

**THE DEVELOPMENT OF AFRICAN
ENTREPRENEURSHIP IN KAKAMEGA
TOWN AND ITS ENVIRONS, 1945 – 1978**

BY

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ABSTRACT

This study examined the experiences and historical development of African entrepreneurship in Kakamega town and its environs between 1945 and 1978. It employed the use of the New Institutional Economics framework in complementation with Goran Hydens Economy of Affection and the Interactionist approach in anthropological studies. The main focus of the research was on the institutional environment that either constrained or facilitated African entrepreneurship; the rationale behind their choice of business as an occupation; problems they experienced and coping strategies they devised; firm organization, performance and their influence in the community.

The methodology used entailed identifying, selecting and integrating both secondary and archival information, with oral evidence collected from 76 respondents selected by purposive sampling techniques. The study is presented in three time periods along themes with supporting case studies.

The study revealed that in each of the three successive periods (1945-1950, 1951-1963, 1963-1978), Africans opted to enter trade due not only to individual variables like possession of investable capital and specialized skills, but also because of political, social and economic changes in each period.

From the onset, the colonial state failed to nurture pre-colonial entrepreneurial traits, but rather established an socio-economic structure that forced African traders into a marginalized role to other races. Out of their own initiative, Africans challenged these constraints by developing their own business networks, contracts, diversified activities and resources. By the 1950's African firms were replacing the Asian dominance in maize marketing and commuter transport business. After independence Africans took advantage of legislations in their favour to gradually dominate commerce in the Town and the region.

In conclusion, the Colonial and Post-colonial administrations had an influence in determining the level of operations of African enterprises. African entrepreneurs acted as social innovators, being the first to break from certain cultural inclinations that constrained commercial activities, to gradually adopt more formal elements in the internal organization of their firms. However, certain cultural obligatory practices continued. For instance, they in some cases continued to meet medical, education and funeral expenses of relatives with capital drawn from their enterprises.

In light of the above findings and conclusions, the study recommended the enhancement of informal Rotating Savings and Credit Associations; the maintenance of short seminar courses for traders; the transfer of taxation to indirect means and the review of the legal framework surrounding entrepreneurs. African entrepreneurs can develop inter-generation transfer procedures of firms as family units and so discard inheritance divisions of firms. While stakeholders in training and financing of business enterprises should create a referral agency for information on enterprises and offer programmes that both instruct and inspire entrepreneurial potential.