



CIEA7 #38:
DILEMMAS OF AFRICAN MODERNITY AND THEIR THEORETICAL
CHALLENGES.

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African traditional banking:

re-emergence of the 'njanguï' system in Western Cameroon¹

Banking holds a long history in African economic civilization. The introduction of modern Western practices such as insurance houses, giant financial institutions with remarkable management sophistry, unfortunately thwarted attempts at developing the indigenous enterprise. Throughout the colonial period and decades after independences, lingering economic failure and social backwardness logically inspired a return to 'njanguï' quite ubiquitously, a home grown banking and insurance system based on the 'natural history' of the society concerned, rather than on 'set characteristics', with quantitative formulations likely to boost grasping of such aspects as creditworthiness and guarantee. The thriving of the 'njanguï' in western Cameroon in the last three decades has started attracting serious scholarly analysis on the possibilities of its reliability and expansion. This paper explores successful attempts of the traditional safety net known as 'njanguï' at re-emerging in a difficult context of economic stagnation.

Re-emergence, Njanguï system.

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¹ This paper is based mainly on research findings on Njanguï in Bafang Bafoussam and Baleng, three centres of heavy njanguï activity in the Bamileke heartland. Interviews at njanguï sites were conducted, with exciting proofs of huge physical cash records. We were able to attend some njanguï coaching classes and njanguï history.

INTRODUCTION

The term 'njanguï' is one of the most widely known and dynamic phenomena among the people of Cameroon and among the Bantu in general. In remote times, oral tradition goes, it was associated with material contributions for a defined purpose by members of a kinship. Thus was communal life regulated around the primitive arrangement to cope with challenges facing one or more members, or even the whole group. The barter system, needless to emphasise, invariably a corollary of njanguï, was resorted to, for expediency and limit of scope. Potentates in the grass fields regions of Cameroon enjoyed significant stability in pre-colonial periods thanks to njanguï.

At the introduction of the money economy, njanguï got a boost. At the beginning of 'legitimate trade' of the 1870s as a matter of act, dull but decisive signs of a generalised acquisitive spirit were manifested among the Bamileke occupying the grass fields of Cameroon.

During colonial periods marketing boards were established invariably by Europeans, giving sales opportunities which heralded a real modern sense of private property ownership and a longing for acquisition. Tropical cash crop sales became the mainstay of the economy of colonised people, the basis of njanguï even at the dawn of political independence a little less than a century afterwards.

From 1960 to 1980 noticeable tremendous economic changes occurred. The relative diversification of the economy did not just translate into a multiplicity of sources of income mostly disconnected with farming business but also adversely impacted on the traditional savings methods. Also during this period, for political reasons solely, (basically intended to curb dissidence) government deliberate attempts at implementing a pseudo welfare programme throughout the Bamileke grass fields' homeland gave a façade and a feeling of the imminence of structural transformation into modernity.

The relative social ease that ensued, especially during the 70s, thwarted local initiatives as well as the spirit of 'autarky'.

Glut in the international market quickly inspired stagnation in the Third World dependent on raw materials. In the early 80s, an economic quagmire loomed. Unavoidably however, national budget clips and austerity moves arrived, making social life once again hectic and burdensome. Worse, state bankruptcy and endemic corrupt bureaucracy so seriously dealt such a severe blow to the budding social welfare system that desolation became glaring suddenly and everywhere at once.

The foregoing is determinant in understanding the re-emergence and spread of 'njanguï'; the organisational genius it embodies and the adaptability to changing economic circumstances. Despite government tacit compliance with private capital (controlling most financial businesses in the country) to bar the way to the mounting popularity of njanguï, this ancestral practice keeps waxing stronger and stronger, with millions of beneficiaries each year. Let us explore the modus operandi of njanguï in Bamileke homeland.

SOCIO ECONOMIC CONTEXT

It is important to display the picture of the society where njanguï irreversibly paves its way as a dynamic force before fully grasping this phenomenon. Going back to Cameroon countryside as a whole and to the Bamileke grass fields homeland in particular, the mainstay of the economy remains peasant production rudimentarily carried out with obsolete tools and meagre means. In this pre-capitalist environment peasants who constitute the bulk of society, are still largely limited to production of use value. In the picture appear petty commodity producers and workers but the latter are both identified with peasantry.

In the absence of differentiation of interest as the social landscape presents, social atomisation which fosters individualistic posture will equally be absent, paving a way to Durkheimian mechanical solidarity, a form of communalism logically negating conditions for the development of civil society. In short, in this context of undeveloped commodity form, the person is no legal subject and simply, nearly never formally relates to the state.

Stripped of proper institutional guaranty of their impartiality, the rules of the state themselves are not impartial or so are perceived. As far as this study is concerned, this translates to 'normlessness' of economic competition, capable of alienating weaker competitors. The mediation of the state in financial market competition between njanguï and private or state owned capital (banks and insurance houses) is very illustrative of the absence of autonomy of the state. Statistically being by far the most popular and trusted financial enterprise though, political leaders have persistently pushed njanguï to the underground economy with little prospects of modernity.

This helps in understanding the absence of bold physical structures in which njanguï transactions take place in Cameroon as a whole. However, it is now an open secret to all. Simply put, the overwhelming popularity of the practice leaves its detractors in political offices (owners of financial establishments, insurance houses and shareholders in banks) not even a thin margin of legitimacy in banning it. Increasingly it becomes clear that rather than willing to permanently choke the practice by enacting laws that nobody is wholeheartedly

ready to implement, in as much as njangui relieves millions off their financial difficulties, a safer option would be to midwife its formalisation.

Njangui also owes its *raison d'être* to the state of economic disarticulation in which 'cash' heavily dominates all business transactions in Cameroon. The sad corollaries are corruption, forgery and mostly anxiety for pay as a result of generalised hardship. Let us dwell a little more on this point with examples. A road accident victim will be dumped at the hospital with nobody willing to pay attention if there is no money to pay for emergency services; police rescue operations usually demand money on the spot, unfortunately though, from victims; worse, police emergency intervention is nearly always subject to motivation. Sinister payment by insurance is uncertain and too corrupt. Bank credits are practically impossible for most. The society is that eager for pay, and njangui takes it into account. Let us turn to the way it operates.

MODUS OPERANDI OF THE NJANGUI

Turn by turn 'njangui'

Njangui in the Bamileke homeland is a cultural obligation to all (both male and female), who reach the age of maturity. At times, for engaging in productive life even before maturity, qualifies one to join the suitable njangui group around. For the fact that one is called to stand autonomously *vis-à-vis* the family and society, all through leaving behind him a palpable achievement at death, njangui is the only institution capable of assuring each individual member the financial capability of attaining such a goal. Given that individual goals are diverse and personal aptitudes intrinsically different, njangui groups vary accordingly. Suffices it to emphasise mobility: backward or forward, that is to say, from a lesser to a more important group and vice versa. It does not matter belonging to several groups if one so desires.

At the lowest degree, let us imagine a twelve year old, helping his parents sell foodstuffs during school holidays, having in mind a new trendy pair of converse for the next school year. To achieve this goal, he has to make some money. To be able to make some money, he needs to create a device to augment the proceeds of his sales in order to get some extra surplus from the benefit of the goods at his disposal. The next step is how to gradually save this extra surplus so as to be able to gather enough money to buy the converse when time comes. Here the answer is simple and obvious: njangui. Parental backing is usually automatic.

For instance, he is given five bunches of bananas worth 100f cfa every morning to sell at a street corner or thereabout. His parents expect 500f cfa as daily proceeds of the business, if totally successful; he knows from his peer group how to get rather 550f cfa or more for the whole merchandise, namely hawking in places where a category of clients will freely purchase these goods more generously. Having created a 'sustainable' source of income, he joins a njangui group where he daily deposits the extra surplus of the sales of bananas, namely 50f cfa or more, as the case may be. Where at this tender age does he know where to deposit the money, and what are the guarantees of him recovering his savings when he wants it?

To start with, adhesion to a njangui group for the boy is as simple as natural through a friend or mate member. In addition, given his easy social identification and the volume of his savings, his membership poses no problem as it concerns the simplest savings system namely, the 'turn by turn'. This consists in bringing every member's money contribution (each according to his ability, and receiving back proportionately as contributed) to a particular one at a unanimously chosen lap of time (after each day, two days, a week, etc). In a group of 30 members operating daily, a 50f cfa contribution will amount to 1500f cfa as the boy's monthly savings with which he can wear second hand converse. Usually new comers are placed last in the list of reception for creditworthiness, in a first-come, first-served row.

No matter the size of the group and the volume of each person's contribution there is compulsory savings for emergencies such as disease, misfortune, tragedies and the like. This is readily not refundable except in cases of dismissal or voluntary retreat from the group. At death a member's family is automatically entitled to a refund of the deceased compulsory contributions. This money is usually perceived by an heir chosen by the deceased, while the group prepares an extra consolation package for the family. More and more chosen heirs opt for continuity.

This money does not just play the role of insurance but also keeps members in check while willing to contribute more and more for more safety. In the case of the boy, he can contribute 55f cfa daily (50f cfa refundable, and 5f cfa non refundable for insurance).

As far as loans are concerned the quota system applies. That is to say, a loan is tailored in accordance with one's size of non refundable contributions. In other words, the boy's loan range can not exceed 150f cfa if he wants to contract one after a months' experience with the group. However, if he needs one more than said amount, there is a way out if he is propped up by a god father who willingly uses his own quota as collateral for the boy's loan.

Owing to the fact that loans are very often requested for, most members often choose to contribute quite considerably in order to secure a comfortable loan margin. This is how parents cope with paying their children's school fees and some other social charges; however, a member's acquaintance may request money from the group. His or her demand will be granted based on the quota of he who props her up and naturally, payment of this credit necessitates a more significant interest than that paid by a member of the group as the case may eventually be. Part of the interest goes into the account of the member whose quota has served as collateral. For example, a member whose quota is about 40.000f cfa may prop up non members with credit needs up to 35.000f cfa and earn 2% of said amount as interest, while 1% interest goes to the njangui books. Interest rates are fixed depending on the beneficiary's origin, needed amount and project in view.

In actual fact, the larger a member's quota, the greater his chances of realising more money from loans to whom he deems creditworthy. As a communally oriented enterprise, all members of the njangui are to extend the privileges enjoyed, associated with their membership to the financial group to kinsmen in times of need as a sacred covenant. This underlies the solidarity for which the Bamileke are deservedly popular. These kinsmen most often are passers-by residing far away from home. It has to be noted that the Bamileke are tirelessly searching for new abodes away from the region they have occupied for centuries.

More interesting however, is a rapport between two friendly njangui groups: a development project (a school or health service centre) in a community may necessitate more money than is available in the coffers of the njangui group initiating the project. In this case, a loan to the community is required from the adjacent village's njangui. To handle this case, a credit committee mainly composed of the most prominent contributors meets, analysing audit reports of the needy community's njangui group. Schools and hospitals are most zealously funded because of their likelihood to succeed businesswise, coupled with their tax free status throughout Cameroon. In njangui meetings, top on the list of target businesses for years now, are the fore-mentioned. No wonder 95% percent of all privately owned institutes of learning and health service centres throughout the country are either owned or controlled by a njangui or a member of one, in nearly all cases from Bamileke homeland.

To sum up the lad enters into a circle which boosts his acquisitive appetite and quickly internalises some responsibilities vis-à-vis parents, ethnic, and neighbourhood. Ultimately, njangui plays a role in keeping the lad's aspirations and boosting his urge for more savings, teaching him hard work (through obligations to regularly contribute) and discipline.

The didactic column offers opportunities to members and prospective members to assimilate the functioning of the group ultimately aiming at boosting their confidence in, and enhancing closeness to the group. Investment opportunities as well as basic management courses are informally lectured. The lessons are carried out by the group's older and literate members.

This illustration is indicative of the general trend of financial dealings in Bamileke homelands. Njangui is everybody's affair from childhood and nobody feels safe away from it. Unlike formal banks and insurance establishments, njangui's mounting popularity is due to its indefectible identification with all its members' financial problems all the time and everywhere. Being a 'cash economy', there is no response more appropriate to emergencies and tragedies in Cameroon than that offered by njangui to its members.

The 'turn by turn' type of njangui is the most frequently resorted to, because of its non discriminatory nature and easy operation. All members of the community can adhere to it and feel comfortable contributing whatever amount they can and applying for loans as stipulated by rules of the game. Membership to several such groups is by no means prohibited, and the more members in a njangui, most times the better, since the group ultimately turns out to be wealthier and more secure.

In some cases, some members may just be able to give out their physical labour as their own contribution to the njangui. They then join the 'rotational farming' club which gathers each day in a member's farmland to offer up their collective effort. After harvest time, compulsorily, they must grade up to money contributions which is the target value of njangui. This form of contribution is progressively considered obsolete and rarely do members resort to it, mainly because of occasional member demobilisation and absence of accuracy and recordable data in quantifying physical commitment that produces labour as a value. This is the oldest form of njangui. How then is njangui money stored? How safe is it?

If njangui members enjoy a permanent availability of physical cash round the clock, a service modern banking is yet to be capable of rendering to its clients (despite the presence of automatic paying machines in a few banks today), storage of cash must be in high secrecy in homes, well guarded and accounting services actually permanent there. In places where these safety conditions cannot be met, njangui money is willy nilly deposited in a bank.

As for the professionals' group that was established in the early eighties, its salient characteristics are discretion and privacy. Here, members contribute more importantly than those in the former.

The professionals' group.

Njangui among professionals began first among health workers and later spread across professionals of other sectors of productive activities right at the outset of economic crises in Cameroon in the 80s. This is a gathering of people, carrying out the same profession, bound by ethnic ties and meeting often to discuss business. This is practiced wherever these conditions are satisfied, thus even far away from Bamileke homeland. Language limitations arise (the Bamileke as a whole are divided into more than 40 sub groups, each with a different language). This limits access into the group to other professionals, even of other Bamileke origin. Profession, ethnic ties and language offer a framework of trust and mutual confidence in two different aspects.

The first aspect is relative to finance; people exercising the same profession are most likely capable of assessing each other's financial capabilities. Next comes the argument of trust. In Bamileke culture every dispute among 'brothers' can be settled peacefully at home in the presence of the council of elders as impartial judges and counsellors, nearly never at formal law courts, plagued by corruption. This clearly explains the strong ethnic bias for adhering the njangui group. Thus you have the teachers' groups, medical practitioners' groups, traders' groups, farmers groups to name just a few.

The major activity this category of njangui is mainly concerned with is to provide financial assistance for independent businesses creation for its members. As a rule, a new comer that satisfies entry requirements will be qualified for a loan after a brief period of observation and contribution of a certain percentage of a needed amount. Especially when investing into a business such as a school or health centre, the chances of a prompt positive reaction are high. Here the guarantee is already implicit in registration requirements, namely ethnic ties and language, including this time a close supervision in the spending process until completion of the project.

When part of the project concerns construction work for instance, the njangui will readily assign that to a trusted brotherly group specialising in it, the same with other services that can be rendered under the njangui's control so as to lessen chances of diverting resources away from the target project. Recovering the loan money plus interests becomes relatively easier because of the njangui's total involvement into the first years of management.

There is a possibility for an alien to benefit from a credit facility from this group of njangui. The spouse of a member who is from a different ethnic group (n'kwa) stands a chance through matrimonial alliances. A very trusted friend of a prominent (with reference to the size of his contribution) member may brake through the circle and get a loan, with the

total support of his member friend. An alien group may even contract serious dealings with the professionals if mutual benefits thereby accrue.

Members of the professionals group are necessarily never living and working at the same place, contributions and loans may be realised anywhere members are found. With the development of telecommunications technology, information processing and storage get easier day by day.

Although limited in number this group is the most dynamic and relatively more modern in its ways, namely in terms of project supervision and the significance of its impact in the larger society. As an instance, in Bafoussam, the capital city of the Western Region, a study shows 16 private primary and secondary schools, 12 health centres, 3 hostels built by the professionals, giving out loans to both members and non members. In a period of just 3 years, namely from 2003 to 2006, about 820 sustainable jobs were created at the same place, with a remarkable increase in petty and temporal economic activities, as a result of professionals' njanguui groups loans.

The elite's club

Here are the wealthiest Bamileke and a few of their friends mobilising very important financial means periodically into an account of one them. This is the 'petty bourgeois' class born in the late eighties.

They use all modern state apparatuses and institutions to secure their money, namely law, banks, collaterals, accounting firms, advisers and managers.

Their 'compulsory' involvement with the ruling elite (the wealthy must militate on the side of the state), discards them objectively from real development effort despite their capability to foster structural transformation in the society, two decades after they were constituted as a group. Their objective is 'sterile' financial accumulation.

What is interesting in this group is the level of discipline and commitment demonstrated in pursuing accumulation despite being hijacked by the ruling class for support. In return for this support however, these wealthy individuals in coordinated moves, and aware of their unchallenged financial might, have succeeded in hijacking many state infrastructural development projects such as tarred road, schools and pipe-born water projects, rendering Bamileke homeland next to none as far as physical development is concerned in Central Africa.

CONCLUSION

Njangui has no doubt existed in nearly all African cultures and traditions prior to slave trade and Western penetration. Modern market practices have tended to wipe it out in most of the continent in due course, replacing it with insurance services and banking.

The hardship experienced in the past few decades have fuelled a speedy return to the practice, this time, with a strong yearning to adapt njangui to modern living, synchronic of modern technology with a traditional tinge. In the Bamileke homeland, it works perfectly. This has been a tremendous home-grown achievement that significantly accounts for the national economy's reversal of fortune since the year 2000.

By providing much easier access to credit to millions of petty entrepreneurs, njangui has given economic opportunities in sectors ranging from the primary to the tertiary over the years.

Needless to point out that the restored form of njangui is increasingly gaining grounds in other regions of the country, owing to its success in the Bamileke community.-

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