African Entrepreneurship
Theory and Reality

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13. Institutional Constraints on Entrepreneurship in Kenya’s Popular Music Industry

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African popular music provides an excellent illustration of African entrepreneurial dynamism in an industry dependent upon creativity and continual innovation. As the international marketplace of East Africa, Nairobi seemed destined to become an economic and creative force in Africa’s emerging popular music industry. The establishment of Kenya’s independence in 1963 marks a period in which Nairobi became a major center for the creation, production, and distribution of an identifiable Kenyan popular music. This music was well on its way to reaching audiences throughout Africa, but Kenya’s contribution to African popular music has all but disappeared in the last twenty years.

This chapter explores the reasons behind the collapse of Kenya’s popular music industry. It is simplistic to assume that Kenyan music fell victim to changes in taste—that it was simply a short-lived musical fad in Africa. Neither was this collapse due to a lack of indigenous entrepreneurial ability. As other chapters in this volume can attest, there is no shortage of African entrepreneurial talent. However, successful entrepreneurship does not occur in an institutional vacuum. This study argues that Kenyan popular music ceased to innovate and develop due to the unintended consequences of certain policies implemented after independence.

Although these policies were intended to foster development of African industries and markets, they imposed institutional constraints on entrepreneurs that disrupted the indigenous music industry’s growth and development. Africanization policies disrupted marketing and distribution networks, effectively reducing the regional and international market for Kenyan recordings. Import, visa, and foreign exchange restrictions also reduced flows of peoples, ideas, music, and technologies from the rest of the African popular music industry. These flows, and the resultant interac-
tions, supply the necessary conditions for a dynamic and innovative popular music scene. With effective international demand for its products reduced, and with the supply of resources essential for continued innovation also reduced, it was inevitable that Nairobi ceased to be a major force in the African pop music scene.

Materials for this case study were obtained from extended interviews with current and past participants in the Kenyan music industry, as well as with other informants familiar with conditions in the industry. The extensive literature descriptive of the Kenyan and other African popular music scenes (both past and present) was also accessed, but there is no previous literature providing analytic work concerning the economics or institutions of the African popular music industry. This case study proceeds by first examining the socioeconomic conditions that influence and give growth to popular musics, followed by a description of the structure of the Nairobi music industry. Next, evidence is offered to demonstrate that Nairobi was a major center for African pop music in the 1960s, and that it is now a pop music backwater. Africanization of the industry is then analyzed, in order to explain how it adversely affected entrepreneurs in the industry. Finally, other contributing factors related to Kenya's relative isolation from the rest of the pop music world are considered, using the successfully entrepreneurial Zairian music industry as a contrast.

The Development of Popular Music

The importance of popular music—or any other aspect of culture, for that matter—cannot be measured in terms of business activity or contributions to the gross domestic product. Popular music not only fulfills individual needs, it also affects groups within society. However, there is no clear consensus as to the meaning of the designation popular music. In general it may be said that the term delineates one of three ways of thinking about the function of music in society. (The other two might be referred to as art music and traditional music.) In this study, popular music has the following attributes:

- The music is a product of "a relatively highly developed division of labor and a clear distinction between producers and consumers" (Manuel 1988:2).
- The music product is "created largely by professionals, sold in a mass market and reproduced through the mass media" (Manuel 1988:2).
- The music is "primarily urban in provenience and audience orientation" (Nettl 1972: 218).
The music is financially successful according to the degree to which it sells across ethnic and economic boundaries (Small 1984).

The production and marketing of this product is intensely affected by, and responsive to, changes and developments in technology (Manuel 1988:3–4).

The popularity of any particular product or style of product is relatively short lived (Small 1984).

Certain economic and social conditions are conducive to the rise of a popular music industry. The fundamental catalyst seems to be rapid urbanization. Peter Manuel states: “Rapid urbanization often brings together members of distinct ethnic, racial, linguistic, and/or tribal origins. Such groups may find themselves interacting with, and living alongside one another, and confronting shared socio-economic challenges” (1988:17).

Jacobs (1969) has described the interaction that results from the spatial concentration of large groups of diverse peoples as a phenomenon that often generates and facilitates innovation by entrepreneurs. As an industry that is driven by adaptation and change, innovation is crucial to the success of a popular music. The popular music that results from interaction between ethnic groups is not only an incredibly viable product, it may also act as an important agent of socialization. “For many, the changes wrought by urbanization and modernization are accompanied by considerable alienation, exploitation, and impoverishment. As such the creation of a new social identity assumes a crucial rather than incidental role in survival and adaptation to the new environment. To those immersed in the struggle, popular music may serve as a powerful and meaningful symbol of identity, functioning as an avenue of expression and mediation of conflict” (Manuel 1988:16).

The music that facilitates the development of this new identity must tread a narrow path. “For the city dwellers of the developing world, neither traditional ‘folk’ forms nor imported Western styles may fully express social identity. Rather, new musics are generated which syncretize and re-interpret old and new elements [of identity] in a distinctive metaphorical expression” (Manuel 1988:17).

In Africa, this newly created, syncretic expression must be “at once authentic and modern, indigenous but not isolated or provincial, African, but not ethnically exclusive” (Coplan 1982:125). In Africa, and throughout the world, the most successful music must be an interethnic form of expression in order to fulfill this needed function. Popular music is the result of a process in which musical ideas are shared between ethnic groups and blended. As mass media become available, these ideas are shared and
blended at a much faster rate. Roberts (1972:240) cites the introduction of the radio and phonograph as central to the development of popular music in Africa.

Popular music, then, is an outgrowth of and an influence upon the interaction of diverse ethnic groups within an urban area. The growth of a popular music industry is stimulated by a number of concomitants of urbanization. These conditions create a demand for popular music and also lead to its supply:

- Immigrants to urban areas arrive in response to employment opportunities. Those who find employment have more discretionary income, leisure time, and a desire for entertainment. Thus a demand for popular music exists.
- Urban areas are typically the hubs for distribution and retail networks. As such, they tend to attract entrepreneurs who are willing to take risks and willing to finance the technology necessary to produce the music.
- Urban areas are typically the site of major broadcast facilities. With access to mass media, ideas are shared and blended between ethnic and economic groups at a much faster rate.

**Nairobi as a Popular Music Center**

By the time Kenyans established independence in 1963, Nairobi possessed all the prerequisites for being a center for popular music. Migration from rural areas caused a rapid increase in population with an increasing ethnic diversity. The mass media of radio and phonographs were available during this period as well. As the commercial center of East Africa, Nairobi had the business climate and distribution networks necessary to market African popular music locally and internationally.¹

It might be expected that there would be little interaction among races, given the long history of stratification along racial lines under colonialism. However, despite ethnic and racial distrust and the acrimony that accompanied the independence movement, the overall political mood after independence was optimistic. Kenyan leaders and musicians asserted the importance of learning to live together in a new Kenyan state. John Storm Roberts described the subject matter of Kenyan popular music: “The stressing of the positive point, the uniting of once mutually distrustful tribes, is typical. . . . The man who sings ‘Sisi wote ndio wananchi, si Waafrika, Wazungu na Wahindi, tufurahi ya Uhuru kwetu wa Kenya—Let all we inhabitants, Africans, Europeans and Asians, rejoice in our Kenyan independence’
expresses the universal attitude of these songs to immigrant groups taken as a whole" (1968:40).

Under the influence of these conditions and attitudes, Nairobi became an ideal site for the development of a popular music industry. An examination of the institutions that existed at that time provides an excellent illustration of the kind of exchange among ethnic groups that creates a viable popular music product.

One of the legacies of the colonial system was that a license was required to conduct almost every type of business in the city. In marketing a music, individual aspects of the enterprise—recording, production, distribution, retailing, and broadcasting—required separate licenses. Each of these activities tended to be dominated by different ethnic groups in Kenya. As a result of ongoing efforts to cultivate an African market, Europeans tended to hold licenses for record pressing, while Europeans and Asians held the licenses for recording. Since the early 1920s, Asian traders had maintained a highly successful system for the distribution and retail of music that they imported from India (Stapleton and May 1990:261). Thus Asians held licenses for distribution and retailing. By the time independence had been established, African Kenyans had assumed control of Nairobi's KBC (Kenya Broadcast Corporation, the major broadcast facility for most of East Africa). Therefore, Africans held the "license" for broadcasting. The only aspect of the enterprise that did not require a license was probably the most interesting in the light of the earlier description of innovation resulting from interaction among ethnic groups: the creation of the music itself.

During the 1950s, a distinctly Kenyan music was being created in the western portion of Kenya, where there was a need for a music that would serve the needs of two ethnic groups, the Luo and the Luyia. Though both groups had individual and vital musical traditions, there was a market for contemporary music that could serve the needs of the growing, multiethnic populations in cities such as Kisumu and Nairobi. The musicians in western Kenya were also under the influence of recordings of guitar music that served the interethnic mining camps in eastern Zaire (then the Belgian Congo). By the late 1950s, they had forged a uniquely Kenyan blend of Congolese guitar music with music based on Luo and Luyia traditions. Sung in Kiswahili, the trade language of the area, this music appealed across ethnic boundaries.

All of these activities came together in a trading center within Nairobi known as River Road. Originally a lower-income Asian district on the edge of the Asian bazaar, River Road became an ethnically mixed area where
Africans tended to shop and sell goods (Hake 1977). By independence, River Road had become the center for the production and distribution of popular music.² Studios in the River Road area would record on reel-to-reel tapes. (By contemporary standards, the recording process was a somewhat primitive undertaking, with one or two microphones and a technician who would merely turn on and off the tape recorder.) The artist or producer would then take the tape to a distributor. The distributor would evaluate the marketability of the recording, heavily relying on the advice of African friends and employees. If the recording was deemed marketable, arrangement would be made to have the records pressed at East Africa Records (a subsidiary of the multinational Polygram and the only pressing plant in East Africa). The finished product would be marketed in local, Asian-run retail shops and promoted to contacts within the radio station. Particularly promising products would be distributed across eastern and southern Africa. Kenyan records were sometimes distributed and retailed as far away as Monrovia in West Africa and even Europe.

What Went Wrong?

Nairobi possessed the necessary conditions and characteristics to be a popular music center. The fact that it actually was a major center of African pop in the mid-1960s is widely accepted, although there are no supporting sales figures available. (A vibrant, ever-changing recording industry does not readily lend itself to monitoring by government statisticians.) Fortunately, these three indicators confirm that a thriving popular music industry existed in Nairobi: the migration to Nairobi by many artists from surrounding areas; the pan-African and international success of Kenya-based artists; and the number of record labels and distributors that existed in Nairobi.

Nairobi became the center of the infant East African music business by the end of the late 1950s. Several top guitarists from Katanga in eastern Zaire moved to Nairobi during this time. They provided the inspiration for the first generation of Kenyan guitarists such as Fundi Kande, Fadhili Williams, David Amunga, and Daudi Kabaka. These artists were also drawn to Nairobi in the 1950s. Radio broadcasts from Nairobi in the 1960s promoted the careers of the next generation of Kenyan stars, including George Mukabi, John Mwab, and Isaya Mwin (Ewens 1992: 159–65). Also in the 1960s, stars from the Ugandan music scene came to Nairobi to record, as did artists from Zaire trying to escape the domination in their homeland of the superstar Franco. Interviews with local musicians also confirmed that during this time, musicians and would-be artists from all over East Africa were being drawn to Nairobi.
The music products of Nairobi were not for local consumption only. As noted above, the more promising Kenyan recordings were distributed throughout Africa. There were also some international hits of Kenyan music (for example, "Malaika"). There was a large number of record labels and record releases in Nairobi. The number of local labels had risen to more than forty as early as 1957 (Harrev 1991:109). By 1964, a number of labels had emerged as top contenders for the Kenyan market: Equator Sound, Associated Sound, Mzuri, New Jambo, and Nissen hut Studio. Numerous small labels also proliferated throughout the city. Releases on Nairobi-based labels were substantial. In 1962, 420 releases were listed in a catalog from Capital Music Stores, while a 1964 catalog from Associated Sound showed 160 releases. Approximately 1,000 records were issued around the same period by the Jambo series; Nairobi was indeed a center for African pop music (119).

However, Kenyan popular music stagnated by the late 1970s. The developing “Nairobi Sound” lost its commercial appeal, and an identifiable Kenyan music product or style had failed to surface (Stapleton and May 1990:272). There are many indications that Nairobi today certainly cannot be considered a center for African popular music. The recording studios consist of equipment that is ten years out of date and often in disrepair. Informants state that there are no artists who can make a living from recordings alone. The kiosks of Nairobi are filled with cassettes of pirated foreign music and some local ethnic music (but none that sell internationally). The producer for the most popular group in Kenya, Them Mushrooms, said there is no export market or international distribution of their recordings, with the possible exception of the occasional sale to a tourist or the odd ethnomusicologist passing through Kenya. There is no comparison between the Nairobi music scene of the 1960s and that of the 1990s.

It is simplistic to hold that the collapse of the Kenyan music industry was merely the result of changing musical fashion. Kenya had been a center for too long for this to be true. In other parts of Africa, notably Zaire, music continued to innovate and change. The question is, Why did Kenyan music fail to continue to innovate? What conditions allowed entrepreneurs in Zaire to continue as the dominant source of African popular music while Nairobi became a pop music backwater?

**Africanization**

The Nairobi Sound fell victim not to changing fashion but, unintentionally, to policies imposed after independence. Africanization policies inadvertently disrupted the institutional arrangements that had evolved within
business networks that were essential for successful entrepreneurship (Himbara 1994). This, in turn, disrupted the production and distribution of music for international markets. Incentives arose to produce ethnic music that had limited appeal, diverting resources away from interethnic pop music in Kenya.

Described earlier was how the production and distribution of popular music were run out of the Asian dukas (shops) in Nairobi’s River Road area. At independence in 1963, the residents of Kenya chose between Kenyan and British citizenship. Many Europeans and Asians declined Kenyan citizenship. Given their standing as middleman traders—unpopular minorities in a land where many Africans viewed them as foreigners, if not economic parasites—many risk-adverse Asians felt more secure remaining British subjects with British passports. This is a particularly understandable decision given the treatment later of Asians who owned commercial enterprises in other parts of Africa, particularly Uganda and Tanzania.

Many African countries in the postindependence era enacted laws, regulations, and other policies to bring about the indigenization of manufacturing and trade. Kenya was no exception. The Trade Licensing Act of 1967 excluded noncitizens from owning certain types of businesses. Thus, many of the Asian noncitizens had to sell their dukas, some at distress-sale prices. It was during the late 1960s and early 1970s that the River Road area became primarily African as the low-income Asians were displaced.

A large proportion of the subsidized loans from the government-sponsored Industrial and Commercial Development Corporation went to African Kenyans to buy out the businesses of noncitizen Asians during this period (Kennedy 1988:64). The vast majority of these Africans were Kikuyu.

Constituting some 20 percent of Kenya’s total population, the Kikuyu predominate in Nairobi and the surrounding Central Province. The Kikuyu are also Kenya’s commercial, educational, and political elite among Africans in the postindependence era. They now control the record shops formerly run by Asians in the River Road area, along with their other commercial endeavors. Never before had there been a significant Kikuyu presence in the music industry.6

A serious problem with the Kikuyu takeover of the music industry was the inability of the Kikuyu entrepreneurs to replicate the business networks of the Asian community. Without these networks, international marketing became problematic. These networks had not only provided the distribution and marketing of the products, they had also served as a source of credit and insurance to firms. To understand the problems Kikuyu busi-
nessmen faced, a brief explanation of the role of transactions costs is required.

All but the simplest contracts have transactions costs. These costs are associated with the screening, monitoring, and enforcement problems. Time and effort must go into screening potential customers and suppliers, so as to ascertain the risk of default. Contracts must be monitored to ensure that the parties to them take actions that minimize the likelihood of default. Enforcement in the event of default, or as a credible threat to potential default, also has associated costs. If these costs are high, they can prevent otherwise mutually beneficial trades from taking place. In some cases, these costs can preclude the existence of markets for certain types of credit and insurance (Hoff and Stiglitz 1990).

The risk associated with uncertain cash flows and other shocks to businesses lead to a demand for credit and insurance. The absence of credit-reporting bureaus, the relatively high costs of enforcement by the legal system, and the lack of other means for coping with transactions costs imply that markets for these business services are likely to be missing or not highly developed in Africa. If markets for credit and insurance are missing or incomplete, business enterprises lack long-run sustainability. To overcome this problem, many contracts have credit and risk-sharing (that is, insurance) arrangements tied to the exchange of goods or services. This bundling of contracts allows for other institutions to be used to minimize the costs of contracts (Boot, Greenbaum, and Thakor 1993; Zame 1993).

Repeated dealings or trades can make it easier for parties in a transaction to obtain information about each other, thereby reducing screening costs. Monitoring of behavior is also made easier as the parties continue to deal. Personalized relationships are established that develop trust (Gambetta 1988). This trust can be viewed as collateral in the event of contractual default. Trust must be built up over time, invested in like a capital good, by repeated trades or deals that do not involve implicit credit or insurance. This "social" capital good, once acquired, provides access to credit and insurance services (Coleman 1988). Continued dealings allow for the maintenance of this capital asset, while default would cause the asset to be lost. Thus, trust is very much like physical collateral in regard to its ability to be used as a mechanism of enforcement.

Reputation may serve as an enforcement mechanism that, unlike trust, does not require personalized business relationships (Greif 1989, 1993). Like trust, reputation can be viewed as a social capital good that can be used as collateral in business contracts (also see Fafchamps, this volume). Loss of reputation, however, will impose a higher cost on a defaulter because the
information concerning reliability will spread to many potential business contacts. For reputation to be an effective mechanism, there must be methods of sharing information among groups of traders. For this reason, business networks are often established among ethnic minorities, or along geographical, religious, or social class lines. There needs to be some basis for repeated contact in order to share information, news, or gossip about others in the group. This screening of people by group affiliation can even lead to the monopolization of a group over particular business activities (Fafchamps 1994).

The Asian communities of Kenya had—and still have—such networks. However, in the River Road area, Africanization of the studios and retail establishments by Kikuyu entrepreneurs led to the disruption of the contractual networks established in the music industry. The Africans did not have the contacts, trading history, or reputation mechanisms with the Asian community (or among themselves) to replicate the credit and insurance arrangements available to their Asian predecessors (Fafchamps et al. 1994). The Kikuyu may have been able to purchase the physical capital, but they still lacked the social capital necessary to sustaining a viable and dynamic popular music industry.

Artists suffered as well from the Africanization of the music business. Informants from many ethnic groups (including Kikuyu) confirm that, lacking enforcement mechanisms, many Luo and Luyia musicians found that their contracts for payment often became “loans” used for working capital to Kikuyu business owners. One musician described dealing with Kikuyu shop owners during that period: “When you produce music, you need a distributor. You need a retailer. They will come and buy from you. They’re not paying cash. They are getting them [the records] on credit. Hopefully, they pay you by the end of the month. . . . Now the music, the supply [of records] you give to them to sell and then go for your check at the end of the month, that is the money they use to record their own [ethnic music]. If you went up for your payment, they tell you, ‘I spent all the money. You try next time.’ Take them to the lawyer, he’ll go up there and say, ‘Yes, I’m owing this man twenty thousand bob [shillings], but I’ll pay him five hundred shillings per month.’ The [record pressing] factory is charging you cash.”

Such opportunistic behavior is not unexpected if the mechanisms to encourage the keeping of contracts are not in place. Without this social capital, Africans were at a disadvantage—not in that the pressing plants demanded cash from African entrepreneurs, but in that, as suggested by other evidence, non-African firms did not face such a requirement (Wallis
and Malm, 1984). This disadvantage persists to the present. A study by Fafchamps et al. (1994) indicates that African-Kenyan businesses are less likely to purchase on trade credit than are Asian-Kenyan firms.

The inability of African entrepreneurs to market their goods internationally, or even nationally, without access to credit and distribution networks resulted in a move into the production of Kikuyu ethnic music. Luo and Luyia urban residents may have had the musical skills, but they did not have the economic resources of the Kikuyu. The effective demand in the local market was Kikuyu. Or, as an informant said concerning Kikuyu businessmen, "What a Luyia cannot buy from them, the Kikuyu can buy. They have all the money they want."

But there is a major problem with marketing Kikuyu music. As noted earlier, a popular music is successful according to the degree to which it crosses traditional ethnic boundaries. Although there is a local ethnic market for Kikuyu music, it did not appeal across ethnic boundaries. There are three reasons for this. First, only one ethnic group understands Kikuyu, whereas Kiswahili and Lingala (the language used in Zairian popular music) are trade languages that are shared among many ethnic groups. A second related problem with Kikuyu music is that it tends to be more text-oriented. There is more storytelling, with allusive messages or allegories that tend to be lost on members of other ethnic groups (even without being obscured by language). Allusive messages and allegories are also common in Kiswahili and Lingala music. However, they tend to be allegories that transcend ethnic boundaries.

A third problem has to do with the sound of Kikuyu, relative to the trade languages Kiswahili or Lingala. In the process of transcending ethnic boundaries, a language becomes simpler, in regard to both the number of words available for use and the number of messages that may be conveyed using combinations of these words. As a result, the prosody (that is, the rise and fall) of the voice becomes more important in imparting a message. The prosody of these trade languages is therefore more pronounced. Kiswahili and Lingala are mellifluous languages with a slow delivery rate and graceful, arching curves that are easily discernible. In comparison, Kikuyu is known for its rapid-fire delivery and lack of notable prosody. Kikuyu music, therefore, lacks the grace and sinuosity of Kiswahili and Lingala music. Or, as a devotee of Nairobi's discotheques put it, "Kikuyu music is not seductive. It is not good for dancing."

Selling Kikuyu music across ethnic boundaries, let alone across national boundaries, was therefore problematic. The Kikuyu music was different. The difference was not only due to the different language, but also to a
difference in style and sound. This is seen (with a considerable amount of ethnic bias) in a musician's comments about the Kikuyu takeover of the industry and the product they put out:

Now, when Africans took over the shops... the shops were distributed unfortunately on ethnic considerations. And unfortunately those who took over the shops were not musically-oriented people. They loved the music, but they were not musically oriented people. But when shops, the most important part of our industry, fell into the hands of these people... they just developed an interest in recording out [Kikuyu ethnic music]. They're just... storytellers...

And now what you hear... is not actually Kenyan music. It is ethnic music. Now you find, because they are not guitarists, what they do, they compose a melody, a song. And they bring a Luyia or a Luo to play. Now a guitarist who likes to be shown how he is going to play. A composer must be able to arrange how a song is going to be. They don't do that. They just say, "You just play the way my melody goes."... Now, when you listen to the song, a listener gets bored. And the singing is poor.

The Kikuyu community represented a much larger local market, so the Kikuyu owners of record shops saw the profitability of selling their own ethnic music. However, unlike the Asians, these entrepreneurs were for all practical purposes cut off from the larger international markets. Without the business networks to provide credit and risk sharing, the African businesses could not profitably produce records with broader appeal. The result was that the institutional changes wrought by Africanization led to a diversion of resources in the Kenyan music industry. The diversion to a local ethnic market meant that resources were not being devoted to the creation of innovative music with a broader pan-African appeal. The stagnation of Kenyan popular music was the inevitable result.

Other Contributing Factors

Africanization and the resultant breakdown of distribution networks essential for entrepreneurship reduced the effective demand for Kenyan popular music. This is only a partial explanation for the marginalization of Kenya's music industry. While demand conditions did play an important role, there were also supply-side conditions necessary for a sustainable and innovative music industry. These conditions brought about by import, visa, and foreign exchange restrictions in Kenya, suppressed vital interac-
tions among peoples, ideas, musics, and technologies. Kenya was effectively isolated from the rest of the African popular music industry.

The music industry in Zaire, with its freer flows of musical resources from the outside world, stands in stark contrast to its Kenyan counterpart. Examining conditions in Zaire provides a useful contrast to help understand why the music produced by Zairian entrepreneurs became so successful, while Kenyan music stagnated. Kinshasa is now the undisputed center of popular music in Africa. There is a long history of a popular music culture in Central Africa. In the 1920s, Cuban rumba music was introduced there. It had a strong influence on the popular music that developed in Brazzaville and Zaire, an influence felt to this day.

The government in Zaire was more supportive of popular music. Zairian government officials became aware, after independence, of the political influence of popular musicians. They were anxious to utilize that influence. “By the end of the 1960s, the two top Zairian singers were acting as unofficial government spokesmen, explaining its actions and singing in praise of President Mobutu. In return, they received official sponsorship, along with instruments and equipment” (Stapleton and May 1990:150). On the other hand, the Kenyan government not only had “no officially determined cultural policy” (Bender 1991:126), it also subjected the importation of instruments and equipment to high tariffs and foreign exchange controls.

But a far more important advantage that Zairian musicians had over Kenyan musicians stems from their connections to Parisian facilities and institutions. These connections enhanced and encouraged continued progress and innovation in Zairian pop. The ease of travel between France and Central Africa, combined with an easily convertible currency, the CFA franc, has resulted in the two-way transfer of resources and technology between the two regions. For example, the entry of recordings and equipment into Zaire is relatively easy, given the linkages between France and Brazzaville and between the latter and Zaire (MacGaffey 1991; MacGaffey and Bazenguissa 1994).

Paris is also a center for the production of African pop. In many regards, it should come as no surprise that a European city has become a center for African music. Many of the requisite conditions for becoming such a center, as discussed previously concerning Nairobi, are present in Paris. With its multiethnic concentration of African populations, the French capital has become the center of African culture in Europe. Many African artists congregate there, and this enhances the diffusion of innovations in musical styles and techniques. Paris is the conduit for interactions not only
among Zairian artists but among musicians from many different countries and regions of Africa.

Mass media outlets, another factor supporting popular music, are also available in Paris. There is a significant number of broadcast facilities that devote extensive programming to African popular music. These include Radio France International (which broadcasts to Africa), Radio Gilda, Radio Nova, and Radio Monte Carlo (Bergman 1991:130). This creates a larger and more profitable market for Zairian popular music.

Recording and distribution is also easier in Paris. The connections between Zairian or Congolese musicians and Parisian studios and production facilities are well documented (Bender 1985; Bergman 1985; Graham 1988). It is not unusual for Zairian or Congolese artists to record in Paris, where the latest technology is available and where artists feel they have more control over their product. Contractual obligations are more likely to be kept and are more easily monitored in Paris. The distribution of recordings to the international market—not only in Africa but in Europe as well—can be facilitated from Paris. While Kenyan musicians lost their Asian networks, Zairian networks were not disrupted, and the Central Africans still had their Paris connections.

Zairian entrepreneurs were able to access and exploit the institutional resources of a foreign land so as to support their domestic music industry. This is somewhat ironic, given the stereotype of exploitative economic linkages between Europe and Africa. This irony is not lost on artists from the Third World. In the words of African musician Ismail Toure, "We’re here [in Paris] because of the business system, cosmopolitanism, structure, technology . . . it’s a question of having the equipment, too, and sometimes we say, laughing, that we came to colonize them" (Bergman 1985:130).

In comparison, Kenyan artists had little contact with the London music industry and far less with Paris. There is a London-based African pop music scene that is mostly populated with Nigerian and South African artists (Stapleton and May 1990:297–302). Difficulties in obtaining visas, protectionist tariffs on instruments and equipment, as well as exchange controls and the nonconvertibility of the Kenyan shilling, all removed opportunities for Nairobi’s musicians to innovate and develop in contact with the larger world of popular music. The essential conditions necessary for successful innovation and entrepreneurship were missing.

It was not always this way in Kenya. In the heady days just before independence, there was free movement of peoples and musics in East Africa. Entrepreneurs and artists from Tanganyika, Zanzibar, Uganda, and the Swahili Coast were able to interact freely in an economic region without trade
barriers and with a common shilling (Ewens 1992). It may not be mere coincidence that it was in the early 1960s that the Nairobi music scene was at the height of fervency and creativity.

In an industry in which it is crucial to remain on the cutting edge of technology and production techniques, Kenyan musicians were cut off from the rest of the world. The musical product of Kenya became stylistically dated. By the late 1970s, it was also obvious that the technical quality of the recordings failed to keep up with that of international competitors (Stapleton and May 1990). The Kenyan popular music industry's lack of international competitiveness was inevitable, given the institutional constraints.

Conclusion

Kenya was once a vibrant and dynamic center of the African popular music industry. However, this is no longer the case. The industry became stagnant in the 1970s as the unintended consequence of institutional changes brought about by policies intended to lead to economic development. Foremost among these policies was the effort toward Africanization of Kenyan businesses. Entrepreneurs require social capital or social infrastructure to enforce contracts, provide credit, and ensure risk-sharing arrangements among firms. Institutions that provided this social infrastructure were present in the Asian business community that controlled the distribution of Kenyan popular music. African business people may have taken over these Asian enterprises in the late 1960s and early 1970s, but the enterprises did not have the necessary social capital. As a result, Kikuyu entrepreneurs were effectively cut off from the international market and were induced to produce for a local ethnic market. This diversion of resources slowly strangled the dynamism out of the Kenyan popular music scene.

Other policies that restricted contact and interaction with the outside world were even more important in dooming Nairobi to be a pop music backwater. Import, visa, and foreign exchange restrictions severely reduced the flows of peoples, ideas, musics and technologies from the rest of the African popular music world. These policies were disastrous for entrepreneurs in an innovative and dynamic music industry. Contrasted with the Zairian music industry, with its extensive linkages with Paris, and via Paris with the rest of francophone Africa, it is clear that Kenya's industry, isolated, failed to provide the institutional capacity for entrepreneurs to remain competitive in the ever changing pop music scene.

It is tempting to apply the lessons learned from this case study of entrepreneurs in the Kenyan popular music industry to entrepreneurs in other
industries in Kenya or other parts of Africa. However, a careful analysis of
the particular institutional context of each case should be undertaken be-
fore making any broader generalizations. What is known is that institu-
tions matter. Entrepreneurship does not take place in an institutional
vacuum. In the case of African popular music, institutions that allow for
greater interaction among peoples and musics also give rise to the neces-
sary conditions for a dynamic and innovative industry that can remain
internationally competitive.

Notes

1. The nightclub scene can provide a source of income to musicians, as well as a
venue to develop music and musical styles. But unlike other major and minor cen-
ters of African pop music, Nairobi lacked a sizable live performance market. Given
its population, the city had relatively small African patronage in its clubs. While
these establishments could provide jobs to supplement the incomes of musicians,
they were unlikely to serve as incubators for cutting-edge African pop. However,
lack of a vibrant African nightclub scene did not prevent Nairobi from being a
center of African pop. In contrast, the more vibrant African night life of Kampala
did not enable the Ugandan capital ever to become more than a very minor center
of popular music.

2. Popular music tends to develop in lower-income residential and commercial
districts where ethnic groups intermingle and conduct business (for example,
Storyville in New Orleans, Tin Pan Alley in New York City, the favela known as
Manguira in Rio de Janeiro, and the Malonge district of Kinshasa, Zaire). River
Road was such an area.

3. There are two artists who do come close to being able to earn a living from
recordings alone: Daniel Owino Misiani, a Luo who records popular music, and
Joseph Kamuru, a Kikuyu who now records gospel music. Both have been able to
cross over and appeal to other ethnic groups.

4. The nature of the music industry in the two periods is not comparable either.
Cassette tapes and inexpensive cassette players have completely changed the re-
cording industry. Worldwide, vinyl record sales peaked in 1978, with 1988 sales
being only 42 percent of peak levels (Hung and Morencos 1990).

5. Some places can have short periods of success due to a music fad, for ex-
ample, Liverpool and Manchester in the mid-1960s, starting with the success of the
Beatles and the "Mersey Side Sound." However, it was only a few years before Lon-
don again became the center of British pop. Nairobi was a center of African pop for
over fifteen years, going through several "generations" of pop music before its
demise.

6. The Luo and Luyia, whose ancestral homes are in the western portion of the
country, were the innovative and creative forces in the industry. There are strong
feelings among members of these communities that Kikuyu dominance was the
result of political favoritism based on ethnic considerations. However, these ethnic
groups were never well represented among the commercial interests in their own homelands, let alone in Nairobi.

7. Multinationals CBS Records and EMI did enter the Kenyan market in the 1970s. While the primary reason for this was to produce and import for the domestic market, there was also the hope of finding African music suitable for export. These large recording companies tend to be on the lagging edge of musical innovation in any country or area of the world. Seeming to have a particularly unsuitable organizational structure for innovation, these corporations tend to rely on more entrepreneurial, independent companies to discover new talent and to create new musical trends. In the late 1950s and 1960s in Kenya, Asian entrepreneurs searched the rural roads to find talented musicians. Without such local entrepreneurial efforts, the multinationals failed to exploit Kenyan musical resources. Both corporations left Kenya by the late 1970s after substantial losses.

8. Restrictions on the importation of the computer hardware and software that facilitate the production of popular music became a particularly important limitation in the Kenyan music industry by the 1980s.

References Cited


