



Computer Village, Lagos: generates about \$2 billion to the economy annually (Ochelle, 2014).

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## Indigenous Practices in the Informal Economy and Sustainability in Africa

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***The informal economy represents about 72% of total employment in sub-Saharan Africa***



- Firms within the **informal economy** represent approximately **half of all non-agricultural employment** in developing regions.
- Much higher in **South Asia (82% of employment)** and **sub-Saharan Africa (65-72% of employment)**.
- In sub-Saharan Africa **74% of all women** non-agricultural workers are employed in the informal economy.
- For **South Asia the figure is 83%**.  
(Vanek, Chen, Carré, Heintz & Hussmanns, 2014)
- It is likely that **the informal economy is an important site of indigenous management** and employment practices, as it **does not come directly under the globalizing influences of western MNCs**, western management education or international donor.
- Yet, the informal economy is **subject to governmental policy decisions, often in opposition to them**: part of the dynamic that shapes indigenous practices and knowledge on an ongoing basis, but with **little representation and a lack of agency**
- There is an under-representation of majority-world firms in empirical studies in international management scholarship as a site of indigenous management knowledge



# The Informal Economy in the Majority World



**The Informal Economy** “.. a dynamic and enduring force that has shaped African cities”, representing “..an alternative society, with parallel social and religious institutions alongside the official ones” and “..a node of resistance and defiance against state domination” (Cheru, 2002: 48-49).



# What is Indigeneity?



## Common features of indigenous organization

1. A collective or communal societal orientation;
2. Kin-based forms of social organization;
3. **Employing forms of exchange more for social and cultural purposes rather than purely for personal material gain.** (Peredo and McLean, 2010)

- **A majority view:** not confined to a small minority of the Earth's population but a large proportion of the *Majority World* Peredo and McLean (2010) estimate 300-500 million worldwide occupying 20% of world's landmass.
- Juxtaposed to the global and a **function of power and colonization**, rather than purely a function of local context in distinction to the global (Smith, 1999)
- **Marginalized** (Wiessner, 1999) and under-represented within the mainstream of knowledge and culture (Smith, 1999)
- **Dynamic**, rather than a static artifact (*commodity*) (Briggs and Sharp, 2004), and constantly producing new knowledge and social forms within a changing cultural interface (Jackson, 2011)
- **A political concept** (Smith, 1999): a reason why it is avoided by mainstream international management scholars (I've suggested using *endogenous* instead: Jackson, 2013).

Other studies in South Africa, Hawaii, and the Andes suggest that the emphasis in these communities is not on wealth creation, but where **economic goals are channeled towards social and community ends.** (Dana and McLean, 2010)



*‘The individual profit motive no doubt exists but it seems to be subordinate to meeting community needs and objectives. The social role of many of these enterprises are apparent in terms of providing local employment, making use of talents and resources locally available, and sharing profits among community members.’*

Berkes and Adhikari (2006: 11) from their study of indigenous businesses in Central America



# Why is this Important?



**The under-representation of indigenous knowledge in management, business and entrepreneurial scholarship leads to a lack of diversity in terms of:**

- **Knowledge sources (*what do we know and how do we know it?*)**
- **Idea- and concept-generation (*how do we think about what we know and how do we formulate this into theories and knowledge?*)**
- **Consequences and impact on diverse communities within a global world (*are our theories and subsequent practices appropriate to the diverse organizational and social communities with we come into contact?*).**

# Why is this changing?

Two opposing trends in what we know and how we know



*"... there are 100 million people coming to Facebook every month across the African continent, with over 80% on mobile."*

Facebook, June 2014

- **Tendency towards more elitism in scholarly knowledge.** Scholarship itself, increasingly, is considered the preserve of academic elites, mostly in Western Europe and North America, produced increasingly in elite universities, and published in elite scholarly journals that appear far removed from the diversity and changing nature organizations and communities of the majority world.
- **A trend towards the propagation of unmediated knowledge through digital technology** is pulling in the opposite direction. Social media may have the potential to provide better representation of under-represented and marginalized knowledge. The **Arab Spring** is a much cited example of the power of digital media in communicating a message that otherwise might not have been heard (Klischewski, 2014).

- **The Majority World, informal economy is an important site of indigenous management knowledge and practice (e.g. traditional apprenticeships, community based entrepreneurship), and in Africa has the potential for appropriate transformation**
- **But marginalized with a weak voice**
- **Social media has the potential to change things by providing greater voice and potentially better representation.**



Giving Voice to indigenous management knowledge



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