I definitely cannot open beauty salons for her now, but the plan is that I’ll give her money to sell cosmetics. From that she can graduate to owning a salon when we have raised enough money” (Richardson BO24).

Since the family members who act, as initiators do not know the financial position of the business, they resort to superficial factors to make a judgement. In the absence of this true information, I did notice some factors that are used to measure success, such as older age or the length of time lived in an urban city. Igwe talked about the length of time he had spent in the urban city of Lagos and equated it to an expectation of success from family members. Also, the size of the shop or store is also equated to success. Some believe that if you can operate from such an expansive space or with such a volume of merchandise, then the business is making considerable profit and you are successful. This is highlighted in Ric1’s response: “They think because of the size of the shop I am making big money.”

What emerges from this study is rather an unwritten governing rule of economic life, whereby successful business-owners are obliged to either provide start-up capital or
direct employment to their family members. Usually these new businesses are in the same industry as the successful business-owner.

This does raise the question; could this be the reason why the spectrum of business is not well diversified in the Nigerian business context? This is perhaps the case because people mostly carry on in the trade they were trained, without having the opportunity to choose differently. The findings show that usually the choice of a new business venture is either in the same line of business as other family members or in something related because of the familiarity. This limits the spectrum of business. Another influence on the choice of business is the need for an individual to achieve instant gratification. In the pursuit to reciprocate the favour received by helping other family members become financially independent. Therefore, business-owners take a short-term outlook on business and focus more on immediate financial independence and wealth accumulation.

6.6.2 Family Capital, Franchising and Undiversified Spectrum of Business

The spectrum of business is not well diversified in Nigeria and an analysis of the observation gives us a range of reasons why this is. Poverty, financial stability and reciprocity, risk aversion or high uncertainty avoidance due to the economic demands are contributing factors. The analysis reveal that for those in the lower economic pyramid as soon as an individual attains the age of responsibility and is not yet financial independent, action is taken. The norm as explained above and in previous chapters is to arrange for that individual to understudy with a successful family member. At the completion of the apprenticeship process, the individual is then assisted to establish a business. In some instances, this assistance is not only in cash, but also with business contacts and network – in order words, social capital.

I found that an apprentice on attaining freedom is given capital to start a business under the same business name as the business owner. Therefore, ensuring economics of scale for the new business in terms of product supply and also customers. This functions more like a peculiar franchise system. This is an example of my observation. Eze a long-standing business-owner keeps an excellent record of transactions; he has a dedicated staff to handle the record keeping. He has a setup that buys inventory before they run out. Eze orders in bulk quantity, significantly more
than his store’s capacity. I found that included in this order are inventory orders for stocks for other stores/businesses. Eze operates a system where, he orders for goods for some of his old apprentices, some of which also make use of his business name; others use their own business name, but pick up inventories from him. He tells me how both models started a few years ago.

“Twelve years ago one of my apprentice (Obi) gained ‘freedom’ and setup his own electronics store in another business district. After a few months in the business, he noticed he wasn’t making profit on sales, and he came back to me, we discussed, and I found that the guy (former apprentice) was buying his stock at a much higher price than I buy mine, even though we both patronised the same supplier.

I did not know I got such a high discount because of my bulk purchases and goodwill. So we decided that, I would include his inventories to my purchases, and he would pay the money into my account before I order. And this turned out great for both of us. Obi was getting his inventory at a cheaper rate, and I even got offered further discount.

I never offer any of my apprentices this option; I do not want them to be thinking I am looking for extra source of income. But any of my past or graduating apprentices that request this type of help I gladly accept. Since then every of my other apprentice have use this option. I personally see it as a source of capital to start business. Because if I cannot afford to give them money to start, and they are able to loan it from somewhere, maybe the cooperative, then with this they would judiciously use the money. At least with this option they would get more value out of every Naira spent. (Inn BO9)

The respondent introduces how he started adopting this model. He makes mention of how, with this option, new entrepreneurs are able to get more value from money spent. Also this excerpt highlights the mentorship role the long-standing business-owner play in new business, especially when they are involved in the establishment of the business. This corroborates what we discussed in chapter four where we found that the benefactors not only provide funding; they also play a mentorship role in the business venture of the recipients. The benefactors try to improve the financial literacy of the recipient, if needed. They also support in securing suppliers helping the supply chain, by leveraging on their reputation in the market. They also help by referring potential customers to the business.

As for using my business name, this started ten years ago with an apprentice called Godwin. Godwin had secured a supplier status with a company just as he was gaining his ‘freedom’, and he knew a major reason in getting the contract
was because of the Inno Eze brand. So he asked me if he could use my business name, and I gladly obliged. It has its good side because it even grows my business brand. Customers would easily enter their shop thinking it is mine, so that brings more customers for them and most importantly I have helped someone off this street, I have carried out my Christian obligation by helping my brother, one day someone will also help my children too. Many people do it; it is very common. (Inn BO9)

The respondent explains the other option where an apprentice, upon graduation, uses his business name. The benefits abound in the new business being able to securing procurement contracts, and other similar advantages of the franchise system as known in the literature. I discovered another “Inno Eze” electronic shop on Allen Avenue, which I later found out to be one of the franchise shops. Therefore, I asked him if he was not bothered about competition. He says the market is big enough, but that there was a time one of his graduating apprentices wanted to use his name and open a store on Allen Avenue, and he refused saying they would saturate the environment. However, he encouraged the individual to explore other locations away from Allen Avenue. The business-owner explains how he has had to refuse former apprentices the use of his business name.

Q: Have you ever rejected any of your graduating apprentices from using your name?
A: It is not everybody that asks to use my brand name that I accept. The apprentice would have to show promise. Because my brand name is very important to me
Q: Have you had to refuse anybody the request?
A: Yes, I have had to one two occasions, the boys were very troublesome while they were with me, and I could not trust them with my business name on leaving here. I told them the reason I was turning them down, but I also had to say that, this would increase the amount of tax I had to pay to the government, which I was not ready for. I told them I could obviously help them with buying inventories, but as for my name it would not be possible.
Q: About the increase on tax, would that have really happened to your tax obligations?
A: Not at all, I could not only tell them it was because of their attitude I had to add another reason, unless they will go and be spreading bad stories about me around. So I had to add the tax story. But I made sure I told them that, if they were gentle guys I would have even risked the tax increase with the government. Making it clear enough to them, my decision was chiefly based on their attitude. They are doing very well now, they accepted my offer of buying inventories for them, and one of them is very big now. He has one of the biggest shop in Alaba and has plenty boys under him. (Inn BO9)
It is evident here once again that character is essential, and also the benefactor discusses of the impact of not readily agreeing to the demand of the apprentice, fearing social sanctions. In total this business-owner has had thirty-eight individuals apprentice with him and he says all of them are involved in electronics business in one form or the other. Twenty-seven of them manage their own businesses - three are into electronics repair, and eight are into music compact disc (CD) and DVD sale, while one owns a movie production business in Alaba. The rest own electronic stores of different sizes all over Lagos. One of my other respondents was an apprentice with him over ten years ago (Godwin BO18). He gave some of them capital in form of money, goods, or business contacts, and some others, his business name to start their own businesses.

Also, the personal interest of the apprentice is not taken into consideration. It is believed that the individual would under the tutelage of this successful business-owner start his own business and eventually gain financial independence. Usually the choice of business venture is either in the same or a related business because of the familiarity and this limits the spectrum of business.

“In actual fact I wanted to be an electrical engineer. I’m obsessed with electrical things; I like the engineering. But because uncle Tope is an architect, I was sent to study civil engineering in school and now I’m trainee in his firm. Left to me I would love to have studied elect-elect (Electrical Electronics Engineering) in school.” (Aku A37)

“That’s a funny question you know, I had never seen myself owning a salon, I would not lie to you. It was just the situation (economic); madam was the only person that gave me a job. I actually wanted to work as a sales girl selling fabrics. But I find job endlessly no hope (sic). Then my aunty sent me to madam, as soon as I got I saw that I could do it, I decided to channel my passion into it and now I have my own shop. I still stop by fabric shop once a while, I plan on saving up till I can afford to go into the business.” (Chidera A18)

Both respondent have been somewhat forced into their current trade due to the training in which they undertook. The second respondent now owns her own beauty salon but would prefer to engage in another business. She says the economic situation made her train as a beautician. Most traders and business-owner could point to at least one relative or kinsman they knew in similar trade and personally influenced their
choice. On Allen Avenue, I noticed that the bureau de change operators were mainly of the Hausa tribe. The electronic and DVD sellers were of the Igbo tribe, the female fabrics seller and male meat sellers in Alade Market were mainly Yoruba.

Beyond those in the lower class of the pyramid, this undiversified spectrum of business is also attributed to risk aversion on the part of Nigerians. The analysis showed that most businesses due to the instability of the economic, political environment and security clime in the country prefer not to take risk and over time this has built into the culture. They are averse to venturing into the unknown, and also rather chose to continue in a line of business they are familiar with, usually the family business. This is seen in the case of one of my respondent who even though comes from a wealthy family and has enough resources to pioneer an industry, he chooses rather to venture into what he knows—a related family business.

“I think I am safe with the poultry business; my family has been into farming for years. None of them do poultry. So want to do something like that. You know how you get frozen chicken in Sainsbury’s. I want to make that sort of frozen pack of chicken also available in Nigeria” (Resident R43)

This high uncertainty avoidance is reflected in the economy setup in the way the banking institutions operate. Their operation really does not permit people to take risk as can be seen from their loan repayment period (9-18 months), offered to microenterprises.

It is worth considering the banks that are also business entities with profit motives. They also face the same challenges as the entrepreneurs; of economic instability, political and security unrest and this in turn influences their risk aversion. Because of this risk aversion, we see banks—inclusive of microfinance institutions giving out loans for a repayment period of nine to twenty-four months. Which is not long enough and thereby causing prospective entrepreneurs to chose businesses that in the shortest possible time deliver and favours stability and wealth allocation. This is achieved by continuing in the family or familiar business, which leverages on established networks and relationships. This also shows that businesses in Nigeria take a short-term orientation approach to business.

The race for loan repayment, financial stability and wealth allocation coupled with the economic instability causes businesses to remain in a familiar line of business and so
the cycle continues and builds into a culture and this culture permeates in the society. This shows that economic relations in Nigeria are bound up in family expectations and a social context that is more concerned about stability and allocation of wealth. These kinds of social structures have no alignment with what obtains in western academic literature because it is so heavily embedded in a totally different ideology – the economic ideology of the streets.

**SUMMARY**

This chapter has deepened our understanding on the mechanics of business in this economic context. We found that business activity is defined as any cash generating occupation. This perception is connected to upbringing on one hand and it is also linked to the necessity to meet daily living costs. Particularly for the males in the market, daily cash earning is necessary. This is the discourse of masculinity, where a man has to prove is manhood by being able to provide the basic needs for his family; failure of which brings social stigma for men. They are said to not be man enough. Few people have had to run away from their family and community for failing to meet this requirement. This perception therefore influences basic accounting and financial practice; where profit is not distinguished from revenue. We identify the point that economic action at the lower level of economic pyramid is not always determined by accumulation of capital. For example, price determination, which influences profit, is heavily influenced by cash-at-hand as against profit sale. Religion, personal relationships, and the community also influence it as discussed in chapter four.

Furthermore, there is the stigmatization of credit, where the cultural norm is to “remain content” and institutional credit is abhorred. However, credit financing is rampant. This is done by individuals at the bottom of the economic pyramid approaching community based cooperatives in order to finance business start-up, business expansion, working capital, asset purchase and any other expense. Participants are loyal to the cooperative credit scheme, due to the fact that they regard each other as partners and highlight its communal humane approach to finance.

As we see in the literature review, everywhere has had micro lending, it has become more formalised in certain areas, than others. There are different levels of formalization. Also we have also had family members lending individuals money to
start a business this has been going on worldwide. But when micro-financiers and ROSCAs are made to have rules of operation, they could be setup within the individual’s culture. These varying levels of formality and how they are embedded in different culture will make all the difference between success and failure.

The microfinance pushed by developmental economics possibly offers an engagement in the locality, and some of the ways which microfinance has been developed have been explicitly about that. It has been about enmeshing in culture to provide a new model of economic development. However, the (IMF) model of microfinance and the one being pushed hard globally and in Nigeria is not about that. It is about commercial banking effectively being extended to micro-entrepreneurs with the expectation that they would fit into business models as soon as possible. Microfinance could be a good thing but not in the way it is being organised at the moment.

In this culture there is a level of expectation by individuals wanting to setup business for family members to help. If a westerner was to ask any of his uncles for money to setup a business, they might be surprised, because it is not that likely but in Nigeria there is a clear thing about Family and community, and it is expected that when you need money you can go to your uncle and he would be obliged to take you serious, if not do it.

Start-up capital is also raised from successful family business-owners. Usually the scope of the new business is familiar to the successful family member. In the pursuit of wealth allocation, business stability and immediate financial independence new business-owners chose to leverage on business networks of the benefactor, both on the supply-side and for customers. This then leads to an undiversified spectrum of business in his economic context. However, many of the respondents indicated eagerness to adopt new businesses, innovations, and diversify their interests if stability can be ensured. Further research needs to be done on risk taking. Also, given that access to finance is still an issue, for new firm formation and firm growth, we see a running theme of intra familial and community financial linkages serving as financial sources.
Chapter Seven: Conclusion

Using the cultural political economy (CPE) theory as argued by Bob Jessop. We understand how economic development models are influenced by economic ideologies, and how these ideologies get to become hegemonic. However, these hegemonic imaginaries should not simply be taken for granted; they can and should be contestable. Hegemonic economic imaginary, excludes important aspects of real world and even filter out from economic practices. It is therefore worth finding what has been filtered out; what imaginaries and understandings that have gone unstated or silent, repressed or suppressed, in this specific context. The research chose to do the following: to make-sense of the lived experience by investigating the rules that govern economic life in Nigeria, and what lessons are learnt from this sense-making.

The study set out to understand how business proceeds on the ‘street’. It also investigated the rules that govern economic life in Nigeria, thus exploring the complexity of business development in a specific urban context. It sought to understand the meaning found in “earning a living” and how it is expended, therefore the behavioural attitude to different stakeholders. In particular, it explored the diverse ways in which businesses are formed, capital is raised, prices are fixed and how economic relations are bound up within communities and social contexts. The study emphasised the level of inclusivity and socio-cultural embeddedness that governs economic life, both in terms of access to capital and daily business mechanics. The importance of culture and social context was evident.

Although the capitalist theory as argued by Milton Friedman and the neoliberal theorist which is the hegemonic economic imaginary expects us to perceive business strictly functions and grows as an economic unit, i.e. competitive and profit maximisation, what we find in practice is that businesses are much more complex. Community, identity, fairness, family, trust, religion and culture are all important vis-a-vis wealth accumulation in the economic imaginary in this space. They are a part of life constituting achievements, shared values, obligations, stability, ties to morality, personal relationships, disagreements, reciprocity and so on. It can therefore be
concluded that personal relationships and the embedded community are very important mechanisms in the rules that govern economic life in Nigeria.

Thus, a hegemonic neoliberal capitalist policy, which is individualistic in approach and profit driven, can be argued as flawed when set against the realities of Nigerian business and economic life. Although this is highlighted by the current culturalist arguments of African business culture and capitalism of indigenous value systems not always encouraging competition, investment, and wealth creation, we find that for Nigeria the excluded economic imaginary shows, the economy filters through the cultural and vice versa and the two cannot be separated. A mixture exists where collectivism and competition operate concurrently which encourages shared value-adding economic activities that create wealth with social impact. The findings of this research furthers the argument of the importance of the concept of culture in the study of economic development. Using Jessop’s cultural political economy approach which emphasises the role of creating meaning as part of a comparative economic analysis. We have therefore sought to create meaning in this economic space, highlighting its critical ability to cope in its unique context.

I find that the observable indigenous culture, although at a level of variance to the western adopted mode of capitalism which is the hegemonic economic imaginary, does not hinder capitalism. Rather, the culture forms its own kind of distinctive capitalism, which espouses private social-wealth accumulation. In this economic imaginary, businesses as an economic unit are competitively profit-driven but not at the expense of a social distribution of wealth, while traditional capitalism nurtures unequal distribution of wealth. Therefore, this particular type of inclusive capitalism should be allowed to burgeon and influence developmental economic practise in the country, which will bring about inclusive development. This chapter further explores these findings and makes some recommendations based on this analysis.

According to the United National Development Programme (UNDP), one of the ways of achieving economic development is the financing and growth of small businesses. Businesses are to: espouse competition (meaning there would be winners and losers in some way or the other), rationally pursue profit and favour wealth accumulation. In applying this principle to business on the streets, we find that the goal of most
businesses is to be self-sufficient, which in this case means taking steps to be profit-oriented but at the same time functioning within a socio-centric agenda. We clearly find that western economic development models vastly over-estimate the efficacy of its interventions on the receiving economy.

The CPE approach as argued by Jessop highlights the importance of a crises, more importantly the importance of taking advantage of a crises. We have seen how at different crises times in Nigeria, economic directions have been chosen along the same economic imaginary of market-mediated and profit orientation mechanism with just a slight variation in practice. This variation still did not prevent subsequent crises.

7.1 The Economic Imaginary: The Community
Community is a standout theme in this urban economic space. Community, as we saw in Chapter Four, has a variety of meanings, but in all instances, the practice of boundary setting with regard to inclusion and exclusion remains its core. This study has found that individuals are integrated into communities. It is not a society of individualists where the ties between individuals are loose and everyone is expected to fend for him/herself. Rather, it is a society of the collective where people are integrated into tightly bonded communities. A fundamental feature which neoliberal theory builds on is the individual freedom in form, of freedom of choice, free market and free trade. We find from the analysis that individuals in the urban space, in expressing their freedom of choice; choose to consider the collective vis-à-vis the self. Also without any written law, prices are biased towards the collective intrinsically.

The analysis of the observations and interviews with the various participants reveals that individuals chose a community in which they associate themselves. A few of the communities highlighted (the religious community of Christians and Muslims; the village community; the market community; the trade community and even people on the same street) have an active influence on economic relations.

7.1.1 Rivalry and Solidarity in Business
Neoliberal theory states that competition is a major feature of capitalism because it determines price, ensure efficiency and is important for profit. However, the culturalist literature on African business states that the prevailing community culture
discourages competition. Explaining that this therefore is inimical to business profit, accumulation and growth.

We find in our study that; these are two extremes. We see that it is impossible to separate them as they partly constitute each other in the business and economic operations found in this context. However, we can illustrate some particular themes that have emerged.

In Chapter Four we saw how business-owners and staff were very competitive and, at the same time, cooperative. Take for example the anecdote of Ik and Igwe who were both at the bottom of the economic pyramid and struggled to earn a living. IK and Igwe, even though they were business rivals selling similar products, were located opposite each other; they were seen helping each other to open up and look after each other’s stores in times of the other’s absence. They even went to the extent of pitching for sales for each other. But this only really happened when the other one was not around. When both were around and running their respective stores, they both competed for the patronage of prospective buyers. It was only after the prospective customer showed signs of not being satisfied that they encouraged the customer to try the other store, sometimes calling it “our other shop”, or they helped the buyer to obtain goods from the rival’s store claiming it was from their “other shop”.

We also saw an instance where two rival business sales assistants tried to lure prospective buyers into each other’s store for patronage. Once the buyer had chosen the store to patronise and there was insufficient seating in the store, the rival sales-assistant brought a chair from her own store in order to make the buyer in the rivals store comfortable. One would have thought that the other sales assistant would be glad of the customer’s discomfort and the possibility of that leading to patronage by that customer coming over to their shop. Although they were aware of this possibility, they hardly ever explored this and were never inclined to, even after it was suggested to them they still chose to work towards helping each other.

The principle behind this is; no customer/potential customer must leave the marketplace without making the purchase. The customer becomes the joint target of both competitors. One of the rivals must earn the money with both sellers now working towards an implicit common goal, which shows how individuals are
integrated into the community. We also saw a situation in which three different business employees selling similar merchandise and located next to each other gathered every morning to pray after opening their stores. Their major prayer was: “God bring customers to our business/shop today”. Later in the day, when prospective buyers came into the market, the three of them competed for the patronage of these buyers and sometimes even antagonized each other.

What this study further establishes is that in this context absolute competition and cooperation are two extremes. What I encountered was the existence of a middle ground, where competition actually exists but there is a cut-off point after which cooperation takes place. There are strict rules regarding how this works; you do as much as you can to lure the customer in, but that is the point at which competition stops. After that, both rivals do whatever they can to make sure that the sale goes ahead. The buyer must not leave the market without making a purchase. Therefore, it is both cooperative and competitive and the tacit rules that have developed determine how economic life works.

A similar point can be made about the alignment among communities. There is a connectedness across communities even though people exist in different communities. As discussed in Chapter Four, we saw instances where business-owners practising different trades and existing in two different communities leveraged their connectedness based on market location to solve certain issues. An example was the Muslim wine seller who lent her sales assistant to the Christian clothes seller two shops away when he and his sales assistant were absent. The analysis also revealed a situation in which a sales assistant from a rival business went on an errand and the sales assistant from the next-door rival business helped to attend to customers on her behalf. These examples are only related to staffing. However, the analyses show a similar inclusivity in access to finance and many other economic operations.

This gives an insight into how the community is integral in addressing business challenges and in so doing, how it influences the rules that govern economic life. Most of these business-owners were at the bottom of the economic pyramid, struggling for survival, but they looked beyond the struggle and decided to help each other.
Certainly, this construction has significant explanatory power across a range of discourses. Most obviously, it allows developmental economic theorists to rethink international development policies. There is a disconnection between international policy and what is happening on the street. This reflects the kind of practices that are taking place on the street. Traders at the bottom of the economic pyramid struggle for survival; therefore, they choose to set-up businesses for financial independence. The business practice of the owners is truly very competitive as they need money for survival, but there is a cut-off point to such competition, after which the predominant goal is for sales to be made, regardless of which seller the money goes to. They know that they are all in similar challenging economic situation and they understand what that is like. They know that each sale will help the other to move closer to getting out of that situation, or being able to survive in the situation.

Therefore, in this context they work as a collective, looking out for the best interests of the other. From a “We versus Them” perspective, as soon as the buyer has chosen to buy he automatically falls into the “them” category and a sale must be made. Tacit rules have developed that determine how economic life works. That is why the rival sales assistant will want to do anything to make the buyer comfortable. That is why, if the buyer is not really satisfied by the choices available to him, the trader goes to great lengths to prevent him from leaving; he either goes to get the goods from another shop or he tells one of his sales assistants to escort him to another shop where the product might be found. The business owners do not want buyers to leave the market without purchasing.

Unlike the neoliberal capitalist belief that businesses are extremely competitive, and African business culturalists belief that businesses are being discouraged from competition. In this economic space there is a mix of rivalry and solidarity, and in this instance, businesses will and do strive. Competition here is different.

As seen in the literature review chapter, competition has been a reoccurring key feature in developmental economics for tackling poverty. It is believed that only competition can bring about effective allocation of resources. Competition was a major feature of the Structural Adjustment Programme adopted by developing
countries forced on them by the World Bank and IMF, and that period yielded no economic growth. But critics of that policy highlighted the disconnection between the policy makers and the benefactors of the policy. This birthed the PRSP championed by the IMF with a major objective of focusing policies on the local level. With the intention to achieve growth on small scale, which when aggregated will lead to national growth. To achieve this, the IMF worked in conjunction with the developing countries, in Nigeria’s case the NEEDS document was the poverty reduction strategic paper that was developed and adopted. Even though the policy makers claim the NEEDS document was as a result of direct input from Nigerians, which was made possible by the fact that “a dedicated team travelled the country, holding meetings and workshops to identify what the Nigerian people want for the future, what problems they face, and what can be done to overcome them” (IMF, 2005: viii). If they had looked to observe how business is practiced, there approach to competition, which was also a major feature of the NEEDS document and particularly the commercialisation of microfinance probably might have changed.

The NEEDS document advocated for finances to be made available to individual entrepreneurs. This was to be done through commercial retail and microfinance banks. But as we found from our analysis, the individuals in this economic space for many reasons are not attractive and able to yield enough profit for these commercialised retail and microfinance banks. One significant reason is the fact that they are not seen as profitable enough due to the nature of how competition works in the market. Notwithstanding, business in this context is seen to have the capacity to make profit, but the margins are not just attractive enough as they are seen as too small-scale and financial returns to the banks are too minimal. Important to note is that the commercialisation of the microfinance banks have made them answerable to investors and have therefore resulted in their pursuit of profit and expansion amongst others. This is a deviation from its origin of being a solution to the problem of access to credit in rural areas.

7.1.2 Particularism, Price Determination and Profit
Profit is another core feature of neoliberal developmental economic theory. Capitalism is when the means of production domiciles in private hands and is employed to create profit. Therefore, businesses exist as an economic unit to make
profit, which enables their continuity and expansion. On the other hand, some African scholars have argued that profit, as a feature of capitalism, is at odds with sociocultural environments. More specifically, it has been stated that the African culture does not support profit making. I find that these are also two extremes; what I see is the existence of a middle ground. Businesses exist to make profit, especially as their owners want to achieve financial independence and sustainability. However, subjective issues such as current financial position, community and identity, among others, determine pricing which is an important factor in the determinant of profit.

Particularism is commonly practised. This is a way of thinking in which the standards regarding the way a person should be treated depend on the community to which the person belongs as against a standard treatment for everybody. This is typified with reference to the analysis of the transcripts from the Price Determination section in Chapter four. We saw a respondent giving goods to his religious leader free of charge, and in the same instance, that same product was purchased by another person at a quoted selling rate. Even though the second buyer made an effort to haggle, the business owner remained adamant; the buyer went ahead and paid the selling price, expressing an understanding of the seller’s decision. In this case, the buyer did not belong to the same religious community as the seller and so different economic rules applied. The analysis shows a prevalence of this type of economic action. A point to note is that the religious leaders and those that generally enjoy this special treatment do not all see it as an entitlement.

A few possible scenarios can be considered with regard to this case. If the buyer had belonged to the same religious community but had a lesser role than the first buyer, depending on how the sale was initiated he would have been offered either the actual selling price, or a small discount on the actual selling price. In some other instances, depending on the financial position of the seller, he would have been offered the cost price or a quoted figure even though it could be at a loss to the seller (this is discussed below). However, the second buyer still would have paid more than the religious leader. The analysis chapters reveal that individuals exhibit a strong sense of affinity to the community. As soon as an individual is judged as being excluded from the community, straightforward economics, which are the rules of life everywhere in the world, instantaneously come into play.
A point that should be highlighted here is the second buyer’s reaction to the seller’s decision. As soon as the seller explained in a few words his relationship with the first buyer, without haggling too much he knew that he had to pay the quoted price. He knew that the same privileges did not apply to him based on his understanding of the workings of the community. Therefore, there is the knowledge of an unwritten rule, which makes individuals excluded from the community receptive of this type of action when they come across it. This knowledge is even more important for the excluded community, because those excluded immediately understand why an action is taken and this prevents them from feeling cheated or being less trusting in the business environment, trust being a key ingredient in business.

Another major influence on pricing, as revealed in the analysis, is the business owner’s current financial position (which I call Cash-at-Hand vs. Profit-Sale). This basic formulation is a major determinant of pricing. Small businesses are known to be an extension of their owner. Therefore, when a business-owner is desperately in need of cash, which is often the case with micro-entrepreneurs, they readily jettison standard business practice of making a profit sale in order to make a sale, regardless of the loss incurred. This is done in order to generate some cash to meet their immediate financial needs. Therefore, business-owners usually operate their businesses in order to meet their consumption needs rather than their investment needs.

A business model run on meeting the consumption needs of the owner is destined to fail. This then leads to the question, why are they (those at the bottom of the economic pyramid) owning and running a business in the first place? The reason why most individuals at the bottom of the economic pyramid are engaged in business in the first place is so that they can meet their consumption needs and achieve financial independence, not because they are entrepreneurial. Therefore, if most of these micro-entrepreneurs can find a means of meeting their consumption needs and obtaining financial independence, for instance by having a job, they would prefer that to owning a business. This therefore weakens the developmental economics drive of promoting micro-credit.
Profit we see is desirable by both business-owner and financiers. The findings show that businesses in this context are in existence to make profit especially as they strive to achieve financial independence and stability. This is contrary to culture theorists, who state that African culture does not support profit making. Although we saw situations where subjective issues such as community and identity influenced pricing, this was not different from the discounts applied by businesses in the western capitalist world.

What we saw as the real cause of failure in businesses was the immediate consumption needs of the business-owner, who chose to satisfy those ahead of the investment needs (profit) that would ensure the continuous existence of the business. As one respondent said, “What is the wisdom in me holding out for an amount or my business doing well and my wife and kids remains hungry?” Economic action at the lower level of economic pyramid is not usually determined by the accumulation of capital. For example, price determination, which influences profit, is heavily influenced by cash-at-hand as against profit-sale. Religion, personal relationships, and the community also influence it.

### 7.1.3  Bounded Responsibility

In discussing business culture, bounded responsibility is a rule that governs economic life in this urban space. The inclusivity of the community is further evident in the way in which families and communities are obligated to act. The analysis paints the picture of a culture in practice where business-owners are duty bound to employ family members. Also, market elders are duty bound to raise finances for apprentices in the same market. The family business literature (Sharma et al, 1997) talks about how small businesses employ family members for a variety of reasons; they serve as a flexible labour force and this practice also ensures the employment of a trusted person (Phizacklea, 1990; Goffee, 1996). In the case of Nigeria, there are different reasons: compulsion and obligated responsibility. The rule that seems to exist is that when an individual becomes relatively successful, however this is defined, that person is obligated to take on a family member as an employee or help an individual start up a business. The eventual goal is to enable the individual to gain financial independence and stability.
The following examples clarify how being bound by responsibility to employ a family member is being practised. A businesses-owner complained to me about the difficult financial times he was going through, but then went on to explaining the necessity for him to employ his nephew; he himself had benefitted from these practice twelve years earlier. This can be identified to be reciprocity, which the culturalist literature states is a norm in African business. But this is reciprocity and more (reciprocity is discussed in more detail in another section), in the context of bounded responsibility; an individual does not necessarily have to have been a beneficiary. However, a ‘successful’ family member is obligated to assist a financially dependent adult family member to attain financial independence.

The analysis shows that most business-owners started out as employees (apprentices) working for a family member until enough capital was raised for them to start their own business. A phenomenon that functions here is being bounded by responsibility to raise capital for a family member. The mechanism by which this works is simple. A **successful** business owner employs a family member and after a few years that family member will be given some money to start his own business, either in the same line or in a different line, as long as he can prove the viability of the business venture. Chapter six elaborated on this point, but we saw that a successful individual either invites or is sent/offered (usually they have no option but to accept the offer) a family member to help them start their business. There is an expectation from family, the community and also the business-owner that they should aid some kin towards attaining financial independence. But a key question is: how is success defined in this context? We saw a few business-owners complaining of not yet being successful and therefore not being ready to invoke this responsibility, but their families disagreed. Since the family members who act as initiators do not know the financial position of the business they resort to superficial factors in order to make their judgement, like the age of the business-owner, the length of time the business has been operating, the length of time lived in an urban city, and the size of the shop or store.

In terms of financial independence through employment, the necessity to achieve this is evident; there is a possible backlash. For example, one respondent had this to say, “We should have employed someone since August last year, but I haven’t been able to, I’m waiting till next month, I’ll be travelling home to pick my cousin - by then she
will be eighteen. So we have been stretching ourselves in the last seven months”. Furthermore, she stated that it would be “trouble” for her to employ another person, even in the interim, and this was causing her to endure a higher workload. Several respondents narrated how failure to act in this manner could cause disagreement in the family even though they would not have the full information. In order to prevent that they adhered to this expectation, however adverse it might be for the business in the interim. It would be interesting to know how this is monitored; are there spies? The respondent persisted in saying that they did not know who reported it and sometimes it was referred to spiritual abilities. But this anecdote shows how individuals are obligated to act towards family.

While the above discussion related to the obligatory activities of the family, the analysis also shows obligatory acts in the community, one of which is the way in which capital is raised. This is a similar concept to the phenomenon discussed above, but in this case, there is no blood relation between the successful individual and the new business-owner; the only connecting factor is that they both live in the same community or location. In this case, a long-standing successful business-owner in a market or a particular community is bound by responsibility to help any member of the market or the community chosen at his/her discretion to finance his/her business. Successful individuals who look around for a person whom they can help to start a business usually initiate this form of capital. However, on occasion, members of the market who are looking to set up their business approach individuals that they deem to be able to render this kind of support. There are no definite criteria for selecting whom to support; the long-standing business owner comes up with the criteria for selecting whom to support.

We can therefore see how this phenomenon of bounded responsibility among members of the community is used to address two major issues faced by small businesses in Nigeria: accessing finance for start-up and growth; and recruiting and managing employees as a small business-owner while facing the breakdown of the rule of law. This bounded responsibility is likened to reciprocal or familial obligation that is highlighted by cultural theorist in chapter two. The theory argues that this phenomenon is detrimental to business. The findings of this research however reveal more positives outcomes than negative. Even actors in this economic space look
forward to these practices because of the business challenges it aids owners overcome.

Cultural theorists also argue that the phenomenon hinders entrepreneurship in that individuals would not want to start a business knowing they would have to help other members of the family. But this study finds otherwise, that apart from it being used as a useful tool to meet business needs, it is used in training entrepreneurs; thus directly challenging the cultural theorist school of thought. The phenomenon helps the soon-to-be-entrepreneur to gain valuable business management skills, learn about the workings of the business environment and also gain an understanding of the market amongst, amongst many other things. This can be highlighted as one of the ways in which businesses in Nigeria go about tackling the challenge of the lack of certain skill sets such as financial management, which is required for business scalability. I discuss this in more detail in the Apprenticeship, Freedom and Franchise section below.

7.2 Mechanics of Business

Types of Business

The spectrum of business is not well diversified in Nigeria. The analysis of this observation shows that two key reasons for it are: financial independence and reciprocity. The culturalist literature states that reciprocity is a norm in African business culture. Meanwhile, the capitalists state that reciprocity hinders entrepreneurship. Reciprocity exists because of the culture and prevailing economic conditions. How does reciprocity work in this context? As discussed earlier in relation to bounded responsibility, a successful individual is bounded to help another financially dependent family or community member to gain financial independence. Usually this successful individual is a beneficiary of this culture. In order to achieve this self-sufficiency, usually, the dependent individuals are taken as apprentices to learn the trade; with the attainment of freedom, the individual goes on to establish his own business.

Apprenticeship, Freedom and Franchise

Reciprocity in Nigeria has produced the apprentice, freedom and franchise system (in this order), and this has proved successful. As seen in the analysis, freedom is the
completion of an apprenticeship. At this stage, the apprentice, on attaining freedom, has a few options. First, s/he is given capital to start a business under the same business name as the successful business-owner or under a different trading name. Some apprentices choose to retain the business name of the successful business-owner, although this is subject to the following factors: the existing relationship being cordial, and the type of business. This is done in order that the new business formed can enjoy economies of scale in terms of cost and customers. New businesses sometimes even extend vertically in a market, relying on the network of the successful business-owner.

According to the analysis we see the typical way in which businesses are formed. A successful business-owner either picks or is sent an individual to take on as an apprentice. This process helps the apprentice to gain valuable business management skills, and an understanding of the business environment and the market, which is required for business scalability. On the completion of this training, capital is made available to the individual. With the training experience and capital, the individual then starts his own business. This individual continues and grows. If he becomes successful, he is also morally bound to repeat this practice for either a family or community member. In this context reciprocity does not hinder entrepreneurship. First it defeats the idea, if we agree in simple terms that entrepreneurship is the process of starting a business. Reciprocity in this context encourages starting a new business. If entrepreneurship involves taking risks, taking advantage of market opportunities by planning, organizing and employing resources, surely this norm of reciprocity also covers all of these. If entrepreneurship is seen as being innovating — generating new ideas and business processes, then reciprocity in this context also covers this.

7.3 Rethinking Microfinance

Microfinance is a capitalist approach that puts profit and the accumulation of capital as its core. For this policy, capital overshadows community, competition over cooperation, and individualism over the collectivism. But among all of the various classes of people in an economy, those at the bottom of the pyramid are more embedded in the community. Apart from this and specific to Nigeria, the analysis chapters show that microfinance banks have not served the market for which they
were established. The government’s mode of regulation therefore needs to change. There is a perception, and rightly so, that the majority of time the microfinance banks function as retail banks. One of the reasons attributed to this is the mandated minimum capital requirement and closure of cash centres and the recapitalization exercise by the Central Bank of Nigeria (CBN).

The regulation allows for microfinance banks to operate branches, cash centres and customer interaction centres, although approval is needed for the operation of branches and cash centres from the CBN. The analysis reveals that people at the bottom of the pyramid build trust based on personal relationships, which is exhibited in regular informal interactions and it is at this point that money matters are discussed and money can be exchanged (individuals are more relaxed and ready to part with money). Therefore, the CBN, by imposing mandatory requirements for the operation of cash centres, removes the informality at that level, and makes it more difficult to build trust because of the formal structure. At this point the formality in their operations differs little from that of a retail bank, making them less relatable. The formal operations seem like an invisible barrier between the microfinance bank and the individuals; hence their attraction towards the informal ROSCA and peer-to-peer lending.

We also see that with access to more funds due to the capitalization exercise and with the need to satisfy shareholders, microfinance banks are now focused on a new set of customers, and are neglecting the microenterprises. The bigger microfinance banks became lesser members of their geographical community and are viewed as outsiders by micro-entrepreneurs. The banks’ objectives also included branch network expansion, deposit mobilization, profit and return on investment, diversification of income stream and many others. Microenterprises would not satisfy this.

Therefore, microfinance regulation and the banks need to rethink their strategy regarding how they go about their activities, especially in relation to serving micro-entrepreneurs and those at the bottom of the economic pyramid.

However, what if microcredit is not the solution and it actually makes matters worse in the long run? Microcredit involves granting loans to the operators of micro-
enterprises, such as sole traders, vendors, peasant farmers, artisans, fishermen, youths, women, senior citizens and non-salaried workers in the formal and informal sectors. How many employees can a very successful peasant farmer or a vendor employ? Most microenterprises remain informal and operate below the minimum efficiency scale. They are low/no technology-based, driven more by low wages than innovation or skill upgrading, and very often they are petty trade-based.

The developmental financial approach in Nigeria towards microfinance policy has been successful in reducing the number of people who are financially excluded but has had little impact on economic empowerment and growth. Community is a core element of economic relations. Therefore, promoting an enabling environment so that cooperative finance and cooperative enterprises can flourish would be a step towards economic empowerment and growth. The cooperative society already exist; they need to be empowered.

Moving Nigeria forward requires an unorthodox approach, as the economic terrain is peculiar. The developmental finance choice of financial liberalisation, which has resulted in microfinance banks seeking profit maximisation. In which case profit for microfinance banks in Nigeria does not involve extending credit to micro-entrepreneurs they are not profitable enough. Profit involves buying and selling landed properties and extending credit to salary earning individuals. Hence the people have chosen to help themselves, choosing to form and rely on corporative societies. Where they are able to self-regulate and govern. Just exactly how traditional microfinance started.

7.4 Competitive Collective Enterprise (CCE)

Based on this observed economic imaginary, which espouses the inclusivity and embeddedness that govern economic life, both in terms of access to capital and daily business mechanics, I propose a “working” model to development in this context, Competitive Collective Enterprises (CCE). The CCE model is made up of the following identified features: the local community, competition, government intervention, profit orientation, reinvestment, communal and private property ownership, formal education and the business mechanics. As a caveat, I advocate for the avoidance of the common pitfall of developing a model that would be generally
accepted. I have proposed this as a “working” model in that it is open to the unique contextual interpretation that aligns with the business realities of the individuals involved. A significant point raised in this research highlights the weakness of development models that assume a generalist viewpoint without taking cognisance of cultural contexts. Therefore, I clearly state that this “working” model is subject to the cultural political economy of the particular space.

7.4.1 The Model
The local government will setup a medium-scale business, where a budding entrepreneur is put in charge of the business with the possibility of owning the business after 3 years. This ownership will be conditional upon certain criteria being met. However, the monitoring process continues even after ownership is transferred. The individual will continue to be monitored over another period of two years. This will bring the individual’s performance evaluation to a total period of 5 years. During this five-year period, an additional criterion would be that the individual would have trained other apprentices, whom while working with him would combine their hands-on-learning with formal education.

7.4.2 Selection
Selecting a budding entrepreneur should not be difficult. There is already a practice in place where market leaders like Inn BO9, BR BO12 and Age BO29 already spot budding entrepreneurs in the market with talent and help them setup a business. Between the three of them, over the last 15 years they have trained 59 apprentices out of which 53 have started businesses and all 53 businesses are still in operation. These market leaders are not venture capitalist, business angels or shareholders; they own no part of the business and have only supported these businesses out of social obligation.

The government should therefore take an active role in this space and put in place a structure in which enterprising individuals could be appointed to head and later own a business with initial capital from the local government. The local government could follow with the existing criteria developed by these market leaders by telling the market leaders to individually recommend a candidate or they could jointly put forward a candidate. Existing beneficiaries of the capital on offer will have to face the
following checks; a character check, work ethics, current employer reference, employer’s competitors’ reference, background check that includes both family and neighbourhood check, personal credit, business prospect and profitability, level of risk aversion and financial intelligence. These checks are not dissimilar to what a commercial or microfinance bank would check when granting a loan. However, the uniqueness of this method, lies in how the information is sourced in this informal context, therefore beating the failings of microfinance as it is currently structured. (this is discussed in Chapter 4 see pages 83-88)

The candidate should be an apprentice about to attain Freedom. Such a candidate is sure to have gained valuable business management skills; an understanding of the workings of the business environment and of the market, financial literacy, supply chain, amongst many other things. Skill sets which are required for the business to achieve scalability and sustainability. (Chapter 6, see pages 166-167).

A joint committee should be setup which will include, market leaders and representative of the local government. Market leader in this case will mean, long-standing business-owners in a particular market, this will insulate the committee to some extent from political leaders. These are proven business leaders in their own right.

7.4.3 Capital and Ownership
The entrepreneur selected for this scheme must also raise some part of the capital for the business personally, in order to have part ownership which ensures commitment to the business. However, the local government will raise majority of the capital therefore having controlling shares. This is the prevailing practice in the market. Apprentices that intend on starting their own businesses at Freedom, always set aside a certain sum of money every month throughout the duration of their service. It is at Freedom that the employer adds some more money if required, to the sum set aside by the apprentice. This is used to start a business venture. This again buttresses the reason why the selected candidate should preferably be an apprentice approaching Freedom.
Over the next three years, based on achieving agreed terms of revenue and profit, the ownership of business is gradually transferred to the entrepreneur while the government recoups its investment.

Cooperative societies and ROSCAs will be encouraged to invest in part ownership of the business. Over the years they will also recoup their investments as dividend or capital payments whichever method is agreed.

7.4.4 Monitoring

- Revenue and profit figures will be agreed upon by the entrepreneur and the joint committee (market leaders and local government representative) based on time intervals. At those agreed intervals an appraisal will be conducted to confirm if the entrepreneur and the business are meeting their obligations.
- The first 18 months will serve as probation period, within this period the activities of the business will be monitored every 6 months. If the joint committee observes any unpleasant situation they can push for the termination of the contract.
- Failure to meet any of the agreed criteria, if the situation is salvageable, the joint committee will decide to give the entrepreneur a caution. However, by the next appraisal the entrepreneur should have met or improved the situation.
- Also included in the terms of engagement will be that, priority on employment and apprenticeship should be granted to individuals that reside in the community. Should employees or apprentices be employed from outside the community the business-owner should have completed a test which I have called the Community Employee Test (CET). This will confirm that there is no suitable worker already within the community workforce who could do the job.
- The company must and should pay its fair share of taxes to the local government.

7.4.5 Employee, Apprenticeship and Education

As mentioned, priority on employment and apprenticeship should be granted to individuals that reside in the community. Should employees or apprentices be
employed from outside the community the business-owner should have completed the Community Employee Test (CET). This will confirm that there is no suitable worker already within the community workforce who could do the job.

Also, it will be mandatory for apprentice to attend formal academic education at a local community school or vocational training schools owned by the local or state government at least once a week for the entire duration of the apprenticeship. Elementary Mathematics, English and Business Studies should be made mandatory. This will equip the apprentice with transferable skills he or she may utilise in running the business, and beyond his or her local community.

The apprenticeship program under this scheme will be opened to individuals strictly between the age 25 and 15.

7.4.6 Conclusion

CCE is most likely to be successful in urban cities and towns close to these cities as the business production will be geared towards the payable consumers that live in this area. Therefore, this model also targets the spill-over of the urban economies. In addition, businesses setup close to the urban areas will surely be more capital intensive and more sophisticated than those in towns or rural areas.

CCE helps enrich the value chain of businesses where individuals are at different stages of the production process in the market community. Case in point is the Electronic store owner (Inn BO9 see page 172), who helped 3 apprentices start a business in electronic repairs, then help start a few businesses using his business-name to form a formidable retail franchise. He also helped some other apprentices start DVD stores, then help start a business for movie production. We also have the boutique owner (MumP BO21 see page 65), who helped her apprentice start a tailoring business. These are all businesses along a certain value chain, thereby improving the spectrum of business.

The advantages of this “working” model also include:

- Profits and Taxes will remain local, which will help develop the community. I propose a 10-15% tax on profit to the local government.
• Access to capital: The local government can easily access credit from banks unlike these local individuals, due to current banking relationship.
• Take advantage of household savings in terms of the existing ROSCAs
• Based on points 1 and 3 the money remaining local helps to generate more income because it leads to expansion.
• CCE also helps to improve access to quality academic education; and will improve literacy rate of 15-24 year-olds which currently stands at 66% in Nigeria (UNDP, 2015). This is a major goal in the Sustainable Development Goals (SDGs) of the United Nations for eradication of poverty.

Summary
Two previous waves of developmental theory have fallen apart in Nigeria. Current economic development initiatives are facing resistance at certain levels, the challenge being that these proposed policies do not align with how Nigerians see themselves and or operate businesses. Therefore, there is always going to be a problem with this type of developmental economics financing called microfinance ethos. Commercial microfinance is a western technique that has been disguised in the locale option of financing. This western variation is causing the failure.

As we have seen in this economic imaginary, the cultural content of this economy is important and to not include that in its policy is a serious omission. The culture of a people affects everybody in the country; therefore, economic policies should be culturally dependent and it should be recognized that what works in one country does not necessarily work in another. This study has extended our knowledge of how entrepreneurship is constructed, perceived and practised in Nigeria. It has shown that the business culture is not totally at odds with capitalism and the demands of modern business, but that there exists a delicate balance between being profit driven and being socio-centric. It has also enriched the debate on microfinance not being a sufficient means to economic development. It has mapped a reality with regard to how to intervene in an urban economic space. By looking at the context of Nigeria, this thesis adds to the current academic and practitioner debates regarding entrepreneurship and economic development more generally. It has also shown how Nigeria works as an economy, and how western led ideas do not have much purchase in Nigeria.
I have sought to emphasize the need to draft policies that take into consideration a country’s cultural and prevailing economic imaginaries. Also, these policies need to make allowance for the evolution of the prevailing culture of capitalism found on the streets, where business seeks to make profit but are more inclined to social-wealth creation; a combination of the social impact and wealth creation.

Over past decades, diverse economic models have led to achievements in the economic growth and development of other countries. Microfinance is but one of the policies that has been advocated as key to poverty reduction and growth, and is considered a key mechanism for harnessing the economic potential of small entrepreneurs. However, if such models are translated into policies by the Nigerian government without fully taking into consideration the specific rules that govern economic life in this context, their intended results will not be achieved. This research demonstrates why such generic models will fail. By looking at the detailed workings of small businesses in a specific urban context, it has pointed out how economic relationships really work in practice in the Nigerian reality. This must be taken into account in future policies if the objectives of poverty reduction and economic development are to be reached effectively.

What is the wisdom in capitalism, if it continues to promote profit maximisation and after attaining considerable wealth accumulation, it advocates for philanthropy to tackle poverty? Juxtapose this with the current economic practice on the streets in Nigeria where businesses are competitively profit-driven but not at the expense of a social distribution of wealth. On the surface both approaches (philanthropy and inclusivity) seem to eventually care for individuals, yet one chooses to suspend the idea of social distribution of wealth and care to a later date. This vein of capitalism remains the dominant and prominent ideology in the West, and is exported to other parts of the globe. However, my research on how business is conducted on the streets of Lagos, Nigeria, has revealed that capitalism, albeit a global term, is open to reinterpretation in local contexts and can be equally successful if backed by appropriate socio-political structures – e.g. favourable government policies, market stall infrastructures, semi-formal capital/loan acquisition initiatives, and most importantly,
a genuine appreciation and consideration for “how we do business on the streets”; not to usurp their existing local business system, but to improve on it.

We have questioned the dominant economic imaginary on which the current model of economic development is built, and as we have seen with market mediated economy requires several social-economic relations to function. From deconstructing the way people understand and function in this economy, our findings show the existence of an alternative economic imaginary. In furtherance of Jessop’s theory of expanding the meaning of economy beyond profit-orientation, market mediation as the only way to organise economic life. We find that the alternative to market economy is not state (centrally planned) economy, neither is the alternative to state economy, market economy. Some parts of our discourse in chapter two centred around State Vs Market Orientation. However, what the findings reveal is that, there are more ways of organising economic relations, besides relying on a market mediated orientation. The findings show how different social partnership work to solve social problems. We clearly see that, competition for profit maximization for the delivery of social policies faces resistance in this economic space hence the constant crises of this economic imaginary. Everything does not have to be in the market. Rather based on our findings I argue for the encouragement of an interdependences. An economic imaginary of competition mixed with cooperation, profit-orientation and investment, communal and private property ownership. Simply put, competition within the solidarity economy. This new ideology is based on the interdependence of the two, having the following features, competition, cooperation, profit-orientation, communal and private property ownership and investment. Therefore, an innovative economic solution to developmental model as a result of this alternative economic imaginary is introduced and discussed in section 7.4, herein lies my theoretical and practical contributions. A new economic ideology that is founded on the assumption that markets alone cannot drive economic development and growth as currently being practiced, neither can government drive economic development as earlier thought. Also, sense and meaning making help give a more detailed picture of economic life, and economic development need not be only economistic in nature.
Appendix: Interview Guide & Questions

Cultural Greeting

Confidentiality
The confidentiality of the participants will be protected.
As discussed this research is strictly confidential.

Recording
If you would not mind, this interview will be recorded.
The data will be kept for around 5 years before it is destroyed.
However, if I happen to promise any particular participant that tapes and/or transcripts will be destroyed at the end of the research process then this promise will be honored.

Criteria for selecting the 20 that will be interviewed in greater depth include;
- Long-Standing Business Owners
- New Entrants
- Apprentices
- Local Regulators
- Formal and/or Informal Intermediaries
- Employees
- Residents
- Passerby
- Customers and Prospective Customer

Those who can represent the process of 'business' definition and development on the street

Interview Questions

Start \-up
How do you start your business?
Why did you start up?
What challenges did you experience?
What were you into before this?

**Operations**
Who are the customers?
How is your business organised?
How do you meet government regulations?
How are customers sourced?
How are their goods displayed for sale?
How are government regulations enforced?
How are staffs 'workers' employed?
What modes of payment exist amongst members of this community?
Is your business profitable?
Do you keep records?
How do you source your goods?
How do you retain customers?
Do you sell on credit?
How do you recruit your employees?

**Competition**
Who are your competitors?
How do you price your goods in relation to your competitors?
How do you find out their prices?
What will they do/ or what do they do that impacts your business?

**Expenditure**
How do you spend your income?

**Cost**
How do you fix prices?
How easy is it to calculate you cost?
Do you factor in all costs?
How do you pay your taxes?
Are there any other levies outside this?
Are there any non official levies?
Source of Credit/Capital
How was capital raised for your business?

Banking
How do you keep your revenue?
Do you own a bank account?
Do you have any loans at the moment?
If you need credit, do you have access to any?

Others / Observation
Do you plan to expand your business? How?
Where do you realistically see yourself few years from now?
Are you in any trade association?
I’ll attempt to gather data on the income of the participants: how they earn and expend their living?
How sufficient is your income? What does it cover?
What are your daily activities?
Have you ever made use of a microfinance bank?
Do you belong to any credit society?
How do you meet government regulations?
How are customers sourced?
How are their goods displayed for sale?
How are government regulations enforced?
How are staffs ‘workers’ employed?
What modes of payment exist amongst members of this community?
How does the market function?
Who are the key stakeholders?
How does the government regulate their activities?

Customer
Why have you chosen to purchase from here?
What determines your patronage?
How important is the cost of the goods compared to any other factor?
Apart from cost, what else is important?

THANK YOU
Thank you for your time, is there anything else you’ll like to add?
I am most grateful for your time today have a beautiful day
I will be getting a verbal consent from the participants about what I will be talking about. I will be sharing with my potential participants the research goals, methods, funding sources or sponsors, expected outcomes, anticipated impacts of the research, and their rights and responsibilities. Giving them a clear understanding of the facts, implications, and future consequences of an action will be explained to the participants.

**Rights of Participants**
Due to the nature of this research and area, starting out a research with participants having to sign a document might unsettle them, but obtaining consent in an open dialogue will be appropriate and of which a verbal consent is just as valid as written consent.

Rights such as:

- To have enough time to decide whether or not to be in the research study, and to make that decision without any pressure from the people who are conducting the research.
- To refuse to be in the study at all, or to stop participating at any time after you begin the study.
- To be told what the study is trying to find out, what will happen to you, and what you will be asked to do if you are in the study.
- To be told about the reasonably foreseeable risks of being in the study.
- To be told about the possible benefits of being in the study.
- To be told whether there are any costs associated with being in the study and whether you will be compensated for participating in the study.
- To be told who will have access to information collected about you and how your confidentiality will be protected.
• To be told whom to contact with questions about the research and about your rights as a research subject.
• To ask any questions you may have.

**Responsibilities as a Research Participant**

• To understand what will happen to you during the study before you agree to participate.
• Know the dates when your study participation starts and ends.
• Carefully weigh the possible benefits (if any) and risks of being in the study.
• Talk to me, if you want to stop being part of the research study.
• Ask for the results of the study, if you want them.
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