

Book Reviews

Kate Meagher (2010), *Identity Economics: Social Networks and the Informal Economy in Nigeria*, Woodbridge, Suffolk: James Currey / Ibadan: Heinemann Educational Books (Nigeria), ISBN 978-1-84701-016-2, xv+208 pp.

Social networks have become a major focus in African studies. Among economists, the study of social networks has partly replaced the “informal sector” paradigm; many economists expect formal and informal networks, once “unleashed”, to bring economic development. Among political scientists, the study of social networks has become equally popular, though often with a focus on their more sinister dimensions, such as the networks of political patronage, crime, and violence (“criminalization of the state”). Kate Meagher’s new book takes a sober, realistic, and empirically well-grounded look at the achievements and failures of networks in Nigeria’s small-scale manufacturing sector.

Meagher focuses on two clusters of small enterprises in Aba (a city in Abia State in the Igbo ethnic area of southeastern Nigeria), one specialising in the production of shoes, and one in garments. Aba has a tradition of small-scale manufacturing dating back to the 1930s; in the 1980s it acquired the image of being the “Taiwan of Nigeria” for its vast light-industry manufacturing of a broad range of products, many of them locally called “fakes”, i.e. unlicensed copies of brand products, often of inferior quality. By the year 2000, the two clusters Meagher studied comprised nearly 14,000 small-scale enterprises, each with an average number of employees (including owners and apprentices) of no more than 2.6 (or 4.2, with temporary staff included). This makes Aba the home of what are probably some of the largest such clusters in sub-Saharan Africa, on a scale comparable to what is otherwise found only in South Asia or Latin America.

Meagher starts off with a classical economist’s look at the small businesses in the two clusters, identifying typical patterns of business organisation. She traces the economic history of the clusters and their fate in the era of liberalisation and economic restructuring. The outcome is ambivalent at best: While Aba’s small-scale manufacturing industry flourished in the early years of structural adjustment, liberalised imports – of second-hand items as well as of cheap products from China – generated many negative effects over the last decade. The weakening of existing commercial linkages and an

often extremely intense competition within the sector created even more difficulties.

But Meagher's study goes far beyond economics: She looks at how the businesses are embedded within the broader social realm, and especially at the diversity of networks within which Aba entrepreneurs operate. One particularly fascinating chapter is devoted to the history of the commercial and religious networks that enabled trade in pre-colonial Igboland (a classic example of a stateless society). These networks were transformed – and, often, terminated – during the colonial period; new networks emerged, created by Christianity, formal education, and administrative restructuring.

In her analysis of contemporary business clusters in Aba, Meagher combines the evaluation of statistical data with a more narrative life- (or business-) history approach. “Kinship”-based networks (i.e. links to specific local communities where most Aba business operators traditionally originated, and which are institutionalised in the famous Igbo “hometown unions”) still persist and play an important role in business practice and performance. But their relative relevance has decreased over time, and is increasingly complemented, or even replaced, by new forms of networking and associational life. Among these are formal business organisations, many of which turn out to be less than successful, and church-based networks. Especially the linkages created by membership in one of the new evangelical churches, while not dedicated specifically to the pursuit of business, hold a high business-relevant networking potential for small entrepreneurs, especially for the women among them. Belonging to these churches creates not only business opportunities, but may also help an individual resist the manifold pressures – from family, local community, or business association – to provide support, pressures that could constitute a virtually endless drain on the resources of a small entrepreneur.

Finally, Meagher looks at the interaction between Aba businesses and state institutions. Despite their economic and job relevance and, to an extent, even political proximity to the Abia State government, the businesses have received little official support and suffer from poor infrastructure, harassment by officials, and insecurity. Administrative decentralisation of recent years, Meagher concludes, “has been a source of increased conflict and confusion rather than institutional assistance” (141). Interventions designed to strengthen entrepreneurial capacity, undertaken by governmental as well as international and non-governmental organisations, have produced few, if any, tangible results, as many of them were “hijacked” by well-connected individuals. Attempts by Aba entrepreneurs to combat rampant crime by creating a militia – the infamous “Bakassi Boys” – produced security in the short term, though at the high cost of severe human rights viola-

tions. But soon afterwards, the militia became an instrument of violent identity politics within the wider political context of Nigeria, and finally local politicians took control over it in order to pursue their own ends. The disconnect between the local, informal business sector on the one hand, and state institutions that should provide a conducive framework on the other, remains a serious challenge for every development policy that addresses small-scale enterprises.

Overall, Meagher arrives at a rather sobering picture: Despite the impressive dynamism of the small footwear and garment firms in Aba, there is much of what she calls “network failure” among the small firms themselves and in their interactions with state institutions. She makes it very clear that a growth and development policy for the African informal sector cannot rely only on liberalisation. Market forces alone will not do in a setting plagued by intense competition, identity politics, and weak institutions easily captured by special interests. Instead, Meagher calls for small entrepreneurs to develop a genuine “political voice” that would demand a more conducive framework for business operations. Surely, this is a difficult task requiring a very long-term perspective; but her call should be taken seriously by everyone interested in supporting small manufacturers – not just in Aba, but also elsewhere in Africa.

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