



Turning hustlers into entrepreneurs, and social needs into market demands: Corporate–community encounters in Nairobi, Kenya



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ABSTRACT

This article contributes an empirically rich account of a social enterprise project embedded in local urban economies of Nairobi, Kenya. The confluence of rapid, unplanned urbanisation and economic liberalisation has led to growing formations of informal settlements and a vibrant informal sector across post-colonial cities. These “slum” neighbourhoods, housing the majority of the urban population on a fraction of the city’s land, are often ignored and marginalized by the state and municipal authorities, particularly with regards to basic service provision. At the same time, slum economies provide entry-points for various enterprise-led development schemes seeking to commercially engage both entrepreneurial individuals and their existing customer base in order to scale access to unmet needs. The discussion is based on an ethnographic study in one of Nairobi’s largest informal settlements, which focused on the everyday practices of a local micro-franchise called “Community Cleaning Services”. The article illustrates how waste workers and self-proclaimed “hustlers” were turned into micro-franchisee entrepreneurs providing a sanitation service to residential customers, through their engagement with Community Cleaning Services. This ethnographic account raises two potentially contradictory but inter-related debates that are rarely considered alongside one another in the existing literature on corporate involvement in low-income markets. First, it reframes the critiques of enterprise-led initiatives to “poverty alleviation” by focusing on the implications of commercialising “basic” services and on the logistical and cultural challenges of turning social needs into market demands. Second, it emphasises the often-invisible role of grassroots informal economies in enabling access to vital services in the absence of an adequately resourced and responsive municipality. The article concludes with a broader reflection on the effects and limitations of corporate-led development schemes targeting the urban poor and points to the contrasting logics of grassroots entrepreneurial urbanism and corporate–albeit “socially responsible”–parameters of success.

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The beginning starts at the end

This article contributes to the debates on corporate and social enterprise-led development, by investigating how a social enterprise project between a transnational corporation and informal sector entrepreneurs became embedded in the local urban economies of *Mathare*, one of the largest and oldest informal settlements located seven kilometres from Nairobi’s Central Business District. The research studied the micro-politics and social economies of social enterprise, “Community Cleaning Services” (CCS) over the course of 15 months of fieldwork between 2009 and 2012. CCS was originally created as a micro-franchise in 2005 to serve as a conduit for working with local youth living in Nairobi’s informal settlements (known as “slums” to most in the city, or the “ghetto”

to urban youth referring to their neighbourhoods) engaged in garbage collection, recycling, and urban farming. Co-founded and sponsored by an American transnational Company (hereafter the Company), the story of CCS and its peculiar alliance with the Company reveals the complexities of a commercial partnership between disparate organisational entities. The article investigates and unpacks the social relationships and dynamics of this partnership whose beginnings and credibility were inextricably linked to two separate and seemingly insurmountable problems associated with urban poverty and development: youth underemployment and inadequate sanitation infrastructure.

This article focuses on how self-proclaimed “hustlers” engaged in waste work “in the hood” were turned into micro-franchise entrepreneurs of a sanitation social business. The ethnographic account of this corporate-slum encounter therefore offers a series of contributions to urban, economic, and development geography.

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Most notably, this article contributes to recent scholarship interrogating the “entrepreneurial developmentalism” of corporate-led social enterprises that romanticise and repurpose the self-employed poor into “enterprising subjects” (Dolan and Johnstone-Louis, 2011, 30; Cross, 2013). The intention is not to dismiss the corporate engagement outright, but instead to offer meaningful methodological and empirical insights on the convergence of two seemingly irreconcilable economic logics at play: those of corporate capitalism and those of informal social economies. The aim is to focus on how a corporate-led project and its social enterprise parameters for success were shaped and re-configured by the “hustle economy” (Author, 2013) of an informal settlement, and how particular aspects of the corporate presence, in turn, marked local practices of ‘hustling’.

At a time when market-based approaches to assorted development challenges have multiplied in the 21st century, there is a dearth of geographical scholarship examining the political economies of social business ventures, in part because of the difficulties around gaining long-term and multi-sited research access to the project fields spanning the boardroom and grassroots, as well as the methodologically and ethically challenging research process requiring shifting roles from participant observer to observing participant (Welker, 2009; Holmes and Marcus, 2005; Mosse, 2005; Cross, 2013). Through seeking to establish trust and an ethnographic foothold in both the corporate and the informal life worlds (Holmes and Marcus, 2005), the methodology of this research included being both a participant observer in the business meetings of the social enterprise as well as an observing participant in the sanitation service operations of slum-based youth groups.

The article is structured in three sections. First, the theoretical section summarises the key debate concerning the role of the private sector in development, and provides background context to Nairobi’s political economy of slums, urban sanitation inequality, youth and informal economies. Second, the empirical section summarises the different stages of the corporate–community encounter, highlighting the complexities of the hustle economy amongst youth involved in waste work and the micro-politics of sanitation in their neighbourhoods. The last analytical section investigates the effects of this encounter on both youth job creation and improved sanitation, arguing that abstract conceptions of business, market demand and entrepreneurship were perceived, articulated, and experienced differently by different actors in everyday lived practice. The article argues that the particular social and economic rationalities and coping strategies shaped by youth income precarity and sanitation poverty did not necessarily match the imagined outcomes of a corporation seeking to improve lives. The aim, therefore, is to conceptualise the corporate-slum encounter, by reflecting critically but empathetically on the respective assumptions, norms, and parameters of both a corporation adapting to local informal economies and infrastructures, and the self-proclaimed ‘hustlers’ who are pro-business, but whose social and economic organisation ‘in the hood’ challenges the foundational logic of corporate capitalism where success is tied to sustained growth and profit, and where notions of entrepreneurship presume the pursuit for individualistic and continued economic gain.

Engaging the (Hustle) economies of slum worlds

The “geographies of marketization” have positioned markets as the dominant institution of modernity, across the formal/informal sector divide (Boeckler and Bernt, 2012). The corporation, one of the dominant protagonists of 20th century global capitalism (Paine, 2004) and co-producer of dominant business knowledge (Olds and Thrift, 2005), has become an opportunistic agent of development (Cross and Street, 2009) in the 21st century as market-based approaches to development have mainstreamed claims

to poverty alleviation, access to basic needs, and partnership with the entrepreneurial poor. These claims and subsequent practices vary widely across industries and geographies, simultaneously demonized and venerated. Some regard these interventions as void of moral agency (Korten, 1995; Welker, 2009; McChesney, 1999), others hail them as the most efficient option for delivering on the promises of globalisation including the advancement of social and environmental causes (Hammond et al., 2007; Hart and Prahalad, 2002; Prahalad, 2005; Hart, 2008; Kandachar and Halme, 2008; Henriques and Richardson, 2004; Jones et al., 2007). More recent critiques have stayed away from the moral and ethical debates, instead suggesting that appending development claims to social business ventures is both highly unrealistic and questionable business strategy. The provocative argument here is that new business development is challenging enough in low-income markets with highly informal structures, so businesses should stick to their fundamental competencies of growth through sustained increase of supply and demand, rather than hope to address the multi-dimensionality of poverty through enterprise (Simanis, 2012). Across the claims and counter-claims of market-led approaches to development including Corporate Social Responsibility, Base of the Pyramid, Markets for the Poor, and more recently “Creative Shared Value,” to mention the most common idioms, lie under-explored grounds for geographical inquiry concerning how these increasingly mainstream discourses are put into practice, funded, justified, and contested in rapidly growing cities, and how they interface with informal economies in contexts of unplanned urbanisation.

Two sets of recent literatures focused on the role of corporations in development are ideologically opposed: One rooted in business and management scholarship celebrates the emancipatory potential of corporate-led development and Base of the Pyramid strategies, while the other, including a growing literature on the anthropology of corporations, interrogates the implications of corporate-led development particularly on vulnerable communities. A more nuanced account of the vicissitudes and dynamics of urban informality in everyday lived practice and its encounters with corporate practices *must* engage both sides of the business and development debate spectrum in order to reflect meaningfully on the challenges, limitations as well as possibilities of market-led approaches to development. Therefore, the empirical context of this article dialogues with both of these literatures, as well as building on the informal economy literature in order to conceptualise the *leitmotiv* of my interlocutors, whose conception of business was inextricably tied to “hustling”. In Nairobi, the ‘hustle’ has become integral to the “creolized argot” (Comaroff and Comaroff, 2005) of youth living and working in slums, and this expression epitomises the under-documented and complex social fabric and everyday logics of ‘life in the ghetto’.

An estimated 4–5 million people live in Nairobi, with over 60% of the city’s inhabitants living in slums (GOK, 2009; SDI 2009; Huchzermeyer, 2011, 3). This jarring statistic reflects the global trends of rapid urbanisation in the 21st century, with one in seven people living in informal human settlements (UN-HABITAT, 2003, 2008; Davis, 2006; Satterthwaite, 2007). Across mainstream representations of slums, the social and economic modes of organising, exchanging, sharing, co-habiting, and learning are not only largely and uncritically categorised as “informal”, they are usually defined by what they are not (Roitman, 1990). This is especially the case with narratives of urban poverty in African slums (Mbembe and Sarah Nuttall, 2004; Ferguson, 2006; Myers, 2005). As a result, the lives of the marginalized but majority city-dwellers go undocumented or are reduced to essentialised narratives of either deprivation and entrapment, or romanticised entrepreneurialism. Yet, as informal economies absorb and generate diverse (albeit tenuous) income opportunities amongst a growing urban labour force, unlike normative assumptions that the informal sector is a

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