



**Indian Entrepreneurs in
Africa:
Role of Transnational
Habitus in Bridging the Two
Countries Through their
Entrepreneurial Ventures**

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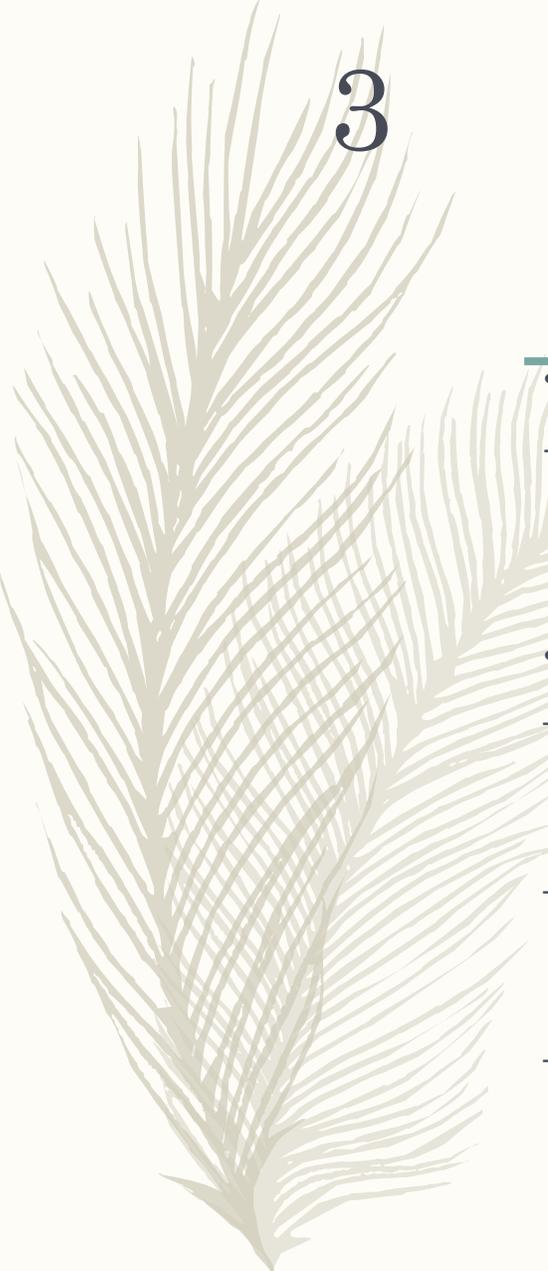


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Introduction

The paper is an attempt to capture the entrepreneurial stories of Indian immigrant entrepreneurs in African countries in diverse cultural context.

Essentially the paper explores the relationship between transnationalism and entrepreneurship in the context of India and African countries.



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Concepts

- **Transnational Entrepreneurship (TE)**

- Refers to all entrepreneurial activities in transnational settings by an entrepreneur that are innovative, creative that lead towards mobilizing and optimizing resources needed for the venture by identifying markets, resources, (different forms of capital) in both host and home field.

- **Transnational Entrepreneurs (TEs)**

- TEs are largely referred to as immigrant entrepreneurs who are engaged in cross-border activities between the two countries of origin and destination.
- These immigrants act as agents of international business and facilitate bilateral trade and investment by exploiting and optimizing resources from both locations.
- What distinguishes TE from other entrepreneurs is their 'bifocality' - ability to manage and sustain focus on both locations and their ability to combine resources in both home and host societies and optimally use them for their competitive advantage.



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Presentation Outline

- The **first part** of the paper discusses about the Indian transnational migrants and briefly explains methodology, theoretical framework and significance of the study undertaken.
- The **second part** of the paper presents the historical memoirs of the Indo-Africa entrepreneurial relationships and discusses the potential for partnership between the two in the current times.
- The **third part** of the study documents the cases of Indian entrepreneurs and their initiatives in Africa which has played a critical role in connecting the two countries' in the development processes.
- **Fourth section** deals with discussion, analysis and conclusion



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Objectives

- Explore how Indian entrepreneurs in Africa leverage the individual experiences and institutional environment to navigate and explore the markets in Africa.
- To be more specific, the paper opens up questions such as: What are the individual and societal factors and attributes that influence Indian Transnational Entrepreneurship (TE) activities at micro, macro and meso level in Africa?
- At a broader level the study aims to examine the factors supporting and facilitating the transitional activities and also factors that hindering or constraining the transnational activities for Indian entrepreneurs in African countries.



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Significance of the Study

- Given the volume of the past & recent business interactions between India and African countries, this study is a contribution to both theory & practice and also to policy.
- Contribution to theory
- Implications to practice – leading to translational strategies, networking strategies used by TEs at a global level; reveal business models
- Implications to policy - leading to newer ways of migration management between India and Africa that promote transnational activities.



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Theoretical Framework

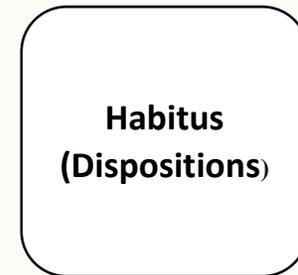
- The study uses both Bourdieu's theory of practice and Drori's understanding of 'field' as theoretical framework to examine the transnational entrepreneurial behavior and practices.
- Bourdieu explains the social world through individual and group actions. He uses three concepts namely *habitus*, *capital* and *social field* to explain the actions.
- **Habitus** can be referred to as 'systems of lasting transposable dispositions' that integrates past experience and operates every moment as medium of perceptions, appreciation and actions. In simple words, it refers to an individual's daily habitual practices in a particular social setting.
- **Capital** is referred to as power resources managed by individual actors' habitus or dispositions embodied in them. Bourdieu refers to economic, cultural, social and symbolic capital which can be used interchangeable.
- **Social field** may be viewed as a structural space of positions; or a set of relationships.
- **Practice** is an outcome of interaction and interface between individual habitus and their capital in a given social field.

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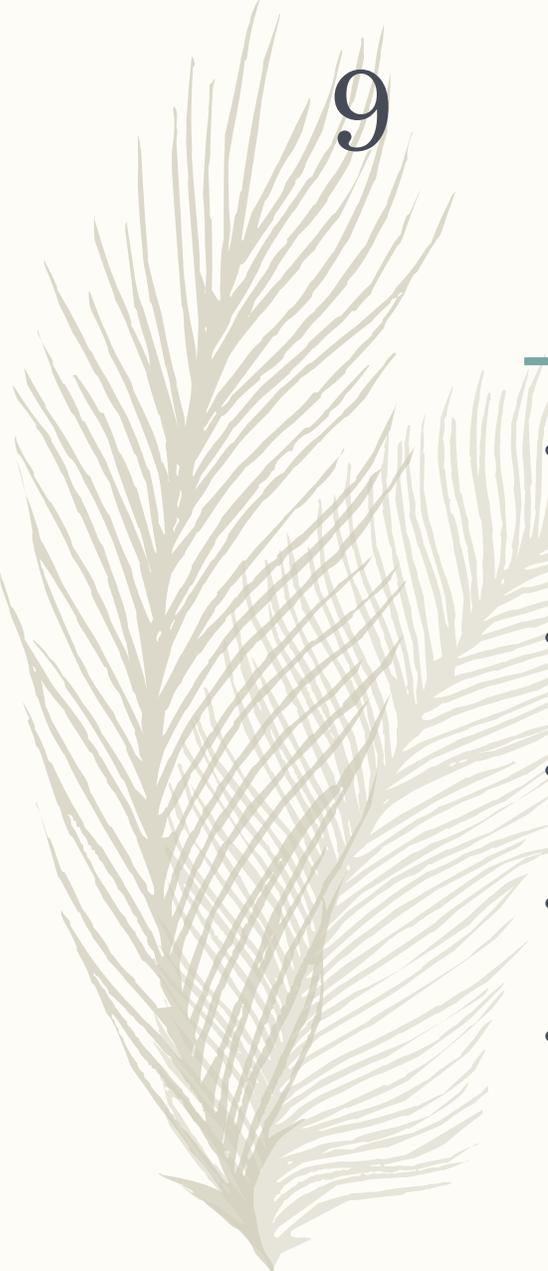
Bourdieu's Theory of Practice

Source: Adapted from Bourdieu (1977)

Society



Subject



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Bourdieu's Theory of Practice

- Bourdieu (1977) asserts that individual situated in a given field has certain dispositions (referred to as habitus) to act in certain specific ways to enhance his/her position by engaging in particular practices.
- However, the actors (individuals) although with certain habitus may be unable to act in a social field in absence of sufficient capital (i.e. social, cultural, economic and symbolic capital).
- Bourdieu argues that capital is a power that empowers the individual actors to improve upon his/her position within the social field.
- Hence, for an individual to enact certain practices, one must apply one's dispositions to the capital which is accessible in a particular context of a given social field.
- The above understanding of Bourdieu's 'theory of practice' can be represented in a simple expression as: (Habitus)(Capital) + Social field = Practice.

Indian Entrepreneurism in Africa – Past, Present and Future - 1

- Historically, trade links between Gujarati Indians and African coast dates back to the ancient Babylon period.
- Gujarathi migrants have played a crucial role in the building the economy of some of the African countries. Even now, Kenyan Indians are largely known as Wahindis in Swahili coast in Southeast Africa dominate the business scenario in Kenya. (*The Swahili coast in Africa consists of region along the shores of Kenya, Tanzania and northern Mozambique.*)
- In the beginning of 20th century, the prominent Indian entrepreneurial establishments in Africa include the Hindocha, Mehta & Madhvani, Karimjee, Chandaira groups etc.
- In the more recent times, especially in the age of startup, the success stories of Indian entrepreneurs such as Rishab Lawania, Rahul Karle, Rohan Garg etc. continues to inspire, and rejuvenate the age old commercial connections between the two countries.
- Critics claim that, with Indian startup ecosystem in the verge of saturation point, Africa could be a new destination for potential entrepreneurs and investors.

Methodology

- This study adopts a combination of case study method, interview method and narratives to collect data from the respondents (through email and telephone interviews)
- The total sample size is 30 and we shall use a combination of purposive sampling and snowball sampling to identify the target respondents.
- Database of 'The Indus Entrepreneurs' (TIE), a global network of organizations will be used to identify the entrepreneurs residing in Africa. LinkedIn, company websites, InterNations, an online network of global community shall also be used to reach out to the representative sample in the study.
- The focus is mostly on Indian entrepreneur in Kenya and South Africa and related regions such as Botswana, Niger, Ghana etc.

Data and Case Studies

- Two cases were selected from Kenya, two from South Africa, five from other African countries namely Ghana, Botswana, Niger, Uganda etc. In total there are nine cases under discussion in this paper.
- They include a mix of early Indian entrepreneurs who set up their establishments decades ago as well as the young entrepreneurs who have initiated their startups in the recent years.
- Cases represent diversified industries ranging from IT services, manufacturing, investments, retail stores, hardware, tech media etc.
- Table provides the list of Indian transnational entrepreneurs and details of their ventures.

Sl. No	Name of the Founder/Entrepreneur	Name of the Venture/Enterprise	Year of Establishment	Venture Type & Details	Place of establishment Africa	Expansion and other Establishments	Place of Origin/ Establishments in India
1	Kirit Patel (Son of founder Late Rambhai Patel)	Ramco Group	Early 1940s	Hardware stores, print, stainless steel, IT (Employs more than 3,800 people)	Nairobi, Kenya	Uganda, Tanzania and Rwanda	India
2	Sriram Bharatam	<u>Kuza Biashara</u>	2012	mobile based micro-learning platform. Firm that builds the capacity of SME's by leveraging mobile and web technologies.	Nairobi, Kenya	Iridium Interactive, a digital strategy and innovation firm, Hyderabad	Hyderabad, India
3.	Iqbal Surve	Sekunjalo Group	1996	Investment Group. Principal operations in publishing, Internet, healthcare, pharmaceuticals, financial services etc.	Cape Town, South Africa	Global office and investment portfolios in Switzerland, Mauritius and Dubai.	India
4.	Rishabh Lawania	WeeTracker	2018	Tech Media company focusing on African Startup Ecosystem	Cape Town, South Africa	Nairobi, Kenya; Delhi, India	Delhi, India
5	Birendra Sasmal (CEO)	Subah	2007	IT service provider	Accra, Ghana	Guinea and Sierra Leone, New York City and Dubai	West Bengal, India
6	Ramachandran Ottapathu (CEO)	Choppies Enterprises LTD	1986	Multinational grocery & general merchandise retailer	Gaborone, Botswana.	Distribution network in South Africa, Zimbabwe, Zambia and Kenya.	Town of Ollur, Thrissur, Kerala, India
7.	Rohan Garg	Belvie Health Care SA	2014	Quality Mineral water bottling company	Niamey, Niger	Sahel Region	Delhi, India
8.	Muljibhai Madhvani	Madhvani Group)	1914	Manufacturing and Tourism	Kakira, Uganda	Investments in Uganda, Rwanda, South Sudan, Tanzania, Middle East, India and North America	Origins from Porbander, Gujrat, India
9.	Rahul Kalra	Africakart.com	2015	Online retail company	Tema, Ghana	Web based platforms	Mumbai, India

Analysis and Discussion

- Discussion are categorized under following sections namely;
 - Africa-as a new destination for entrepreneurs;
 - Navigating the complex African system & rules;
 - Mentoring and guidance;
 - Family and community bonding.



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Africa – New destination for entrepreneurs

- An investor in the FMCG market states; **“There is a lot of scope for eateries and for FMCG market as a whole. Tanzania is just growing, so investment there with so many tax-free privileges and quotas is really good for a business to grow.”**
- Sriram Bharatam, founder of Kuza Biashara in Kenya states, **“In Kenya, like in any other growing economy, opportunities are vast. There is so much you can do here.”**
- According to Rahul Kalra, founder of *AfricaKart*, online retailer is Africa’s future. Rahul stated, **“I am really convinced that e-commerce is the future and I believe that AfricaKart has what it takes to become the brand that would bring e-commerce to homes and offices”**.
- Sasmal, a Ghana based IT service provider observing the African market commented, **“Since I moved to Ghana, the most striking change has been, as in India, the number of people who have mobile phones these days and how easy it is to access the internet and make cheap call overseas”**
- Rishabh founder of ‘WeeTracker’ observes that Africa is undergoing a tech revolution, something similar that happened in US in the late 1990s or in India in the early 2000s., **“The ecosystem in Africa is still nascent and hence it holds lot of untapped opportunities and entrepreneurial possibilities.”** Resonating his interest in Africa, Rishab observed, **“During my earlier trips to China, Japan and the US, I noticed that there was a lot of interest in the African ecosystem. However, most people are still hesitant about investing in African startups.”**

Navigating the complex African systems

- The major challenges to be entrepreneurs encountered was the governmental attitude and the policies which included the complex system of labour laws, tax systems, bureaucracy etc. Commenting on the laws, a native entrepreneur states, ***“We have laws for laws in this country and most people know very little about them when they start up or invest in business. Most of these laws are more detrimental to business growth than anyone will admit however every country has to deal with its own idiotic government so again there is no point moaning about it”***.
- Rohan Garg founder of Belvie points out to the complex supply chains and ‘procurement lead time’ which is an additional strain to the inventory management and the working capital. Often rules get converted into norms and traditions that are not easily comprehended by an immigrant entrepreneur. Much of the rules in the field are intertwined in routine life and behavior which are apparent, but not easily visible. Instead actors tend to interpret the field through a set of internalized dispositions, intentions and behavior which Bourdieu refers as ‘habitus’ (Bourdieu, 1990).
- Habitus, enables the immigrant entrepreneurs to understand the rules of the fields. For instance, Rohan Garg illustrates his learnings which became his key entrepreneurial disposition. He states, ***“The time that I spent interacting with retailers and shop keepers throughout my stay in Niger was instrumental in developing a deep understanding of their values, preferences and practices. I have learned a lot from my discussion with many traditional traders and retailers that have been serving these markets for generations”***.
- Rohan states, ***“I was 23 when I first came to Niger and it lacked infrastructure, framework and information. It required lot of patience and perseverance to fix the set backs. What truly defines success in such challenging markets is the ability to recreate oneself from one failure to another.”***

Mentoring and guidance

- Entrepreneurs both from India and Africa admit that mentoring was crucial for setting up the new entrepreneurial ventures in Africa. This is because, Africa is different from other parts of the world.
- Commenting on the African entrepreneurial requisites, an entrepreneur sates, “***The best advice I can give to a young budding entrepreneur is to find a mentor or business coach that can teach you the ins and outs of what to watch out for. While they may cost you a bit of cash or equity in your business, they will save you a fortune further down the road***”.
- To understand the complexities of the dark continent one needs a mentor who shall act as a guiding force while building a business. The entrepreneur quotes, “***The learning curb to building a business is steep, so why not make your life easier and ask for help from someone who has walked that road before? They have to be strong and successful. This person will also hold you accountable for your actions or lack of actions. Remember speed of implementation is everything in business. Most of us, myself included, are not very good at putting god ideas into action immediately. This person can help drive you to succeed by holding you accountable***”.

Family and community bond

- Entrepreneurial success of Indians in Africa is largely attributed to their strong cultural ethos and family support they enjoyed. Traditionally, most of the finance to start a business came from within the family.
- Rohan Garg acknowledges the role of his family in supporting him. - ***“As a part of my entrepreneurial journey, I rediscovered a strong bond with my family. I consider myself fortunate to have parents and family that have been very supportive and encouraging. In today’s fast-paced world, we tend to overlook the important role our loved ones play in our lives-we don’t realize how precious a resource his can be for strength and support in trying times.”***
- Transnational entrepreneurs have unique challenges as they live separated from their families across borders that lead to significant changes in their behavior. The behavioral challenges sometimes run through many generations as they find difficulties in identifying themselves with new culture and community in the host countries.
- As a social institution and as a social construct, family is a primary influencing factor for any transnational migrant individual. It is a source of emotional and moral support, ethnic identity, security and sense of belonging.



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Closing Remarks

- Data reveals that there are several social, legal, institutional and political factors that influence the Indian entrepreneurial activities in Africa. Broadly, they can be viewed from two levels; micro and macro.
- At a macro level, factors such as market conditions, globalizations, immigrations policy, development strategies in the home country etc. shape the TE's activities and behavior. Micro level factors include family, financial resources, human capital, cultural capital, individual experiences, values, abilities, attitudes, personality, etc.
- Theoretical framework adopted enables the study of both micro and macro level factors. It includes the study of individual's perceptions and other psychological measures (that which addresses the micro level aspects) and the larger institutions defining the field of action (that which address the macro-level approach).

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- Combining Bourdieu's 'Theory of practice' along with other extended frameworks (Drori's interpretation of 'Field'), one can arrive at the following : (*Habitus*) (*Bifocality*) (*capital-economic, social, cultural, symbolic*) + (*social field, Home*) (*social field, Host*) = *TE practices*.
 - Each entrepreneur may possess a unique set of resources and in various combination. Hence, the study proposes that 'Unique intersection of a transnational habitus (habituated mindset), resources (forms of capital) and institutional environment (fields – host/home country) produces a competitive advantage for transnational entrepreneurs'.
 - In simple words: A particular combination of different form of capital along with the dual habitus of TEs in the right set of institutional environments results in successful transnational activities.

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Thank You