

70 Observations on the Principles of African Personal Finance

This is a list summary of David Maranz's *African Friends and Money Matters*, a must read, for westerners, or members of western organizations planning to enter into direct financial relationships with Africans. ISBN 1-55671-117-4. For more information and to order go to their website www.ethnologue.com/show_product.asp?isbn=1556711174 or contact Academic_books@sil.org

1. The financial need that occurs first has first claim on the available resources.
2. Resources are to be used, not hoarded.
3. Money is to be spent before friends or relatives ask to "borrow."
4. If something is not being actively used, it is considered to be "available."
5. Africans are very sensitive and alert to the needs of others and are quite ready to share their resources.
6. The fact that most people are overextended financially produces profound effects on society.
7. Being involved financially and materially with friends and relatives is a very important element of social interaction.
8. Africans assist their friends who are in financial need as a form of investment for those future times when they themselves might have needs. This arrangement constitutes a virtual banking or savings system.
9. The financial implications of friendship and solidarity go beyond immediate friends to include secondary relationships.
10. Not all Africans follow the normal and accepted financial principles of the sharing that society dictates, but people who do not do so pay a very heavy social price: they are shunned and marginalized by friends and relatives.
11. Many people buy meals at canteens set up on many street corners, outside of factory gates, and at other convenient locations.
12. Africans readily share space and things but are possessive of knowledge. (Westerners readily share their knowledge, but are possessive of things and space.)
13. The person requesting a thing or money from a friend or relative has a dominant role in determining whether his or her need is greater than that of the potential donor, and consequently, of whether or not the potential donor should donate.
14. A person to whom money or other resource is entrusted has a major say in how that money or resource will be used.
15. People who have many possessions or a "surplus" of money are prejudged to be selfish egoists who are insensible to the needs of others.
16. Precision is to be avoided in accounting as it shows lack of a generous spirit. (Also Africans prefer a "one pocket" system to a "two pocket" system. I.e. No separation of personal and business finances, or individual and corporate.)
17. Budgeting, in a formal accounting sense, is not an accepted way of handling personal finances. It suggests that they can live independently of others and God. A form of budgeting is practiced, however, with only two basic categories:
 - a. 1) Daily expenses for perishable food stuffs.
 - b. 2) Rations monthly amount left at a dry goods grocer to assure grain, cooking oil, etc. for the month.
18. Africans do not budget for special events; rather, they spend as much money and other resources as they can marshal for each one. (The wedding! The severance payment.)
19. Personal spending is quite categorized. Main categories are basic expected needs and hidden



- expenses. Money is saved for hidden expenses, but usually without the knowledge of even family members.
20. Living beyond one's means and income is accepted as normal and is almost universally practiced.
 21. When someone goes on an errand to make a purchase for another, if he is given a bill or coin that is greater than the amount of the purchase, the person running the errand will normally keep the change unless asked for it. [Note: I think this only true with regard to running errands for rich people.]
 22. Many African institutions are well supported financially. Examples: birth & death ceremonies, Muslim brotherhoods, & independent churches.
 23. Fund raising is frequently done on a neighborhood basis for neighborhood financial needs.
 24. Many products are purchased in very small amounts even though the unit cost is much higher than for purchases in larger quantities.
 25. A network of friends is a network of resources.
 26. People constantly work at maintaining and enlarging their network of friends.
 27. Friendships and other relationships are built and maintained with gifts.
 28. Visiting is concentrated on friends and acquaintances who are actively part of a person's economic work.
 29. Most networking is done horizontally or "up" and seldom "down" socially or economically. (People always visit socially up!)
 30. Africans are more hospitable than charitable. (Westerners are more charitable than hospitable.)
 31. Complements are frequently given indirectly in the form of requests for gifts or loans, and are often formulated as questions. (Why don't you give me your blouse? Typical response: "When it has a little brother, I'll give it to you." Or If I give it to you what will I have left? Remember the proverb, If a hyena had medicine for diarrhea she should take it all herself.)
 32. If a Westerner has a misunderstanding about finances with an African friend, it is virtually impossible to straighten it out directly with the offended individual.
 33. Africans prefer to apologize symbolically, rather than verbally, with they have made a mistake or feel personal shame.
 34. Many Africans in need are very discreet about asking for assistance, only hinting at their needs.
 35. Africans find security in ambiguous arrangements, plans, and speech.
 36. Showing solidarity with friends at such times at funerals, naming ceremonies, feast days, and weddings is extremely important. This is primarily done by attendance at these events and by contributing financially.
 37. A great many economic needs in Africa are met or alleviated through the solidarity and generosity of relatives and friends.
 38. When people ask for help, they will usually be content with being given a part (sometimes even a small part) of what they are asking for.
 39. Offers of exchanges of gifts, food, or hospitality may involve unspoken obligations; likewise, failing to accept gifts, food or hospitality may have negative problems.
 40. When you give to beggars, they are doing you a favor by allowing you to gain credit with Allah.
 41. In many rural communities, and less so in urban neighborhoods, people are afraid to accumulate more goods or property than their neighbors and kin, for fear of creating jealousy which may lead to reprisals being carried out against them on an occult level.
 42. Money "corrupted" is not expected to be paid back; accountability is not enforced; restitution is not practiced.
 43. A major function of government is to provide money and other resources to those members of society who are in power or have a close relationship to those who are in power.
 44. Giving preference to the employment of kin over non-kin is a normal expression of family responsibility and solidarity.
 - a. Personal, family or private interests are placed before larger organizational or public interests.
 - b. People who are under-qualified tend to be employed for particular positions, as private

interests are placed above qualifications and competence for accomplishing the purposes for which the positions were supposedly created.

- c. Accountability is lessened, as loyalty to private interests is placed before the accomplishment of official tasks.
 - d. Motivation to work conscientiously is lessened, as people are hired because of who they are , not primarily what they are capable of doing.
 - e. Standards of honesty, service, and morality are subverted to private interests.
 - f. Power, wealth, and influence become concentrated in the powerful few, rather than being distributed justly.
 - g. Smaller entities are put at a disadvantage in the competition with larger ones because they have fewer human or monetary resources.
 - h. Planning is not carried to implementation, and priorities are not followed, as the rational use of resources is subverted to private interests.
 - i. Hypocrisy, cynicism, and duplicity are generated in society as people see that those who operate at levels of influence follow double standards: one for appearances and another in fact.
- 45. An unjust settlement of a dispute is better than an offended complainant.
 - 46. The place in society assigned to people who have perceived ample financial resources is that of givers and/or loaners, and not of receivers.
 - 47. People typically receive satisfaction from being asked for financial help, whether or not they are disposed to provide it.
 - 48. The reputation of people of means is enhanced through the frequent visits of their clients.
 - 49. Leaders in society (religious, political, and business) are expected to be people (mainly men) who have a retinue of followers, who distribute resources and in other ways provide for their followers when they have needs. They also ideally have commanding personalities.
 - 50. A person or organization with financial means is basically expected to pay a higher price or make a larger contribution to individuals or society than is a poor person or organization.
 - 51. Success in life is attained through personal relationships, through connections with people in positions of power and authority, and through spiritual means. Whereas in the West, success is attained through ability, hard work, education, and delayed gratification, established within the framework of a just society.
 - 52. People who are without ample financial resources typically seek to have a long term client relationship with as many people, patrons, as possible from among those with resources.
 - 53. Financial matters involve a great amount of strategizing and gamesmanship.
 - 54. When a person has a financial need, the most appropriate and likely candidate is mentally selected and then approached for help.
 - 55. People with moderate to extensive means can be divided into the hiders and the revealers.
 - 56. The only means of accumulating savings that is available to many employees are cash advances from their employers against future work.
 - 57. When an African has a need for money or some good, the normal and acceptable way to get it is to ask for it from a relative, friend, or acquaintance who has it.
 - 58. Old debts are forgotten and are not expected to be repaid, neither by the debtor nor by the lender.
 - 59. There is a strong sense in which people want to be owed money by their friends.
 - 60. There is some sense in which people want to be without money so that they can more easily refuse a request for a loan.
 - 61. The unwritten rules governing the loaning and sharing of money and goods, and the extreme social pressure on individuals to conform to these rules or face sanctions, serve as leveling mechanisms to keep people from getting ahead of others.
 - 62. The value of a development project is not to be measured by its long-term success.
 - 63. A loan is eligible to be repaid when the creditor's need becomes greater than the debtor's need.
 - 64. The repayment of loans is a subjective matter involving the weighing of economic, social, and

time factors.

65. The collection of debts is primarily the responsibility of creditors, not of borrowers to volunteer payments.
66. Many people live with outstanding debts that they never expect to repay.
67. The risk of a loan not being paid back is largely assumed by the lender.
68. The use of the word loan when requesting money from someone is often a euphemism for gift.
69. Loans of goods or things are tantamount to gifts.
 - a. Not returned until the lender asks repeatedly.
 - b. Subject to being re-loaned to others by the borrower without the consent of the original owner.
 - c. Long term borrowing is automatically considered a gift.
 - d. There is little concern if the borrowed item is worn out, torn, or rendered useless.
70. The response, "No," to a request for money, a loan, or a material object, is understood as an insult, indifference to need, a lack of respect, or a sign of rejection of the petitioner.

(Special Thanks to Joe Gallop for preparing this summary)

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