

# Trust Creation in the Informal Economy: The Case of Plastic Bag Sellers of Mwanza, Tanzania

**Dominic Burbidge**

*University of Oxford*

*Email: dominic.burbidge@politics.ox.ac.uk*

*dominic.burbidge@gmail.com*

## Abstract

*Consideration is made of the early stages of trust in a tiny political economy. The article presents an embedded account of the social status and economic position of plastic bag sellers of Soko Kuu market in Mwanza, Tanzania, to demonstrate the dilemmas of trust faced and the solutions that are found. Evidence is taken from interviews with boys and young men whose profession consists of the wholesale purchase and individual retail of different types of plastic bag in the main market of Mwanza. The reputation and standing of bag sellers is very low, presenting a tough challenge for maintaining networks of trust within their own professional group or when bridging trustful relations to other economic groups. Plastic bag sellers tend to be young and bearers of a reputation for thievery. At the same time, the fact that they achieve relatively high levels of profit in such an informal setting presents a puzzle as to how the trust needed for all economic activity has been secured. Acknowledging the lack of institutional guarantees for entrenching or enforcing these relationships of trust, the phenomena of anchors of trust is identified as having supported the early hardening of social norms between parties. Amongst plastic bag sellers, the dire need for short change in order to make a sale ignites participation and cooperation with goods sellers, who in turn come to distinguish between good and bad plastic bag sellers. Trust anchors are the positive opposite to social dilemmas: opportunities for building relationships of trust, based on mutually understood vulnerability. For future social policy attempting to grapple with the informal economy, such zones of trust creation must be identified and worked with.*

## Introduction

Your corn is ripe to-day; mine will be so to-morrow. 'Tis profitable for us both, that I should labour with you to-day, and that you should aid me to-morrow. I have no kindness for you, and know you have as little for me. I will not, therefore, take any pains upon your account; and should I labour with you upon my own account, in expectation of a return, I know I should be disappointed, and that I should in vain depend upon your gratitude. Here then I leave you to labour alone: You treat me in the same manner. The seasons change; and both of us lose our harvests for want of mutual confidence and security.

—David Hume, *A Treatise on Human Nature* <sup>1</sup>

<sup>1</sup> Hume, D., *A Treatise of Human Nature* (Oxford: Oxford University Press, 1978 [1739–40]), 2nd Ed., pp. 520–1.

Some level of trust is necessary for any transaction.<sup>2</sup> Industrialised or developed economies guarantee efficiency through the mature use of institutional securities to contract but even the most secure institutions will rest on some interpersonal knowledge foundation for three reasons. First, newcomers must be oriented towards rules and practices and so depend on the interpersonal education of economic and legal institutions - the populations most dependent on orientation being fresh migrants and the young.<sup>3</sup> The second reason institutions are not entirely sufficient guarantors of conduct is that the institutions are human-made and so human-breakable, a dilemma popularly described as the problem of the legislators—who regulates the regulators?<sup>4</sup> Any structure built by humans can be broken by humans, no matter how cleverly designed. And so, even though contemporary political science focuses on institutional design, we know that political and economic stability do not ultimately lie in the strength of the pots but in the potter's hands. Thirdly, transaction costs would be too high without any trust.<sup>5</sup> Highlighting the need in words akin to Hume's, Arrow posits that

Virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of economic backwardness in the world can be explained by a lack of mutual confidence.<sup>6</sup>

Agency-centred trust creation is under-studied and yet of such fundamental importance. In order to gather evidence on the interpersonal development of trusting-trustworthy relationships in Tanzania, therefore, focus is made here on a tiny political economy that exists in the private and informal sectors. As a case study, the informal sector displays an absence of institutional guarantees of trust. Contemporary literature's distinction between the "informal" and "formal" economy we take to be synonymous with the distinction between economic activity outside and inside systems of state regulation, respectively. The term "informal sector" first came into use with Hart's analysis of the

<sup>2</sup> Ostrom & Ahn, 2009, p. 23. See also Zak, P.J. & Knack, S., 'Trust and Growth'. *The Economic Journal*, Vol. 111, No. 470 (2001), pp. 295-321.

<sup>3</sup> Hursthouse aptly describes how, in general, ignoring the importance of the young and their gradual process of habit maturation and inter-generational formation has come at the peril of theories of human conduct. Hursthouse, R., *On Virtue Ethics* (Oxford: Oxford University Press, 2001), p. 14. As she explains, Aristotle 'never forgets the fact that we were all once children. To read almost any other famous moral philosopher is to receive the impression that we, the intelligent adult readers addressed, sprang fully formed from our father's brow. That children form part of the furniture of the world occasionally comes up in passing (about as often as the mention of non-human animals), but the utterly basic fact that we were once as they are, and that whatever we are now is continuous with how we were then, is completely ignored.'

<sup>4</sup> From the Latin 'Quis custodiet ipsos custodes?'—attributed to Roman poet Juvenal. See Satire VI, 'The Ways of Women', lines 347-8. Found on: [http://www.tertullian.org/fathers/juvenal\\_satires\\_06.htm](http://www.tertullian.org/fathers/juvenal_satires_06.htm) (accessed 14/08/12).

<sup>5</sup> Arrow, K., *The Limits Of Organization* (New York: Norton, 1974).

<sup>6</sup> Arrow, K. J., 'Gifts and Exchanges'. *Philosophy and Public Affairs*, Vol. 1, No. 4 (1972), pp. 343-362, p. 357.

Ghanaian economy,<sup>7</sup> and was popularised with study of Kenyan employment conditions.<sup>8</sup> We employ Bagachwa and Ndulu's definition: 'a set of activities that lies largely outside of government regulation and supports.'<sup>9</sup> It should be noted that this definition returns to Hart's original understanding of the informal, criticised as tautological and dualistic. Breman complained that the distinction was 'analytically inadequate' and further warned that by grouping economic activity arbitrarily 'we lose sight of the unity and totality of the productive system.'<sup>10</sup> But though the border between the informal and formal is drawn somewhat arbitrarily, it is a border marked by local authorities on a daily basis— invented and so important.

This article examines closely the political economy and trust dynamics of plastic bag sellers of Soko Kuu market (literally, main market) in Mwanza, the second biggest city of Tanzania,<sup>11</sup> located on the bay of Lake Victoria. In 1892 Mwanza was officially recognized as an outpost of the German colonial government and is situated within the Sukumaland area, dominated by those of Sukuma ethnicity, Tanzania's largest single ethnic group.<sup>12</sup> Nevertheless, despite the relative homogeneity of Mwanza's early history, the city's opportunities have 'attracted large numbers of male and female immigrants from both the surrounding region and other parts of the country, a process reflected in Mwanza's multiethnic, polygot population.'<sup>13</sup> The population of Mwanza City is 477,000,<sup>14</sup> with census findings from 1948 onwards displayed in figure 1. Although recent data on the city's ethnic composition is not available due to the government's avoidance of these topics in censuses,<sup>15</sup> the population is understood to be ethnically diverse<sup>16</sup> with the Sukuma comprising the largest single group and other important ethnic groups

7 Hart, K., 'Informal Income Opportunities in Urban Employment in Ghana'. *Journal of Modern African Studies*, Vol. 11, No. 1 (1973), pp. 61–89.

8 International Labour Organisation, *Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya* (Geneva: International Labour Organisation, 1972); see, by way of explanation of various uses of the term, Bagachwa, M. & Ndulu, B., 'Structure and Potential of the Urban Small-Scale Production in Tanzania', Ch 4 of Swantz, M. L. & Tripp, A. M., *What Went Right in Tanzania: People's Response to Directed Development* (Dar es Salaam: Dar es Salaam University Press, 1996), pp. 70–1.

9 *Ibid.*, p. 71.

10 Breman, J., 'A Dualistic Labour System? A Critique of the 'Informal Sector''. *Economic and Political Weekly*, Vol. 11, No. 48 (Nov 1976), pp. 1870–1876, p. 1871.

11 Flynn, K. C., 'Food, Gender, and Survival among Street Adults in Mwanza, Tanzania'. *Food and Foodways*, Vol. 8, No. 3 (1999), pp. 175–201, p. 176.

12 Flynn, K. C., *Food, Culture, and Survival in an African City* (New York: Palgrave Macmillan, 2005), p. 8.

13 See also *The United Republic of Tanzania, Mwanza Region: Socio-Economic Profile* (Dar es Salaam: National Bureau of Statistics & Mwanza Regional Commissioner's Office, September 2003), 2nd Ed., p. 5.

14 *Ibid.*, pp. 11–12.

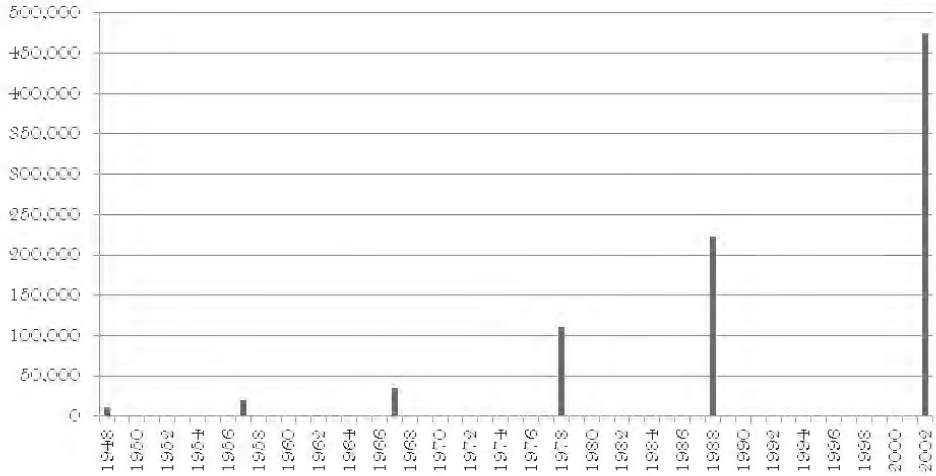
15 Association of Local Authorities of Tanzania, 'Local Democracy in Mwanza, Tanzania'. Excerpt of report, found in: International Institute for Democracy and Electoral Assistance (International IDEA), *Democracy at the Local Level in East and Southern Africa: Profiles in Governance* (International IDEA publication, 2004), p. 39.

16 The last racial census was conducted in Mwanza in 1957. See Tanganyika African Census Report (1957) (Dar es Salaam: Government printer, 1963). Flynn, 2005, p. 12.

17 Suriano, M., 'Popular Music, Identity and Politics in a Colonial Urban Space: The Case of Mwanza, Tanzania (1945–1961)'. Ch 12 of Locatelli, F. & Nugent, P. (eds.), *African Cities: Competing Claims on Urban Spaces* (Leiden: Brill, 2009), p. 263.

such as the Kerewe and Zinza making up other blocks of the city's population.<sup>17</sup> Figure 2 gives the ethnic composition based on the 1957 census, conducted by the colonial authorities of Tanganyika. The sellers of Soko Kuu market are understood to reflect the diversity of Mwanza City, with Flynn noting the market to have '200-plus food vendors of primarily Sukuma, Jita, Kerewe, Kuria, Ha, Haya, Nyamwezi, and Chagga descent' in her 1990s fieldwork.<sup>18</sup>

**Figure 1 Population of Mwanza City, Tanzania<sup>19</sup>**



<sup>17</sup> Association of Local Authorities of Tanzania, 2004, p. 40.

<sup>18</sup> Flynn, 2005, pp. 47-8.

<sup>19</sup> 1948, 1957 and 1967 data obtained from Henin, R. & Egero, B., 'The 1967 Population Census of Tanzania: A Demographic Analysis'. University of Dar es Salaam, Research Paper No. 19 (1967), p. 49; 1978 data obtained from The United Republic of Tanzania, 1978 Population Census Volume IV: A Summary of Selected Statistics (Dar es Salaam: Bureau of Statistics, 1982), p. 9; 1988 data obtained from The United Republic of Tanzania, *Sensa 1988: Preliminary Report* (Dar es Salaam: Bureau of Statistics, 1988); 2002 data obtained from The United Republic of Tanzania, *Census 2002: Analytical Report* (Dar es Salaam: Bureau of Statistics, 2006), p. 18. Found on: <http://www.nbs.go.tz/takwimu/references/2002popcensus.pdf> (accessed 1/10/12). Data from 2002 is a summation of the populations of Ilema and Nyamanga Districts of Mwanza Region, which is where the city of Mwanza is located.

**Figure 2 Ethnic composition of Mwanza City, Tanzania<sup>20</sup>**

Ethnic group	Percent of city population
Sukuma	29%
Nyamwezi	10%
Luo	6%
Haya	6%
Kerewe	4%
Manyema	4%
Ha	3%
Jita	3%
Zinza	3%
Ganda	2%
Zaramo	2%
Kwaya	2%
Kuria	2%
Nyasa	2%
Others	22%

Though the focus on the main market of Mwanza does not purport to be generally representative of East African socio-economic conditions, the choice of investigating local market interaction supports the research question by exhibiting a zone of mature commoditisation of economic activity and specialisation of labour, both of which emerge hand-in-hand with the destabilisation of relations of reciprocal custom. As Bryceson remarks, African market towns 'are centres of proliferating relations of commodity production and exchange, transcending the ethos of household self-sufficiency that prevails in the countryside.'<sup>21</sup> In this way, detailed study of one particular market is made here to open questions indicative of a wider trend, presenting a useful focal point for discussion of the dynamics of trust creation peculiar to the urban environment. The purpose is to get to grips with a single example of trust formation that can begin analysis on how trust is formed and maintained. Particularly, by engaging in a detailed case study, an interpretation of the movement from interpersonal practice to the establishment of norms can be most easily worked towards. By noting the importance of anchors of trust in translating interpersonal relationships into stable and community-wide norms of behaviour, the case study highlights useful tools for later comparative analysis.

<sup>20</sup> East African Statistical Department, *Tanganyika Population Census 1957: Tribal Analysis* (Nairobi, Aug 1958), p. 237.

<sup>21</sup> Bryceson, D. F., 'Birth of a market town in Tanzania: towards narrative studies of urban Africa'. *Journal of Eastern African Studies*, Vol. 5, No. 2 (2011), pp. 274-293, p. 286.

Evidence is taken from interviews with boys and young men whose profession consists of the wholesale purchase and individual retail of different types of plastic bag in the main market of Mwanza, an economic activity firmly located in Mwanza's informal sector. Twenty in-depth and semi-structured interviews were conducted over August 2010, in addition to time spent observing the business setting and practices. Interviews were each allotted an hour, though were sometimes concluded earlier due to emotional tension, especially amongst the youngest participants. Interviewees were given no financial incentive to come to the interview but were offered a drink and something to eat. All questions and answers were conducted in Kiswahili, the lingua franca of East Africa and normally participants' first language, with translation into English provided through the assistance of a local interpreter. The topics discussed included a full explanation of the dynamics of the profession plus a detailing of the participant's personal history and aspirations. At the close of each interview, interviewees were gifted with financial compensation for the time spent away from work, amounting to just over half a day's typical profit. They were not told they would receive this prior to the interview but news did in part spread.<sup>22</sup> Initial contact with interviewees was normally made through spontaneous introductions at their place of work and the interviews took place in a cafe five minutes' walk from the market. Some participants were snowballed for by asking respondents if they could introduce the researcher to other bag sellers they know. The total number of bag sellers is not a fixed number because it fluctuates daily but, nevertheless, the figure of 20 respondents represents a substantial proportion, approaching perhaps half the total number. Figure 3 shows the location of Soko Kuu in Mwanza City, and figure 4 displays the market itself. As can be observed, Soko Kuu is not an unmanageably large market. The research site included the street-selling zones surrounding the gazetted buildings (the blue and red areas).

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<sup>22</sup> *This did not distort participation much as most candidates were actually disappointed upon learning from peers that this was all they would receive.*



Figure 3 Mwanza City, Tanzania23

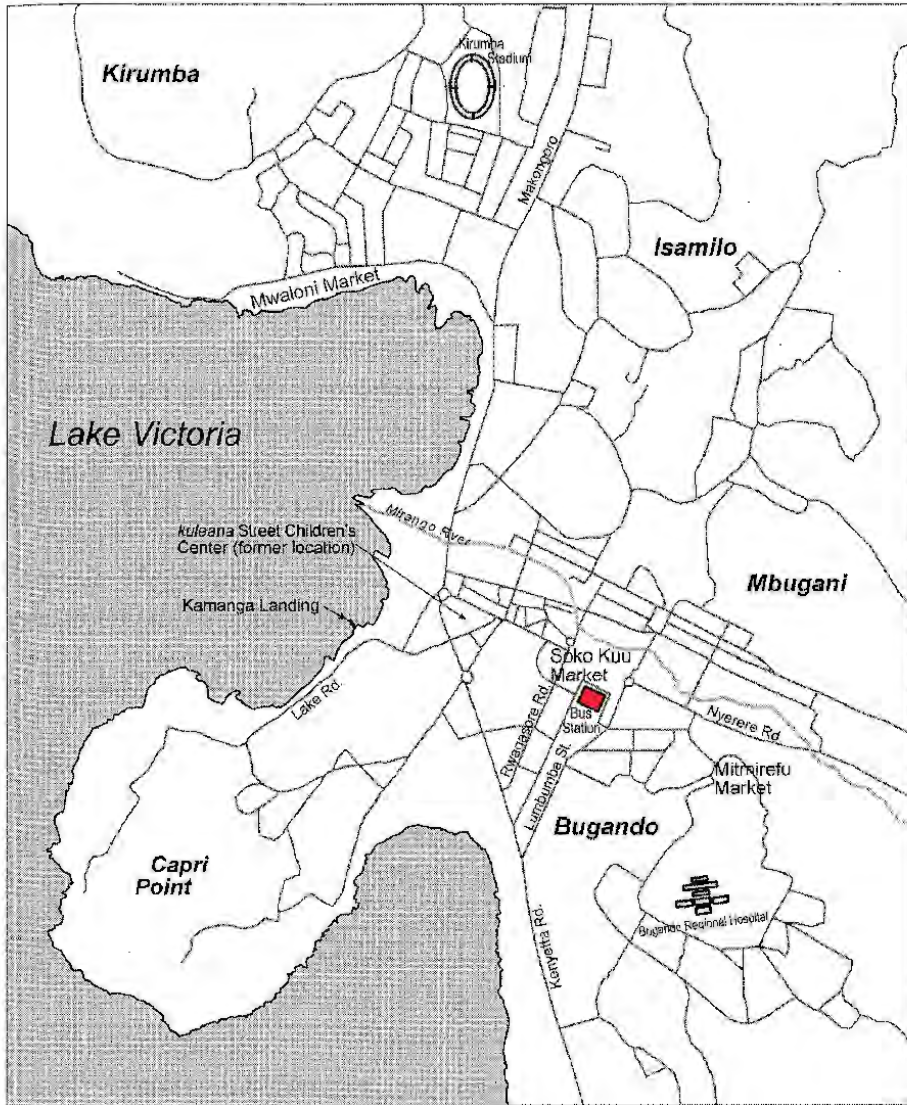


Figure 4 Soko Kuu, Mwanza City<sup>24</sup>

The focus in this paper is on an economically challenged population, studied from the perspective of their profession, that 'laissez-passers by which the individual finds a place in two-dimensional social space: a situational work location on the horizontal plane and a vertical position within the society's social hierarchy.'<sup>25</sup> While much political economy inquiry into sub-Saharan Africa explores citizens' socio-economic challenges in getting by, we look here into a type of work qua profession, some members of which suffer greatly from poverty, while others do not. The point is to capture trust creation—a factor often missed when attention is placed on poverty or dependency.<sup>26</sup> As Bryceson remarks, '[e]mphasis on the problems of the continent's mega cities has been unduly pessimistic

<sup>24</sup> Adapted from Google Maps. Found on: <http://maps.google.com/> (accessed 16/03/10).

<sup>25</sup> Bryceson, D. F., 'Africa at work: transforming occupational identity and morality'. Ch 1 of Bryceson, D. F. (ed.), *How Africa Works: Occupational Change, Identity and Morality* (Warwickshire: Practical Action Publishing, 2010), p. 4 (emphasis in original).

<sup>26</sup> For an extreme example of how emphasis on poverty and dependency can lead to impoverished analysis of Mwanza, Tanzania, see the documentary film *Darwin's Nightmare* (France, Austria & Belgium: Hubert Sauper, 2004) and the excellent review, Molony, T., Richey, L. A. & Ponte, S., 'Darwin's Nightmare': A Critical Assessment'. *Review of African Political Economy*, Vol. 34, No. 113, pp. 598-608.



about the scope for proactive rather than reactive or even degenerative human agency in African urbanisation.<sup>27</sup>

Under analysis are the early stages of forming trusting-trustworthy relationships in a tiny political economy. To this end, the study first presents an embedded account of the status and economic position of plastic bag sellers of Soko Kuu. Due to a number of factors, the reputation and social standing of bag sellers is very low, presenting a tough challenge for when they attempt to strike up relationships of trust. Nevertheless, the fact that plastic bag sellers achieve relatively high levels of profit in such an informal setting presents a puzzle as to how the trust needed for all economic activity (and especially informal economic activity) has been secured. Acknowledging the lack of institutional guarantees for entrenching or enforcing these relationships of trust, the phenomena of anchors of trust is identified as instead supporting the early hardening of social norms between parties. Trust anchors are the positive opposite to cooperative dilemmas: opportunities for building relationships of trust, based on mutually perceived vulnerability.

## Plastic bag selling in Soko Kuu

It is common amidst local markets of East Africa that plastic bags are bought as additional items and not distributed freely, even when accompanied by a purchase. However, Soko Kuu stands out as different from many markets of the region by the fact that there are also specialist bag-only sellers, detached from the particular stalls or vending points. Whilst other markets—even within Mwanza—store such carrier bags with the goods on sale, goods sellers in Soko Kuu do not. The main reason for this difference is that the market activity of Soko Kuu has become dominated by the outside street selling that has mushroomed alongside a drastic to-and-fro between hawkers and Municipal Council authorities. It is illegal to sell on the streets outside the market and the local authorities periodically raid such zones, spoiling and confiscating goods.<sup>28</sup> At the same time, because of the convenience of not having to enter the market, and the greater likelihood of getting lower prices from those who do not need to factor rent or taxes into their costs, purchasing on the streets immediately outside the market is preferred by most. Inside, the market is increasingly being used as a wholesale supply point, also because of the night-time security that can be guaranteed there. The fresh fish, meat and chicken sales continue vibrantly due to the superior storage points offered by the market infrastructure. Over time, however, the exodus of the majority of sales to the streets—which lack the space and organisation to have proper stalls or selling spaces—has inhibited the standard practice of storing

27 Bryceson, 2011, p. 287.

28 See Burbidge, D., *A View of State-Citizen Interaction in Kenya and Tanzania*. Ch 9 of Kankindi, A., Odhiambo, T. & Burbidge, D. (eds.), *Governance Papers 1: Governance Challenges in East Africa* (Nairobi: Focus Publishers, 2011).

plastic bags at market stalls. In response to this situation, specialist plastic bag sellers meet demand in a more flexible manner.

The entire population of plastic bag sellers is male and the age range is relatively wide.<sup>29</sup> The two youngest interviewees were 13 but there was consensus amongst the plastic bag sellers on knowing and dealing with colleagues as young as six, seven, eight and nine, and one 14 year-old respondent recounted how he had started bag selling at the age of six.<sup>30</sup> The oldest respondent was 30 and this is believed to be the uppermost example. The average age of respondents was 18.

The bag seller population represents a diverse and energetic section of the male youth, very much exploring the path in-between departure from school and basic career aspirations. The job consists of patrolling the points of sale of Soko Kuu and searching for customers in need of carrier bags and they usually spread over one arm the different sizes of bags they are selling to be easily identifiable. Bag sellers will normally be ready to offer their item as soon as a goods transaction is spotted, but will sometimes be called for by goods sellers if no bag seller is immediately forthcoming. Soko Kuu opens at 8am and closes at 6:30pm, though selling occurs before and after this time in the adjacent streets.

## The reputation of a bag seller

In her anthropological account of Soko Kuu, Flynn notes the 'crowd of characters' that form the mosaic of market life:

There were customers pushing through the crowd to make their purchases, joined by an occasional thief stealing fruit or a partial sack of grain, as well as the destitute begging for handouts. The resulting clamour was augmented by Soko Kuu's location between busy Rwagasore and Market streets, the congested Mwadeco bus station and a crowded taxi stand...<sup>31</sup>

As a professional group, bag sellers are perceived to be carrying out a low-skill job with small but consistent profits. What most marks their reputation, however, is a strong conviction amongst goods sellers and customers that they are thieves. Bag sellers are known to be operating against a backdrop of poverty, of which they exhibit some of the most prominent examples, and this encourages the view that they would do anything to make ends meet. In addition, the general understanding in urban Tanzania of a well

<sup>29</sup> *Why no females are involved in the profession is not fully known. Respondents commented only that bag selling was not for girls and that there are no female bag sellers. It is generally understood that young women in difficult financial situations can find much easier employment as house-helpers, and are likely to in any case be strongly put off by the aggressive attitude of the male bag sellers that dominate the profession. For comment on this in the related area of Mwanza's street children populations also being dominated by males, see Lockhart, C., 'The Life and Death of a Street Boy in East Africa'. Medical Anthropology Quarterly, Vol. 22, No. 1 (2008), pp. 94-115, p. 112, note 1.*

<sup>30</sup> Interview 6, Alex, 14.

<sup>31</sup> Flynn, 2005, p. 47.

brought up child tends to prioritise the importance of school education and so those bag sellers under the age of 16 and working on weekdays will likely constitute, in the eyes of others, examples of problematic upbringing. Of the 20 participants, two were total orphans and six had only one parent (additionally, many of the parents were not in frequent contact). The family is generally understood in Tanzania as the most important body for moral formation and so non-schooled youths operating largely independently of their family structure presents to market users clear signals of low social status.

The importance of age in categorising reputation and social standing in Tanzania also plays an integral part in the political economy of Soko Kuu. Elders must be greeted with “shikamoo” (greetings or, literally, I hold your feet) and they will respond with “marahaba” (very well or thank you). In this vein, those older have a commonly appreciated responsibility to guide and watch over the behaviour of youths. Most particularly, all youths can be reprimanded as if they are one’s very own children.

It was difficult to get at whether or how regularly bag seller interviewees engaged in stealing. Instead of asking directly, which might have compromised respondents’ openness, the researcher inquired whether interviewees knew of peers who stole, and whether the general perception that bag sellers were thieves had truth to it. From responses to these questions it can certainly be maintained that stealing does occur but that the practice is engaged in only partially.<sup>32</sup> Bag selling involves running from stall to stall and navigating deftly narrow avenues and spaces of the market. Bag sellers, especially young ones, do therefore sometimes use their profession as an excuse for pick-pocketing and stealing from stalls. Interestingly, many bag sellers resent the reputation because such thieves may not be real bag sellers at all and yet go a long way in staining public perceptions of the group. However, this diversity in professional membership is apparent to bag sellers and not to others. As one bag seller mused, ‘With that place [the market], everybody has their own character. Some are thieves, others are good.’<sup>33</sup> The same respondent explained the difficulty of forming friendships because of this tension: ‘In the market I do have friends but I don’t encourage friendship. Sometimes you can invite someone to your house and then you find that they have stolen everything.’<sup>34</sup> The perception of the prevalence of thievery is the single biggest determinant of bag sellers’ reputation in the eyes of goods sellers. As one respondent noted, ‘My mother normally tells me she does not like this business because she thinks I’m becoming a thief.’<sup>35</sup>

Despite this reputation, bag sellers strongly believe themselves to be equal members of the market when that identity is politicised in response to coercive action by the Municipal authorities. As one respondent explained, ‘I’ve done this business for a long time and I know myself that what I’m doing is legal [...]. But there are those people

<sup>32</sup> Interview 4, Dole, 20/21; Interview 8, Isaac, 13; Interview 9, name withheld, 16; Interview 17, Jose, 14; Interview 20, Sabato, 18.

<sup>33</sup> Interview 9, name withheld, 16.

<sup>34</sup> *Ibid.*

<sup>35</sup> Interview 8, Isaac, 13.

who are just thieves [...] and they give us a bad name.<sup>36</sup> The episodes when the local authorities conduct sweeps against illegal street selling epitomize this unfortunately Janus-faced perception. Bag sellers carry their bags on their arms and so have no problem escaping the Municipal raids. Some, however, pity their fellow traders (many of whom are middle-aged women) and so stand and fight against the authorities to give goods sellers more time to gather their items and escape. Speaking of the Municipal authorities, one seller recounted: 'They don't come to us [bag sellers] directly. We are there because of those people selling tomatoes. When they beat them we feel so bad that we sometimes fight the Municipal and then they fight back.'<sup>37</sup> The contradictory reputations of bag sellers come to the fore in the very same instance because some can use the confusion caused by the raids as a chance to steal. As one interviewee explained: 'The Municipal normally harass the hawkers. You find that those selling bags run with them and then the hawkers think the bag sellers are stealing from them as they run.'<sup>38</sup> This poor reputation—whether justified or not—presents a serious challenge to trust creation both within the group of bag sellers (bonding social capital) and the group's links with goods sellers or customers (bridging social capital). The question then is, given the inability of frequent interaction alone to produce trust, how have bag sellers developed adequate systems of identifying trustworthiness, sufficient for participation in an informal and intensely competitive political economy?

### Daily profit margins

As has been advanced theoretically, trust is a necessary prerequisite for economic activity, especially in the informal sector. The very fact that bag sellers have found a niche of profitable economic activity, whose services are relied upon by the whole market population, therefore shows that they have somehow managed to overcome the lack of confidence brought on by their reputation. That bag sellers have succeeded in maintaining and promoting a position within the local political economy is evidenced by an examination of their levels of profit. In mid-2010, the wholesale purchase and individual retail of the two most commonly sold plastic bags gave an average profit of 95 TSh per item. These two bags are normally bought in batches of 50 and there are no costs in sourcing as the reams of bags are sold wholesale at one stall within the market. Figure 5 shows the buying and selling prices of these two bags.

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36 *Interview 20, Sabato, 18.*

37 *Interview 2, Michael, 19.*

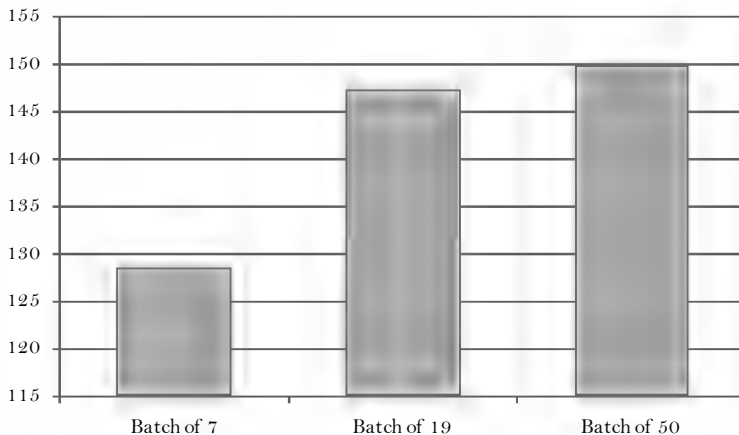
38 *Interview 17, Jose, 14.*

**Figure 5 Prices and profit margins per bag for the two most used bags (TSh)<sup>39</sup>**

Bag	Buying price	Selling price	Profit per bag
Small blue	50	100	50
Medium black	60	200	140

Interestingly, the same prices for each of the items were maintained by every respondent even though it is commonly understood throughout local markets of East Africa that prices are open to bargaining. The main reason for the rigidity of the prices lies in the fact that there is no variation in the quality of the good. Additionally, plastic bags are very low cost items whose prices cannot be easily broken down by the Tanzanian currency. 100 and 200 TSh prices are represented by single coins, the equivalent of 0.07 or 0.15 USD respectively.<sup>40</sup> Rarely, but sometimes, bag sellers will allow a bartering down of prices by 50 TSh for the small blue bag if this is all the money the buyer has. This would only be accepted by the bag seller if he wishes to get rid of a final batch of bags and the buyer has the correct amount in change.

Whilst prices are on the whole fixed, costs are not constant. In the economy of Soko Kuu bag selling, there are clear economies of scale for those bag sellers with the capital to buy larger wholesale batches. Figure 6 shows the changes in profit per item when buying wholesale in different amounts.

**Figure 6 Profit per sale of medium-sized black plastic bag (TSh)**

<sup>39</sup> Buying prices shown per bag, calculated according to wholesale batches of 50.

<sup>40</sup> The equivalent USD is provided at the exchange rate used by IMF staff in 2010. See International Monetary Fund, 'World Economic Outlook Database, April 2011'. Tanzania 2010 IMF staff estimate. <http://www.imf.org/external/pubs/ft/weo/2011/01/weodata/index.aspx> (accessed 21/08/11).



This market structure rewards stable and disciplined bag sellers, an interesting phenomenon given the fact that most bag sellers are already aspiring towards building up capital in order to expand into another business. Bag sellers are reinforced in the perceived benefits of this through participation in the bag selling wholesale market whereby capital retention is rewarded through greater profit margins.<sup>41</sup>

Answers as to daily levels of profit amongst bag sellers gave an average of 2,825 TSh, the equivalent of 2.11 USD.<sup>42</sup> Levels of daily profit depended on hours worked and skill at spotting sales. Bag sellers can work seven days a week but most take Sunday off and many go to work somewhat intermittently during the week. For the sake of providing a yardstick for analysing the profitability of the profession, assuming a five day week schedule, a typical plastic bag seller would earn 734,500 TSh per annum (549 USD), almost the same as Tanzania's 2010 average GDP per capita of 733,303 TSh (548 USD).<sup>43</sup> The level of profit is relatively large given the economic background of bag sellers. Interestingly, although plastic bag sellers have a much lower social standing than goods sellers and hawkers, their level of daily income can be higher. Achieving this sort of profit and handling this amount of economic activity demands, of course, networks of trust.

## The journey to plastic bag selling

Almost half of respondents had come from neighbouring towns or rural areas, with the others having been born in the city of Mwanza. For those who had come from other areas, Mwanza presented all the attractiveness of African city life.<sup>44</sup> 'The way it appears,' explained one participant, 'it looks more developed. Where I am from, it is a village.'<sup>45</sup> The enduring attractiveness of Mwanza for the young males mostly lay in the relatively easier ability to get money. As one respondent claimed, 'I found it to be a very good place where you can just get money. In Musoma you need to cultivate and wait for the harvest before you can get any money.'<sup>46</sup> Some of the bag sellers who grew up outside of Mwanza do in fact use a portion of their income to visit their place of origin. However, their general impression is of others wanting to follow their example

<sup>41</sup> Interview 8, Isaac, 13.

<sup>42</sup> It could be criticised that answers were inflated to impress the listener but it is equally likely that some respondents felt the need to tone down accounts of their daily profit in the hope of receiving financial support from the researcher. Against the view that figures were lied about is the fact that independently produced answers clustered around similar figures.

<sup>43</sup> International Monetary Fund, 2011.

<sup>44</sup> Evans, R., 'Poverty, HIV, and Barriers to Education: Street Children's Experiences in Tanzania'. *Gender and Development*, Vol. 10, No. 3 (2002), pp. 51-62, p. 56; Bryceson, D. F., 'The Urban Melting Pot in East Africa: Ethnicity and Urban Growth in Kampala and Dar es Salaam'. Ch 11 of Locatelli, F. & Nugent, P. (eds.), *African Cities: Competing Claims on Urban Spaces* (Leiden: Brill, 2009), p. 251.

<sup>45</sup> Interview 2, Michael, 19.

<sup>46</sup> Interview 15, Willi, 18.

and come to Mwanza which, together with the developed attachment of the city as a new home,<sup>47</sup> means none of the respondents expressed a desire to return to their place of origin more permanently.

The question of how one gets into the practice of bag selling starts to shed light on the intricate networks involved in the profession. Overwhelmingly, the practice of selling bags has spread through the relationships of friends and family. A common remark was: 'There's this day I was with a friend. He said, "Why don't we go selling bags?" He really managed to convince me. The following day I went with him.'<sup>48</sup> This very same respondent in turn convinced another, who recounted in a separate interview: 'Hamisi introduced me where to buy the bags and my sister gave me some money.'<sup>49</sup>

The experience of one brother teaching the other was indicative of the trend. Chema came to stay in Mwanza from Tarime in 2008. His younger brother soon followed him and first worked with an older lady, helping her to sell tea at the market. Chema, after himself discovering and starting the business of bag selling, told his brother to follow and quit the tea selling:

You know, when he started, he came to the market with the tea and started selling tea. So he sold his tea and then I told him, "Put that tea aside." Then I bought a few bags for him and I gave him. He sold the bags for three to four hours and then he got a profit of 1,500 TSh. The following day he came again with the tea. After selling the tea for some time, then I gave him some bags. He sold again, and got 1,500 TSh. Then it went like that, the third day, the fourth day, the fifth day. Then he went to—you know with the business of tea, he was employed by another mama—so he went and told this mama that now, from today, I want you to give me time so I sell here up to this point and then I continue with my selling of bags. But the mama did not like it and she started to envy him. Then that is when he decided. I told the brother, "Why don't you just leave that work, come and do your business?"<sup>50</sup>

Because the two brothers' parents lived in Tarime, the rejection of the relationship with the befriended mama represented a severe loss in social security. At the same time, however, the increased income from bag selling meant the brothers went on to hire a basic room and no longer had to stay on the streets. This dynamic display of reorganising social relationships and working quickly towards finding accommodation is in strong contrast with Lockhart's account of experienced Mwanza street boys who, despite strong ambitions, put off practical steps towards improving their condition.<sup>51</sup> The youths investigated by Lockhart between 1997 and 1999 did wash cars for money but the social hierarchy they were involved in meant profit was looted from them by older gangs

<sup>47</sup> Interview 5, Hamisi, 18.

<sup>48</sup> *Ibid.*

<sup>49</sup> Interview 9, name withheld, 16.

<sup>50</sup> Interview 1, Chema, 22.

<sup>51</sup> Lockhart, 2008, p. 112.

of street dwellers.<sup>52</sup> The contrast between that account and the present one suggests it would be beneficial from a policy perspective if further exploration was made into what informal economic activities support a practical pursuit of childhood and young adult aspirations, and what activities instead reinforce reluctance towards investing in self-development. The present account suggests that economic activities enjoying economies of scale help discipline the self-employed into saving and developing more of a daily work routine. The best scenario for a young, out of school aspirant seeking to move away from poverty would therefore be a business holding economies of scale for incremental expansion. This would need to be combined, of course, with opportunity for the safe storage of capital.

Some previous exposure to the market, either as a buyer or as a seller,<sup>53</sup> climatise one to the bag selling industry and builds confidence for taking up the profession. Participation in bag selling normally requires an end to school commitments. All young sellers expressed a strong desire to return but cited reasons of financial constraint as to why this was not possible.<sup>54</sup> One respondent explained how:

I went up to Standard 7 [end of primary school] but I did not do exams. I am out of school because I did something wrong. I beat a student there and was told to not come back for three months. After those three months I did not go back.<sup>55</sup>

Whilst most bag sellers received encouragement from family or extended family in Mwanza because it would help contribute to household income, one respondent revealed the extent to which he was deceiving his mother, a seller of vegetables also in Soko Kuu, in order to continue working despite her disapproval:

I used not to do business before. I used to just help my mother with her work there. She sells vegetables. [...] Before, because I used to help my mother with her business I used to see these others selling bags. One day I asked my mother for 3,000 TSh saying I wanted it for clothes. I was lying to her and I bought bags with it. Then I sold the bags and made profit. [...] She doesn't like me selling. I time her [schedule] and hide [when she comes]. I make sure she sees I'm the first one home. [...] Normally I have to take food from her to home. If she sees me then I just say I am here for the food. When I get the food I rush home and put it there and then rush back to the market and make sure my mother doesn't see me. [...] My father is worse: he really doesn't want me to do this business. But he leaves early for work and comes back late.<sup>56</sup>

<sup>52</sup> *Ibid*, pp. 102-3.

<sup>53</sup> *Respectively, interview 10, Juma, 17; interview 6, Hassani, 13.*

<sup>54</sup> *Answers to such questions may have been biased in the hope that the interviewer might take pity and provide financial support.*

<sup>55</sup> *Interview 10, Juma, 17.*

<sup>56</sup> *Interview 13, Dayson, 15.*

## Relationships and networks with goods sellers

The point of contact for introduction to the business of bag selling constituted a key relationship of trust. At the same time, in order to grow in the business, extensions and fresh connections of trust have to be made. Buyers to the market are numerous and inconsistent and so provide few opportunities for building strong relationships. Two other relationships will therefore be considered in understanding the networks of trust important for the bag seller. The first is between bag sellers and goods sellers; the second between bag sellers themselves.

The relationship between bag sellers and goods sellers is prefaced by the reputation of the unknown bag seller as a thief. At the same time, there is interdependence between the two groups as bags are wanted when making sales of goods and bag sellers want goods sellers who will look out for them over their peers when in need of a bag. The interdependence is part of day-to-day market life:

If you are a new person here you just try to build trust with the sellers [of goods]. After some time the customers will come and the sellers will know you. [...] The way you can build trust is by knowing a seller who sells and you are standing by.<sup>57</sup>

Bag sellers do not have the constancy in location or uniqueness of product that could bridge relationships of trust with market customers but goods sellers do. Fostering relationships with the latter therefore facilitates indirect customer loyalty for bag sellers.

Forming a relationship of trust with a goods seller is relatively easy. It involves being open to lending a hand when asked, perhaps in moving market goods or in supplying a bag on short-term credit. Such practices are subtle indicators of reputation and implicitly check whether a bag seller is a thief or not by testing the self-giving of their disposition. It seems as humans we find it difficult to perform Machiavelli's suggestion 'to choose the fox and the lion' at the same time,<sup>58</sup> and so can quickly be found out to be foxes or lions on the basis of how we perform small acts. There are no fool-proof tests, and this is not a commitment to some kind of theory that once a free-rider, always a stupidly obvious free-rider, but it is nevertheless worth highlighting that goods sellers do employ tests, and these work a lot of the time. Asked how he has managed to build up such strong relationships with goods sellers, for example, one 17 year-old bag seller responded, 'They give money for you to buy them something and bring it back. If you don't steal the money but bring them what they want then you win their trust.'<sup>59</sup> Whereas a test of trust might be assumed as in itself already a breach of trust, one participant proudly expressed how he thought such goods sellers 'treat us as humans.'<sup>60</sup> If reputation can be built up

<sup>57</sup> Interview 5, Hamisi, 18.

<sup>58</sup> Machiavelli, N., *The Prince* (Hertfordshire: Wordsworth, 1993 [1513]), p. 138.

<sup>59</sup> Interview 10, Juma, 17.

<sup>60</sup> Interview 3, Nashon, 24.

enough, it is more likely to lead to another avenue of income: carrying the goods of a customer for the rest of their shopping time, in exchange for a tip.<sup>61</sup>

The general relationship of goods sellers to bag sellers is tense because of the poor reputation of the unknown bag seller. As has been shown, saving grace lies in the interdependence between the two professions.

## Relationships and networks between bag sellers

The economic consideration of competition in the context of scarce resources is even more extremely exhibited in the case of bag seller-on-bag seller trust because direct competitiveness seemingly replaces any notion of interdependence. It is the most important professional relationship for bag sellers—if only because bag sellers themselves are the only group who do not start with the premise that bag sellers are generally thieves—and thus has led to innovative methods for trust indication. Exploration of trust creation between bag sellers forms the remainder of the chapter. The discussion first looks at the low level of general trust and then shows the interpersonal avenues bag sellers have used to overcome this. The focal point for disagreement between bag sellers is competition for sales. As mentioned previously, there is very little room for bag sellers to incite or retain customers through integrity or salesmanship. The buyer is usually committed to the purchase simply by nature of the fact that he or she has already purchased goods that need to be carried. In addition, the prices of the bags are commonly known and kept to. The question for the bag seller, therefore, is not how well one sells but how many one sells. Lack of ability to elicit added value to their product increases the propensity towards shameless competition between bag sellers.

The main manifestation of peer-on-peer competition comes through barging a fellow bag seller out of the way so that one gets the sale. As one respondent explained, ‘That type of life is there whereby we disagree mostly. If there is a customer then we rush to overtake the others to get the sale.’<sup>62</sup> Another respondent commented, ‘Sometimes we don’t get on well. A customer comes and both of you want to sell so you disagree and maybe you fight.’<sup>63</sup> Fighting can be immediate or outside the market, after it has closed. In this way, bag sellers who have upset others may be tagged for a later beating, so long as they are someone without too many friends to stick up for them. There is a central area of dispute as to whether sales should go to the bag seller who spotted the sale first or the bag seller who arrived first. Asked whether he would fight someone for a sale, one respondent answered, ‘I’d fight; I’m the one who saw it first.’<sup>64</sup> However, he acknowledged that his energetic commitment to selling at every opportunity was not

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61 Interview 20, Sabato, 18.

62 Interview 16, Lameek, 18.

63 Interview 10, Juma, 17.

64 Interview 19, Joanes, 17.



shared by everyone, and added that '[a]t the end of the sales in the evening they will come for you.'<sup>65</sup> Such areas for conflict had come to be expected: 'Some disagreement is normal. You might find that it is you who identifies a customer first and then it is you who might disagree or fight a bit.'<sup>66</sup>

Bag sellers complain at the lack of trust between themselves, not because it leads to worse sales but because it creates an unhappy and upsetting working environment. One bag seller complained, 'There is this disagreement or envy. That is there if there is someone selling more.'<sup>67</sup> Another bag seller lamented, 'We don't have that unity. [...] We found ourselves in the market and no-one knows one another's background. We just see each other and then go home. I don't know if that unity will ever be there.'<sup>68</sup> Asked whether he has friends who are also bag sellers, one respondent answered: 'No, we do not have any good relationship amongst ourselves. We are not even united. We are everyday fighting amongst ourselves.'<sup>69</sup>

### The irrelevance of ethnicity in the professional setting

Scholarship has gone a long way in demonstrating how tribe and ethnicity do not play determinate roles for sociological outcomes but are nevertheless sometimes operative in the politicisation or entrenchment of group identities by elites in scenarios of scarce resources or insecurity.<sup>70</sup> The intensely competitive environment of bag selling in Soko Kuu would, therefore, normally be expected to result in ethnic division—not because the ethnicities are themselves opposed but because there is a lack of generalised trust or formalised justice. The competitive and easy descent towards physical violence should encourage individuals to bind themselves ethnically for the sake of protection. The absence of tribal division is, therefore, deeply curious.

Tribe or ethnicity did not feature in interviews as a natural consequence of comment around the topics of bag selling and personal biography; discussion of the importance of one's ethnic group had to be brought up by the researcher. As one respondent remarked:

With the question of tribe it is not there at all and I have never thought about it. With me I was born here [Mwanza], went to school here. I cannot even speak the [tribal] language. I just know my tribe because that is what my parents are, but I can only speak Kiswahili.<sup>71</sup>

<sup>65</sup> *Ibid.*

<sup>66</sup> *Interview 13, Dayson, 15.*

<sup>67</sup> *Interview 3, Nashon, 24.*

<sup>68</sup> *Interview 20, Sabato, 18.*

<sup>69</sup> *Interview 1, Chema, 22.*

<sup>70</sup> *Esman, M. J., Ethnic Politics (New York: Cornell University Press, 1994); An Introduction to Ethnic Conflict (Polity Press: Cambridge, 2004); Chabal, P. & Daloz, J., Africa Works: Disorder As Political Instrument (Oxford: James Currey, 1999); Horowitz, D. L., Ethnic Groups in Conflict (USA: University of California Press, 2000); and Berdal, M. & Malone, D. M. (eds.), Greed & Grievance: Economic Agendas in Civil Wars (London: Lynne Rienner, 2000).*

<sup>71</sup> *Interview 20, Sabato, 18.*

A higher than usual number of Kuria featured in the sample as compared with the percentage of Kuria in Mwanza (9 of the 20 respondents), most likely due to the way in which bag sellers often entered the profession through suggestions of family, as outlined previously. However, when questioned on whether tribe had any significance for one's profession, or whether one could rely on other Kuria sellers more, for example, respondents insisted it did not make a difference.<sup>72</sup> If one gets into a fight, friends are the ones who protect you, not coethnics.<sup>73</sup>

Kinship and tribe did have some significance when participants reflected on how strong their safety net was if things were to take a turn for the worst and they were no longer able to support themselves; if respondents had family, they would at those times turn to them for help. In this vein, one interviewee commented that, 'We get along well with our own tribe. We are united so even if one is injured we look after them.'<sup>74</sup> The importance here, however, was on family obligations if things go wrong. From the purely professional perspective of bag selling, coethnicity does not guarantee someone will not steal one's sale. The roots of this detached attitude towards ethnicity in day-to-day interactions run deep. On the one hand, Mwanza has acted as an identity melting-pot by virtue of it being a fast-growing city, and so those who deal with the buzz of Soko Kuu market enjoy exposure to all walks of life the city has to offer. The sheer number and small size of tribes in Tanzania ensures the need to move out of the confines of one's relations, especially in an urban setting. On the other hand, however, this development can be attributed to Tanzania's nation-building endeavour, which placed the common language of Kiswahili in pole position and was led since independence by the political theory and public policy of President Julius Nyerere. None of these reasons can be dealt with adequately here but it is important to at least flag up the deeper trends at play in the evolution of Tanzanian urban identity. One Haya bag seller from Kigoma commented, 'My friends are of different tribes and even some of them I do not know their tribe.'<sup>75</sup> And, as another respondent judged, 'A friend can help you more than a relative.'<sup>76</sup>

### **The relevance of age in the professional setting**

Competition for sales and the resulting fights that break out is, however, intensely connected to age. As has been pointed to above, age plays an enormous role in determining status within the community of Soko Kuu. At the same time, this can be understood as an integral element of social life throughout the continent. As Chabal affirms, age is significant not just in terms of social hierarchy and political prominence – both of which are undeniably crucial – but also in terms of one's own identity. However irrelevant

<sup>72</sup> Interview 9, name withheld, 16; Interview 15, Willi, 18.

<sup>73</sup> Interview 15, Willi, 18.

<sup>74</sup> Interview 1, Chema, 22.

<sup>75</sup> Interview 5, Hamisi, 18.

<sup>76</sup> Interview 3, Nashon, 24.

it may seem in the era of fast modernity and sweeping globalisation, the notion of age group continues to have strong resonance in everyday life.<sup>77</sup>

Amongst bag sellers of Soko Kuu, there is a clear and frequently referred to division between “older” and “younger” bag sellers. When asked to say at what age one becomes an older bag seller, answers clustered around 17 to 19. The threshold is sometimes vague and one’s membership in either category will also depend on the ages of those one socialises with.

Older sellers frequently expressed their deep resentment at the younger sellers. As one 18 year-old recounted,

There are these small children. Actually they are not supposed to be selling. Those selling with tables don’t like them and chase them out, but they have come for their needs, the same way you have. [...] There are people who feel they are not supposed to be there; they are a nuisance.<sup>78</sup>

Other older sellers showed contempt for the supposed financial needs of the young ones, and felt they should in any case be in school. As men, older sellers believed they had greater responsibilities and more of a need for sales. On the issue of responsibility to earn enough to provide for others, however, the reverse was often the case. Younger bag sellers frequently had siblings depending on them for food and support in going to school.<sup>79</sup> All unmarried, the older sellers couched their greater right to work not on responsibility towards family but on the principle that they were past school and so this was their only option to earn: ‘Those who are older than us don’t like us. They try to chase us away, saying we don’t have needs like they do.’<sup>80</sup>

Age difference takes on most relevance when fights break out between bag sellers. As one respondent explained, ‘Yes, normally if someone takes your customer then there is a problem. If he is older then you let it happen. If they are your age you fight.’<sup>81</sup> As seniors, the older bag sellers bear responsibility for setting the trend of what is appropriate and acceptable behaviour. The importance of this is also reinforced by the general impression that it is the younger sellers who are thieves (because they are small, fast and have been brought up badly). In this vein, older sellers can subject those younger than them to quite harsh reprimands. One 14 year-old complained that ‘[o]lder ones really do bad things to us.’<sup>82</sup> A 13 year-old explained how, ‘With us of the same age we rarely fight. It is the older ones who are the fighters, especially when we get a customer they chase us away.’<sup>83</sup> There is no option to complain to the Municipal authorities about this treatment

77 Chabal, P., *Africa: The politics of suffering and smiling* (Pietermaritzburg: University of KwaZulu-Natal Press, 2009), p. 39.

78 Interview 20, Sabato, 18.

79 Interview 7, Alex, 14.

80 Interview 2, Michael, 19.

81 *Ibid.*

82 Interview 17, Jose, 14.

83 Interview 8, Isaac, 13.

because bag sellers found by the police are detained and fined for selling in the market without license.

By mutual agreement, older bag sellers tend to sell in the outside streets of the market and younger bag sellers in the market's interior. This is in part a convenient distribution of labour because the inside is packed and so harder for bigger bag sellers to get around quickly.<sup>84</sup> It is also, however, because of the common desire that conflict will be avoided if each group keeps to their own territory.<sup>85</sup>

## **An anchor of trust**

Given the vortex of competition for sales, quick resort to physical violence and the reputation of thievery, it is difficult to imagine how trust creation can occur. Certainly, for some, the torrent of a chaotic market can seem like a good example of all that Hobbes had in mind—and so working towards institutional rule presents itself as the only viable solution for pacifying human relations. Closer examination, however, reveals some subtle dynamics at play that provide room for agent-led trust generation and maintenance. The phenomenon is surprising because it has emerged in the midst of what most would agree is an environment that fits the scenario of scarce resources and competition. To describe the mechanism at play we employ the term trust anchor, defined as a common point of interaction where persons may signal willingness to cooperate and have their disposition reciprocated for mutual confidence in the medium and long terms. Trust anchors do not occur where trust is always promoted or guaranteed; they are zones where indication of one's disposition towards self-giving can be signalled if one so desires. Trust anchors are points at which persons leave themselves open to being taken advantage of in the short term, for the sake of possibly developing a trusting-trustworthy relationship over a longer period. In this sense, anchors of trust occur where the signalling of trustworthiness is agent-led—a positive opposite to the concept of social dilemmas.

The most important trust anchor for relationships between bag sellers themselves and between bag sellers and goods sellers of Soko Kuu is the giving out of small change. The following dictum is widely held amongst bag sellers: 'Sometimes I can lose a sale because I don't have change.'<sup>86</sup> Amongst markets throughout Mwanza there is a serious shortage of small currency such that sellers of all goods will often be unable to transact because their customer does not have the exact cash and is demanding change. For those who sell low cost items—with plastic bags ranking as one of the most low cost items available—the problem is intensified as the majority of transactions involve the customer giving a coin or note larger than the price of the good. Because of the dense concentration of bag sellers, it often only takes a moment's hesitation for the opportunity

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<sup>84</sup> *Additionally, only the older sellers sell the very large bags, which also require more room when being carried.*

<sup>85</sup> *Interview 2, Michael, 19.*

<sup>86</sup> *Interview 15, Willi, 18.*

of a sale to be lost. Thrown into the mix of hefty competition, the question of who will give you change sorts the angels from the devils.

What makes available change special? Interestingly, available change counts as a public good, but one that needs to be maintained by users at the microeconomic level. A public good is one 'that must be provided in the same amount to all the affected consumers'.<sup>87</sup> The concept is normally broken down into two identifiable properties: excludability and subtractability, whereby a public good cannot be excluded from those who wish to consume it and suffers little diminishment through use (low subtractability). By way of some examples, typical public goods include state-funded schools (no-one is barred entry and teachers teach each pupil the same) or public roads (everyone can use them and the road does not disappear once used). With change, the need to enforce how a single large note is equivalent to a particular collection of coins renders change non-excludable at the aggregate level. Additionally, by its nature it does not diminish through use. At the same time as holding these characteristics, however, the system of keeping change available can only be ensured indirectly by government as most exchanges are not between government and citizen but between citizens. It therefore also exhibits an elementary trust game at the micro level: if we both cooperate in making trust available to each other we can both trade with ease; if you refuse to reciprocate my giving of change to you, I lose out and you gain for now, but I will likely refuse you next time you ask. Like prisoners' dilemma games, the non-cooperative position of hoarding change forms the Nash equilibrium in the one-round game, though not the collectively best outcome. In the medium and long-term, failing to strike up relationships of mutual cooperation damages one's interests severely. Making change available to others is therefore an act of vulnerability that seeks to establish a long-term relationship. Crucially, although change is a public good (and thus non-excludable at the macro level), its benefits can be excluded locally against persons committed to free-riding. It is in this particular aspect that making change available becomes an anchor of trust for those seeking cooperative relationships.

hen in need of change, '[y]ou try and ask your fellow bag seller'.<sup>88</sup> The responses and types of relationship described as resulting from whether the bag or goods seller helps or not were numerous. Pragmatically, some answered that, 'It depends with how much change I have'.<sup>89</sup> Others, however, demonstrated how they had fostered particular relationships:

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<sup>87</sup> Varian, H. R., *Intermediate Microeconomics: A Modern Approach* (London: Norton & Company, 1999), 5th Ed., p. 618.

<sup>88</sup> Interview 20, Sabato, 18.

<sup>89</sup> Interview 12, Benedicto, 30.



...normally they need small change, like 100, 50 or 200 [TSh]. Most of the time I have some and you find that the vegetable sellers or the onion sellers don't, and they have a customer that wants change back. So they call me, and they know that I am ready to give them change. While you find that, unlike me, the others will not give. Some of them are mean and greedy or they don't want to give out their change. Because of that they like me.<sup>90</sup>

One respondent complained how, 'Even a good friend won't give you change',<sup>91</sup> and another expressed that,

I don't have much problem with it unless I have a customer who needs change. I then go to the mamas [goods sellers] who give change. [...] They [other bag sellers] will tell you, "What if I get a customer who needs change?" Even me, I would not give out change.<sup>92</sup>

When asked whether he would give goods sellers change, the same respondent answered, 'Yes, I would, because even when I ask them for change they will give it.'<sup>93</sup> Here, the respondent had formed relationships of trust with goods sellers but not fellow plastic bag sellers. Indeed, what qualifies making change available to be an anchor of trust is the fact that reciprocal self-giving creates a mutually beneficial relationship that is increasingly relied upon as it is built, pushing towards expanding inclusiveness between persons from the micro towards the macro. Streams of trust building are therefore possible if reputations of reciprocity can be maintained across a broader population category.

The age division between older and younger bag sellers presents a barrier that is yet to be surmounted by the trust anchor of making change available. If someone of one age bracket gives change to someone of the other age bracket, his generosity will not be reciprocated. A 16 year-old commented, 'I prefer the older ones. These small ones don't give out change easily. [...] The smaller ones don't trust the older ones.'<sup>94</sup> Representative of the common wisdom of the younger bag sellers, 13 year-old Isaac explained:

I don't like it [the work of bag selling] because we are beaten when we sell [by] fellow bag sellers who are older. [...] If they come for you for change and you tell them you don't have change, they beat you and chase you away. And they then get the sale.<sup>95</sup>

<sup>90</sup> Interview 1, Chema, 22.

<sup>91</sup> Interview 19, Joanes, 17.

<sup>92</sup> Interview 13, Dayson, 15.

<sup>93</sup> *Ibid.*

<sup>94</sup> Interview 9, name withheld, 16.

<sup>95</sup> Interview 8, Isaac, 13.

As an anchor of trust, giving out change signals trustworthiness and therefore acts as a motivation for the formation of both bonding and bridging social capital amongst persons of Soko Kuu. It has not overcome all divisions but has created links between persons willing to cooperate and mutually benefit from the availability of change, and thus counts as a zone for the growth of trusting-trustworthy relationships.

## Conclusion

Previous sociological literature has emphasised the importance of repeated interaction for trust creation but little attempt has been made to scratch beneath the surface on what repeated interaction is trust fertile and what repeated interaction is trust barren. Separate to this discussion, Africanist scholars have discussed the value of gift exchange and how important it was for the bonding of community in traditional societies. Chabal goes so far as to note an oppositional position between the two camps of anthropology and the social sciences on this point:

As anthropologists have detailed, the prevalence of gift or giving in 'traditional' societies is to be explained in terms of a political economy of exchange and reciprocity that is alien to commodity trade and profit-making. It is part of an array of obligations that sustain identity, virtue and good relations within a group and between communities. However, most social scientific interpretations of gift centre on the instrumentally rational nature of what serves both as social lubricant and as an incipient form of social security.<sup>96</sup>

This article demonstrates how there is no reason to polarise these two approaches, so long as appreciation is made of the capabilities of persons to signal trustworthiness. The political economy of plastic bag sellers in Soko Kuu keenly represents understandings of competition and scarce resources in a setting without formal regulations, and yet trust creation is nevertheless apparent at trust anchors, in tandem with the very same style of moral deliberation felt to hold such force in so-called "traditional" societies.

Some of the trust-creating dynamics can be seen in the way goods sellers test bag sellers with small tasks in order to identify the latter's habits of disposition. However, the strongest trust anchor—partly because of the extent to which it can be easily habituated—is found in making change available to others. As an indicator of good conduct, giving out change stabilises relationships of mutual exchange. By taking the question of signalling trustworthiness before that of signalling trust, empirical application has yielded a fruitful display of an agent-centred example of the formation of trusting-trustworthy relationships. Whilst many of the mechanisms at play are already understood in behavioural economics in terms of the effects of institutions, we have focused here on how the structure of an economic setting neither ensures nor excludes cooperative behaviour in and of itself, and how social dilemmas can be turned around by agents as opportunities for signalling trustworthiness.

<sup>96</sup> Chabal, 2009, pp. 72-3 (*emphasis in original*).