

# **THOUGH WE CARRY GUNPOWDER, WE SMOKE TOBACCO**

Organising Complex Cultural Production Amidst Uncertainties:  
A Study of Kente Production in Ghana's Bonwire and Agotime-  
Kpetoe Rural Areas

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## Abstract

This study explores the organisation of complex cultural production in informal spheres. It does so by examining how 9 Kente production firms in Bonwire and Agotime-Kpetoe rural areas of Ghana's Asante and Volta regions organise production. Based on analysis of accounts collected from 19 respondents during an eight-day fieldwork in the respective areas, the study demonstrates that cultural production is situated in social sphere and conforms to social rationalities. The research shows that in the absence of formal institutions, amidst uncertainties, firm-owners rely on social trust and social institutions to manage production process and dissuade delegation problem. Further, the study demonstrates that the existence of fraternal bonds is the most pertinent feature accounting for how production is organised. From the findings, I argue that cultural production is embedded in both economic and social context. As such it is vital for the field of cultural economics in its conception of cultural industry to accommodate the role of institutions in social realm have on the production and the industry as a whole.

**KEYWORDS:** Principle-Agent relationship; Social embeddedness; Global-South cultural industries; Social trust; Institutions

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## Preface

### What do They Know That we Do Not Know?

It must have been no later than quarter-past-six in the morning when our overloaded motorcycle jerked to a halt. We had arrived at the main entrance to the Abgozume Kente Market. ‘It peaks at six a.m.’, announced Kwami, my key informant. ‘It will be over by eight [a.m.], we need to hurry’. With that said, he unstraps the bundles of jute-sacks, containing cloths, off the motorcycle and heaps them unto the head of his ‘number-two man’ and that of mine. Following his lead, we enter the tick of the chaos: cacophony of noise from Kente salesmen announcing their stock prices, of buyers haggling with salesmen, and of *load-boys* screaming ‘give way’ to notify others to step aside for the passage of their oversized head-load. Within half of an hour upon our arrival Kwami had made delivery of over a dozen Ewe Kente cloths to a number of French-speaking Togolese. Relieved of our load, at Kwami's heels, we dart through the market stalls. He makes premeditated stops, where he engages men with over-sized neck bags (containing cash) in swift haggle-like conversations, after each he jots in his weathered notebook, shake hands and strides onward.

The motorcycle wouldn't start so we loaded it unto the tro-tro, got in and headed for Kwami's house. In the van, Kwami began telling me about what he perceives as lack of substantive support for the Kente industry by the Ghanaian government: “You know, I am a tradesman. Kente is my trade. We weave for buyers in Lomé, Lagos, some come all the way from Ouagadougou. So my trade is international. This morning as you've seen, the dew has not yet dried but I have collected some [money]...and taken new orders, so more [money] is on the way coming next market day. The business is not standing still, it can even run, but for that we need big capital and better materials but no one will help us”.

Finally he gets to the crux of his monologue, “the Ministry [of Culture and Tourism] they do not lift a finger; as for the banks, if you go for a loan, they will pull the hair out of your nostrils and leave those on your head standing—they just want to take your land...; DANIDA [Danish International Development Agency] and Kofi Annan's people [referring to UNESCO and international NGOs in general], I honestly think, they want to help. But they have a problem, and I do not know what it is. They come, they ask; we talk, they listen; we think they understand but then they return with these micro-money programmes [...] or telling us we need to register our designs, and to protect it. But they have forgotten that our fathers started doing this before the Chinese came to take photos [for their printed cloths]. Our children will be doing this when the Chinese find something else [to imitate]. You see, it is harmattan, I am sitting next to my fire warming myself small-small. And you from nowhere

standing over there, you come to tell me to move away from this fire for it is getting too warm. How is that you from afar can tell me sitting next to my own fire that is too warm for me—that is DANIDA for you. You see, we learned this trade from our fathers, who in turn learned it from their fathers. So what at all do these people know about this trade that we do not know? You tell for I do not know” (Kwami, Personal communication, March 2017, Abgozume).

Kwami’s account is a classic case of international institutions offering solutions from a limited perspective. Without an awareness of their myopia, such institutions transplant solutions that have worked elsewhere to other locales within regard for context of the latter, and thus fail. The lacklustre performance of micro-financing of the Global-South’s rural ‘poor’ comes to mind<sup>1</sup>. In the course of last year, while I was interning at an Amsterdam-based culture and development organisation active in the ‘Global-South’, I observed instances of solution-to-problem misfit. My work involved assisting cultural organisations in the rural areas of Vietnam, Bangladesh, and D.R. Congo to implement initiatives aimed at improving the operational capacity of their organisations. During the process, I intuited something was amiss. The tried-and-tested conceptual basis from which we ‘co-developed’ programmes to revive indigenous cultural and local crafts economies seemed inadequate. Results were lukewarm relative to similar programmes implemented in the West.

This disparity of results between relatively similar programmes, in different regions, piqued my interest. It drove me to pay close attention to economic organisation of cultural production in rural areas and informal economies in Southern of the Sahara. I observed that organisation of production in those parts of the region deviate from the prevalent axioms of cultural and creative industries (henceforth referred to as cultural industries) discourse as informed by the prevailing cultural economic theory. My hunch was that deviations between empirical reality of the localities and conceptual basis of the programmes were the source of the lukewarm outcome.

Given that the field of cultural economics has explored little of cultural industries in the said context, submitting to a review of literature to verify my proposition would have proven futile. Hence the reason why I was a porter at the only Kente market in the rural area of Abgozume, in the Keta Municipal District of Volta region, Ghana—where I spent four days and would do the same in Bonwire. The agenda was to understand how firm-owners, like Kwami, in rural areas operating largely outside formal economic regimes organise cultural production. In a sense what do they know that we as cultural economists do not know

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<sup>1</sup> Cf. Milford Bateman (2010), Why micro-finance doesn’t work.



and what might we learn from them. The present study explores this topic. Prior to introducing the study and its objectives, I first map-out the contours of the dominant cultural economic discourse on cultural industries. I look particularly at its conceptual basis, assumptions and its impediments to the industry's development in the Global-South.

## Prologue

### **What do we know? The Conceptual Basis of Cultural Industries**

<sup>2</sup>The consensus in the field of cultural economics, is that cultural industries are identified by the symbolic characteristic of their produce (Caves, 2000; Hesmondhalgh & Pratt 2005; Ginsburg & Throsby, 2006). Additionally, in the well established literature (e.g. aforementioned titles, as well as Towse, 2001 and 2006) it is asserted that cultural goods exhibit certain economic characteristics that render them distinct from those of other industries<sup>3</sup>. Jointly, these characteristics form the conceptual basis of cultural goods. A basis that informs the analysis of such goods, and structures the industry by rendering intellectual property rights and formal contracts crucial to organising production in the industry.

In that the former by granting exclusive exploitation rights to producers incentivises creators, and thus nudge production to efficient levels (Burrow, 1994; Caves, 2000; Towse, 2001). Whereas the latter postulates effective coordination of varying classes of creative inputs (Caves, 2000 and 2006). The efficiency and effectiveness arguments of intellectual property rights and formal contracts have become influential in the literature on organisation of cultural industries (De Beukelaer, 2016). However, in the literature little is said of how these instruments operate. Under what conditions do they function? What are the supporting institutions and costs of enforcement? Answers to these questions are not forthcoming for the literature assumes that these necessary conditions are operational and its use incur no costs. Owing to the global rise in adoption of cultural industries, the effects of operating on such assumptions, especially in regions where they ought not to be expected, are becoming obvious. In the succeeding opening chapter, I introduce one such effect.

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<sup>2</sup> This section introduces the conceptual basis of the dominant view of cultural economics. It serves as the foundation upon which the argument for expanding the discursive field of cultural economic is developed in chapter 1. An expansive discussion of the effective and efficient argument of intellectual property rights and contracts is presented under Appendix I.I.

<sup>3</sup> For a review of the various economic characteristics of cultural goods consult Handke (2010).

## 1. Introduction

### 1.1 Great Potential, Limited Perspective

#### 1.1.1 *Economic Potential and the Problem of Limited Perspective*

For the past decades economists and policy makers, in the Global-North, have propounded the view of culture and creative sectors as vital to the development of national economies (Hartley and Cunningham, 2001; Hesmondhalgh & Pratt, 2005; Hesmondhalgh, 2008; Throsby, 2010). Impact analysis studies (see Scott 2000; Throsby, 2010; Oxford Economics 2014) that corroborate the so-called economic potential have rendered this narrative dominant to a point where cultural policy is perceived as an “arm” of economic policy (Throsby, 2010, p.5)

Ensuing from this positive appraisal, some Global-South nations are increasingly focused on establishing their own culture and creative industries (Wang, 2004)<sup>4</sup>. In doing so, such polices have without ‘restraint’ embraced cultural industries approach as applied in the West (De Beukelaer, 2016). The *unqualified* adoption of cultural industries on some parts of the African continent, for the above-mentioned reason, have in certain instances stymied growth (Collins, 2006; Lobato, 2010). A condition arising from the discrepancy between conceptual basis of cultural industries and the empirical realities of localities adopting such programmes (Collins, 2006; Boateng 2011; De Beukelaer, 2016). This is symptomatic of the limited perspective from which those conceptual basis emerge. In that the conceptual basis upon which the industry is conceived is reflective of the socio-economic conditions of Global-North (Boateng 2011; De Beukelaer, 2016). Its foundational scholarly works (e.g. Adorn and Horkheimer, 1977; Girard, 1982; Miège, 1989; Caves, 2005) concern the geographic and historical realities in which cultural production and circulation transpires in the advanced industrial economies of Western Europe and Northern America. With its geographic specificity, the so-called economic characteristics of cultural goods offered by the dominant school of cultural economists can not to be taken as universal. Certainly, one can imagine a situation where the geographic specific ecologies of knowledge, and of structures production and circulation in the Global-South differs from those of the North Wang, 2004;

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<sup>4</sup> My the findings of my review of African developmental policies and programmes confirms Wang’s observation. Documents reviewed include: ‘Nairobi action plan’ (OAU and UNESCO, 2005); New partnership plan for Africa’s development (UNESCO, 2003), Plan of action on the cultural and creative Industries in Africa (AU, 2008), policy documents from South Africa’s Ministry of culture.

Cunningham, 2009). This then leads one to conclude that the conceptual basis of the dominant model<sup>5</sup> can not be said to be universally applicable.

### *1.1.2 Arrested Development: Cost of Limited Perspective*

As one would expect of discrepancies, implementing initiatives from a limited perspective has brought about counter-productive results. Take for example Ghana's music industry where street vendors peddling pirated music represent a critical distribution channel. During the 1980s of their own accord vendors agreed to pay royalties' to the Copyright Society of Ghana (COSGA) (Collins, 2006). However, through the International Federation of Phonographic Industry's (IFPI) lobbying efforts, COSGA revoked its agreement with street vendors. Thus rendering vending of pirated works illegal (ibid). Similarly, Nollywood, Nigeria's film industry relies on the informal sector for reproduction (of illegal copies) and distribution of its output (Lobato, 2010). In the case of Nigeria, World Intellectual Property Rights Organisation (WIPO) is pushing the Nigeria government for stricter enforcement of IP laws. In both instances, it can be conjectured that IFPI and WIPO are operating on the basis of efficiency of IP. In the absence of institutions that enable the function of IP its efficiency is stunted. However, this is not reflected in the dominant view, since it assumes such institutions to be operational. Thus both organisations by operating in a limited paradigm do not realise the distributive function served by the two informally organised stakeholders. And thus have those entities disbanded and thus stymie growth of output since distributive channels are lacking (Collins, 2006).

Now lets briefly consider another dimension of the problem, the issue of effectiveness of formal contracts. Production of Kente cloth in Ghana's Asante region, or say Dong Ho prints in Vietnam's Bah Ninh province, is organised in the informal sectors, and thus without formal contracts. Nonetheless, both industries have sustained itself through the centuries. This observation seems to be an anomaly to the narrative of the critical role of IP and formal contracts in the organisation of complex cultural production as the dominant view suggests (see Appendix I.I). Admittedly, scholars of the dominant persuasion and the analysis they posit are specific to the conditions of Global-North and its formal economic sectors. Therefore, their assumptions and conceptualisation of the industry is specific to those regions. As such, offering craft production in the informal sectors of the Global-South, as a critique of the limitation of the dominant school's conceptual basis in relation to other parts of the world, is dubious, one may argue. Such a claim appears valid at the expense of grasping the core issue at hand. That being the conceptual basis of the dominant view is limited to the Global-

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<sup>5</sup> The dominant model denotes to the version of cultural industries as propounded in established scholars of Cultural Economics, and by international organizations such WIPO, UNESCO, UNTAD, EU et cetera.

North. Therefore it does not possess enough analytical breadth to elucidate upon production processes in informal sectors of the Global-South (hence the conceptual anomaly).

Consequently, it can not be solely relied upon to generate effective policy recommendations for developing the industry in those regions.

From the above, limited perspective can be noted as bringing about a discourse problem. By discourse I mean the overall frame within which concepts and knowledge are developed, and meaning generated. The dominant perspective frames the discourse within the bounds the previous mentioned context. Conversely, the works of Sundaram (2004), Collins (2006) and Lobato (2010) demonstrate the existence of multiple institutional regimes with distinct logics is at play in the informal sectors of less advanced economies.

Furthermore, the dominant view is largely concerned with the role of market and governmental institutions in cultural production. However, as Polanyi (1944) and recently Graeber (2001) have demonstrated, economic activities are embedded not only in economic contexts (e.g. markets) but also those of social contexts. And as Klamer has argued human activities occurs in multiple spheres, each with distinct logics (2016) From Klamer's multiple spheres standpoint, it is evident that the perspective of the dominant view is limited to market and governmental spheres. Oriented towards these two spheres, might it then be that the observed underperformance of adopted initiatives is symptomatic of a clash of Klamer's logics? Between social logics on one hand and that of market and governmental logics on the other? And that given the limited perspective dominant cultural economic discourse is yet to account for the influence of social logics on economic activities alluded to by Polanyi and Graeber. It is the dominant view's inability to account for the existence of multiple institutional regimes and spheres of economic activity<sup>6</sup> that accounts for arrested development of the growth of cultural industries in Southern of the Sahara.

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<sup>6</sup>In her book, *This copyright thing does not work*, Boateng submits that the failure of instituting copyright system in Ghana's Kente industry is due in part to the ideological basis of IP. The author argues that the fixation with the romantic notion of creativity residing in the individual—and its manifestation as an expression of the personality of the auteur, the logic of *droit d'auteur*—as being opposed to the communal development of Kente patterns and design in Ghana (p.44).

## 1.2 Research Questions and Objectives

A plausible path toward resolving the above lay in expanding the discursive field within which cultural industries discourse is constructed. As this is necessary to accommodate ‘other’ discourses. In the case of Ghana, what is required is first to understand the empirical reality within which cultural economic activity occurs. The aim of this study then is to determine how organisation of production in the rural areas occur. And to identify instruments and institutions that render observed form(s) of organising production effective within their local context.

In scientific study, one progresses from what is known toward uncovering the unknown. Since a lot is unknown about cultural production in Ghana’s rural areas, I found it necessary to start off from what is known about cultural economic activity. I did so *only* to discover the mechanics by which production is organised. Hence this exploratory study was organised around ‘efficient coordination’ in organising production of ‘complex cultural goods’. The rationale being that placing both in the context of rural area presents an interesting problem: that of reining in the capricious nature of coordinating multiple creative inputs in the absence of formal contracts. For tackling this issue will provide far richer insights than merely reporting on how production is organised in those regions.

Towards attaining the above end, the study was guided by the following central research question: *Within the informal sector of Ghana’s rural areas, how is the production of Kente, a complex cultural good, organised under a firm?* In answering the above question the following sub-questions were studied:

- I. How do directing principals coordinate production?
- II. How is credible commitment between directing principal and suppliers of creative inputs secured?
- III. How is agreement between directing principal and suppliers of creative inputs enforced?

The study’s relevance to society, I hope, is to impress upon the minds of those standing ‘a far’, a certain understanding that cultural production in the said context, are not traditional or primitive, and in want of ‘modernisation’. Rather they dance to the tune of refined systems of that are peculiar to current capacities of their environments.

## 1.3 Outline of Thesis

This thesis is organised as follows. Chapter two, presents an overview of Kente production in Ghana, then conceptualises Kente as complex cultural good. It concludes by introducing the various views on institutions which inform the current study. In chapter three the theoretical

framework is presented. It begins by framing coordination of creative inputs as an act of delegation, and proceed to introduce delegation problem. After which a discussion of various measures for regulating delegation problem is discussed. The chapter concludes with a presentation of theoretical propositions. The Method section outlines the procedure by which the study was conducted. It describes the use of multiple case-study approach, purposive sampling, and framework method used for data analysis. The Findings chapter outlines key findings as well as presenting patterns emerging from data analysis. In the Discussion section, findings are placed in a broader perspective by comparing them to knowledge in the field of economics towards finding theoretically rooted explanations for the outcome. In the final chapter, conclusions and broader implications of the study are presented.

## 2 Situating the Study

### 2.1 Kente Production in Ghana

Kente is a form of hand-woven textile, made of bright-coloured rayon into narrow strips sewn together at the edges. Although known all over Western Africa, Ghana is widely recognised as the centre of Kente production on the continent (Kraamer, 2006). Presently, the craft is dominated by the Ewe and Asante peoples of South-Eastern and South-Central parts of Ghana respectively. Ewe Kente is made of double-weave bands contrasted by single-weave background, with figurative designs. By contrast Asante Kente is made of single-weave strips with abstract and geometric patterned designs.

Although widely spread across the breadth of the country, production is densely clustered in Bonwire and Agotime-Kpetoe areas of Ghana's Asante and Volta regions (Kraamer, 2006). The structure of supply in both regions can be grouped into two: Direct-to-market whereby weavers self-finance their production with the aim of selling them directly on the market. Whereas firm-contracted production pertains to work produced under the order of a Kente enterprise. In the industry trading enterprises are intermediary entities between consumers and weavers. These ventures usually consist of a proprietor and weavers she<sup>7</sup> employs. The function of the proprietor is that of securing new commissions from buyers, offering them to weavers to produce, as well as organising production. The study focuses on firm-contracted production, with Bonwire and Agotime-Abgozume being the production communities of interest.

#### 2.1.1 Kente Production in Bonwire

Bonwire, located twenty kilometers northeast of Kumase the capital of Asante region, is the weaving community officially responsible for producing Kente for the Ashante royal court. Given the historic royal patronage, Kente weaving is the dominant economic activity of the town, succeeded by subsistence farming. Aproximately, one-third of the population are believed to be employed in the industry (Amanor-Wilk, 2016). During my stay at Bonwire, walking through the town's only main road, clustered near its central taxi station, I counted twenty-four Kente trading enterprises, all situated next to each other. Perched off the main street another three shops were recognised. Although there are no official records, as most enterprises are not formalised, multiple shop-owners and weavers indicated there were about thirty-one trading establishments in the community.

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<sup>7</sup> For stylistic purposes, the female pronoun is used in reference to firm owners or proprietors or principals, whereas the male pronoun alluding to weavers or agents.



Production and supply aspects of the industry are densely clustered in the town centre. With the exception of the four shops off-the main street, and the two that I was told about, all trading enterprises are located within a two-hundred meter radius. With the Kente weaving loom being portable (133 cm at the width, 80 at the length and 158 in height) they were seen to be set-up in front of houses, under trees and empty spaces close to the main street. Additionally the Bonwire Weaving Centre, a weavers-compound with over dozen looms, is located one side-street from the main road. Moreover, houses were also seen to be clustered around the main road. Most of shop owners were known to live just ‘around the corner’ from their trading establishments; so too were those weavers whom had their work-space outside of their houses.



*Image 2.1.1: Asante Kente Design*

### *2.1.2 Production in Agotime-Kpetoe*

Agotime-Kpetoe is a town located twenty-three kilometers from Ho, the capital of Volta region. Its economy is predominately agrarian with over half of the of working age population employed in the agricultural industries (Ghana Statistical Service, 2014). Cloth production is the second largest industry with one-sixth working in cloth weaving industry (ibid). It was observed that most farmers also maintained a weaving practice to supplement their income. Whereas those that self-identified as weavers were known to engaged in subsistence farming.

Located nearby the area is the Abgozume Kente market, the largest wholesale market for Ewe Kente (Kraamer, 2005). Occurring each fourth day, the market brings together local

and foreign weavers, local traders and foreign traders, as well as material and equipment merchants. Just as Bonwire, direct-to-market and firm contracted commissions are the main forms of production. However, unlike Bonwire, direct-to-market is the notable form of production. Given the proximity of the market, it was observed that sizable portion of weavers are involved in direct-to-market production. These weavers tend to specialise in pieces with simple patterns that can be completed within four days. Accordingly, firm-contracted production are restricted to pieces with demanding patterns that require longer duration for completion.

Having briefly sketched the nature of Kente production in Bonwire and Agotime-Kpetoe, the sub-section below conceptualises Kente as a complex cultural good.



*Image 2.1.2: Ewe Kente Design*

## 2.2 Kente a Complex Cultural Good

The concept of complex cultural good represent a class of cultural goods produced by combining multiple creative inputs alongside non-creative inputs (2006). ‘Multiple’ here denotes the application of differentiated creative inputs. Given, the multiplicity of specialized creative inputs and its temporal interdependence, production of complex cultural goods (henceforth referred to as complex goods) occurs in temporal sequence. Analytically it is recognised as (a) coordination of multiple creative inputs (b) in a specified temporal sequence.

From the above, Kente cloth can be recognized as complex good. But first, lets consider the cloth as a cultural good: The woven strips of silk fabric are either stitched unto strips of embossed cotton fabric (Adinkra cloth) or multiple Kente strips are joined at the edges to form one whole piece<sup>8</sup>. The patterns and symbols of Kente cloth are mostly drawn from the cultural patrimony of the communities within which they are produced or new ones are developed by craftsmen (Boateng, 2001). This symbolic trait renders Kente cloth a cultural good.

Now let us examine the cloth as a complex cultural good. Production of Kente requires creative inputs from multiple craftspeople with distinct specialisations. For example, the production of a cloth requires: pattern designer, specialist weaver<sup>9</sup>, seamstress<sup>10</sup> to name a few. Furthermore, the contribution of these specialists to the production process is sequentially ordered (Ventura, 2012). The requirement of multiple creative inputs in a sequential order is congruent with Caves’ characteristics thereby substantiating the claim of Kente cloth as a complex cultural good.

## 2.3 Institutions

Essentially, institutions are the means that render human actions predictable. This occurrence is determined by norms and rules, as well as physical characteristics of the environment within which such actions occur (Schotter, 1981; Crawford & Ostrom, 1995). From the literature, three central approaches to understanding institutions are to be observed. One approach is that of ‘institutions-as-equilibria’. Scholars of this persuasion recognise institution as the enabling context in which predictable patterns of behaviour arise from actors sharing mutual understanding of each others preferences and aligning their actions

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<sup>8</sup> Complete Kente piece is consists of 18 strips for male and 24 for female cloths.

<sup>9</sup> Even among specialised Kente weavers, further segmentation can be rendered based upon the difficulty of interlacing technique required for a particular pattern.

<sup>10</sup> The manner in which strips of fabric are stitched are symbolic as they communicate the status or narrative of the wearer. The function of the seamstress is not merely stitching the fabric but also, knowledge of the meaning of certain all symbols in order to stitch them appropriately.

accordingly (Schotter, 1981). This view rests upon the assumption of interaction between rational actors, where each is continuously modifying his behaviour until such a point where no further gain can result from such accommodations. Whereas Coleman (1987) and others chart the ‘institutions-as-norms’ path. For them institutions are best perceived as set of norms contained within an environment. In this paradigm the assumption of shared perception between a group of individuals is the basis for reliable behaviour. Lastly, Williamson (1985), North (1986), Ostrom (1990) among others submit that institutions are no more than a collection of rules guiding behaviour. This is the ‘institutions-as-rules’ approach. The assumption in operation is that all actors are aware that contravening established rules lead to punishment (Crawford & Ostrom, 1995).

The leitmotif of the three perspectives is that of institutions as enablers of regularity in the pattern behaviour. As such, within the scope of this study, the object of an institution is to render the behaviour of actors predictable and thus transactions possible. Further, institutions are conceived as encompassing any combinations of the three assumptions of the respective approaches.

The above outlines a conceptual basis for recognising institutions, however upon sighting such an entity of immense proportion where is one to direct one’s gaze? Here Williamson’s (2001) classification of institutions into four levels, is useful to consider. The author submits social embeddedness to be the first institutional level. Norms, mores, customs and traditions are located at this plain. The constituents of this level collectively impose informal constraints which in turn regulate the set of permissible actions within an environment. Williamson’s initial level is reflective of Klamer’s (2016) overarching cultural sphere. With its existence operating in the background (tacit), nevertheless holding sway over the how economic activities are structured. The second is recognised as the structure of the setting which embodies formal rules and the necessary instruments for its development. It is at this level, that the “rules of the game” are determined and legislative body developing them are to be found (ibid). This is the level of formal constraints. Located institutions of governance are located at the third level. These agencies render the functioning of the rules of the game viable: take intellectual property rights for example, a functioning legal system is required for prescribing and enforcing those rights. The final level is the plain of resource allocation. It is at this plain that actors economise on their in order to attain their goals. This is level of marching incentives to actions.

It is useful to perceive all four levels as interconnected and as continuously influencing each other. For the constraints of upper levels influence and structure the capability of those at lower levels. Conversely feedback from lower levels seep into that of

the upper levels but at a much slower rate. In the course of the study, the relations between classes of observed institutions in were examined to identify the rationale for specific organisational strategies employed.



### 3. Theoretical Framework

#### 3.1 Organising Complex Cultural Production as an Act of Delegation

From what has been discussed of complex production thus far, it can be noted that some of its analytical features parallels those of principal-agent delegation. Delegation as per Lavertu and Weimer (2009) pertain to an instance where an actor assigns a task to be executed by a more qualified agent, in order to reduce costs of execution. Complex production involves functions that demand substantial amount of expertise, hence will be substantially costly should a directing principal seek to execute them alone. As such, a directing principal (DP) in seeking to realize certain cultural output will solicit creative inputs from qualified suppliers (A). Here soliciting to A execute actions necessary to realising DP's objectives I implies implying delegation of task.

However, delegation as conceptualised by Lavertu and Weimer (*ibid*) is at odds with that of Cave's complex production. For Lavertu and Weimer's delegation of task assume that a principal knows the exact goal to be achieved; and that the actual outcome of an agent's actions can be measured against the principal's expected outcome. Given the influence of certain economic characteristics of cultural goods<sup>11</sup> on its production, Lavertu and Weimer's assumptions do not hold. For the principal may have broad and imprecise—rather than exact—goals<sup>12</sup>. This tension between the two is resolved by modelling a form of delegation that takes the idiosyncrasies of the latter into account.

#### 3.2 Delegation of Complex Production: Delegation-of-Authority to Act

According to the delegation-to-act model (DTA) a principal delegates tasks to an agent without explicitly outlining a course of action for the latter (Bendor, Glaze and Hammond, 200). Here a principal permits an agent the discretion to identify and select appropriate means by which the former's objectives are to be realised. In a formal sense, DTA model begins with DP deciding whether to delegate to a particular A. having decided to delegate to A, DP issues him with a mandate. Here A interprets DP's broad objects into specific objectives. From which he independently determines the necessary course of actions to realise DP's objective (*ibid*).

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<sup>11</sup> Such as 'arts for arts sake', demand uncertainty, and 'differentiated skills'.

<sup>12</sup> For example, a movie producer (DP) can hire (delegate to) a film director (A) to create a Kafkaesque thriller. However DP can not be said to know the exact goal for there exist no specific means of measuring the components of A's output to determine its fidelity to what is meant, and of what P means, by a Kafkaesque thriller —this is the case of most complex productions.

Bendor et al' delegation model is suited to their normative agenda in field of public administration. However, in adapting it to the positivist context of complex production, some slight revisions are in order. Consequently, the temporal sequence of the adapted DTA model is as follows: (I) DP identifies broad objectives (II) then decides to 'delegate' to A. (III) A receives 'mandate'; (IV) A accepts<sup>13</sup>, and interprets DP's objectives (V) then decides on the course of action based on specific objectives. (VI) A enacts actions based upon the preceding step, (VII) finally DP determines as to whether A's outcome is reflective of her broad objectives. In the adapted DTA model, the following assumptions are made: DP is constantly observing or is aware of outcomes of A in the field, secondly information on preferences and behaviour of both DP and A in their previous respective interactions are readily accessible. Additionally, the adapted version does accommodate for first time, repeated and/or one-off delegation interaction.

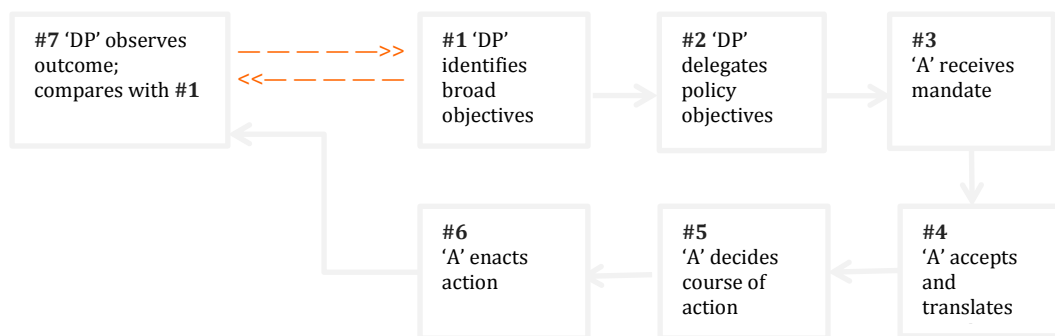


Figure 3.2 : DTA Model adapted from Brendor et al (2001)

The model as shown resolves the issue of goal inexactness or outcome uncertainty trait of complex production in cultural industries. It does so by assigning A the discretion to translate DP's broad objectives. However, the discretion granted to A introduces a risk of his deviating from the principal's objectives. The next sub-section examines diversion from mandate.

### 3.3 Delegation problem

Owing agent's autonomy under the DTA model, the possibility of his actual outcome deviating from the principal's expected outcome is a concern. The issue of deviation is premised on two assumptions: (a) agents, being specialists are more skilled and thus knowledgeable about their tasks than principals are, therefore (b) their preferences or

<sup>13</sup> A decides to accept or reject the mandate. For sake of simplicity, in the model acceptance is the default mode.

objectives might diverge from those of their less principals (Epstein & O'Halloran, 1999; Lavertu & Weimer, 2009). The presence and interaction between the two assumptions under principal-agent relationship result in the *delegation problem*. A situation where A utilizes his assigned autonomy to deviate from the DP's objectives. This situation is exacerbated by the knowledge and information asymmetries between principal and agent, one positively skewed towards the latter (Epstein & O'Halloran, 1999).

In the context of complex production, delegation problem can be explained as the uncertainty a directing principal has over the final output to be delivered by suppliers of creative inputs. A as a specialist possesses high stocks of task-specific knowledge capital than the DP. Therefore, the latter cannot justify the basis of A's actions in order to effectively control them during execution process. Moreover, Caves' *arts for art sake* characteristic is another source of tension between DP and A's respective orientations. The characteristic suggests that suppliers of creative inputs are concerned mainly with the artistic features of their output, therefore are likely to be motivated primarily by 'non-market based' objectives (Caves, 2000). Whereas a directing principal as an investor of financial capital, is likely to be primarily oriented toward some market-based objectives—at least to retrieve sunk costs, if not rent (ibid). The knowledge asymmetry from specialisation, and the plausible divergence of objectives between DP & A under complex production is consistent with observations made by Epstein & O'Halloran (1999) and Lavertu & Weimer (2009). Lastly, it must be noted that common place risk of opportunism inherent in any exchange also contributes to the issue of delegation problem (Lyons & Mehta, 1997)

### **3.4 Regulating Delegation Problem**

Essentially, delegation problem is an issue of reliability: can A be depended upon to deliver DP's objectives? In tackling this, delegation scholars (McCubbins, Noll and Weingast, 1987; Bendor, Glaze and Hammond, 2001) offer two classes of mechanisms for deterring the problem. First, ex ante regulation mechanism concerns a set of procedures and instruments that compel A to self-align his actions to the objectives of DP prior to executing them. The second, ex post pertains to punitive mechanisms that sanction agents after diverging from the objectives. The two categories aim to secure certain degree of guarantees by which DP can be assured that A's actions will be oriented towards her objectives.

To secure such guarantees in organising complex production directing principals or coordinating firms rely on formal contracts (Caves, 2006). Formal contracts seek to resolve the issue of reliability. It does so by stipulating obligations and conditions to which the conduct of participants engaged in a transaction must adhere to. Furthermore, it stipulates



sanctions to be imposed in case of deviation. The threat of and ability to effect sanctions encapsulated in a formal contract is reflective of McCubbins et al's ex ante and post administrative mechanisms. This enforcement capability as Williamson's four levels of institutions demonstrate, is contingent upon the availability of functioning supporting (legal) infrastructure—level 3 institutions. However, the deficiency of such supporting institutions in the informal spheres render formal contract an ineffectual regularity enabling mechanism under such regimes. To this effect an emerging strand of scholarship that examines cooperation between agents with self-interested goals in informal regimes points to the possible role of social capital in regulating delegation problem.

#### *3.4.1 Social Capital*

Social capital is an aggregate concept pertaining to the value certain attributes of an organisation accrues to actors interacting within it. These attributes facilitate actors to attain their mutual and individual interests (Coleman, 1998; Fukuyama 2001). This is made possible by fostering appropriate conditions within which collaborative behaviour and effective coordination of actions may occur. The development of suitable conditions is contingent upon the interaction between—trust, norms and network—the three principal features of social capital (Putnam, 1993). These three elements are examined below.

#### *3.4.2 Social Trust*

In the informal sector, social trust serves a similar function as that of a formal contract, namely securing dependability (Coleman, 2001; Fukuyama, 2001; Lomnitz & Sheinbaum, 2004). In any relational exchange there exist an element of behaviour risk (Lyons & Mehta, 1997). That is the hazard party-one faces when the future behaviour of party-two, upon which the welfare of the former is dependent is uncertain. The probable occurrence of opportunistic behaviour renders the concept of trust necessary if any transaction is to occur (Williamson, 1985). This leads to perceiving trust as a relational construct representing the credence actor-one has in actor-two, that the latter will, in the future, undertake (certain) actions in a manner that is favourable to former's welfare (Gambetta, 1994).

As a relational construct, trust is developed through interaction among social agents within a given milieu. As one interacts repeatedly with others and take stock of their actions, over a period of time one arrives at a reliable evaluation of their dependability. Therefore 'to trust' another is to have confidence that the trusted entity will act in a certain manner that is constructive to one's welfare (Castelfranchi & Falcone, 2001). Trust then is a prediction, the likelihood of an agent acting in a certain manner.

However, to arrive at such prediction, one ought to know the constituent elements of trust. Of the constituent elements the literature on trust offers two that are relevant for this study, namely competence and disposition (Gambetta, 1994; Castelfranchi & Falcone, 2001; Lomnitz & Sheinbaum, 2004). The former concerns ascertaining whether a candidate has the requisite aptitudes in sufficient levels for realizing specific objectives. The second pertains to assessing a candidate's predisposition towards acting in certain ways. Disposition is composed of (I) willingness to carry out actions needed and desire to cooperate with a principal toward realizing recognised her objectives; (II) possessing "motives" aligned, to a considerable extent with that of principal, or is willing to adopt them (Castelfranchi & Falcone, 2001). The positive evaluation of the two principal elements<sup>14</sup> results in an evaluator *trusting* the evaluated agent. Therefore, it secures dependability of outcome by engaging those agents who actions can be relied upon.

As discussed, just as formal contracts, social trust has the capacity to ensure predictability of conduct. Just as the former requires supporting institutions and infrastructure for its proper functioning, so too does social trust. Social norms and networks are the infrastructure prodding social trust. Both are considered in the next two sub-sections.

### 3.4.3 Social Norms

By social norms it is meant a set of mechanisms that assign the right to control an agent's actions to another entity other than the performer of the actions (Coleman, 1994). This regulation of behaviour occurs in situations where an actor's actions have externalities for others (ibid). As such norms prescribe directives for individual conduct that are in the interest of the collective of which the actor is member. The object of norms is the restriction of actions with negative externalities, and promotion of those with positive externalities. The latter is achieved through system of rewards (social support, prestige etc.) and the former through sanctions (excommunication, tarnished reputation etc.). Norms are inculcated through modelling of prescriptive behaviour as well by means of socialising that occurs within a network. Therefore, the behaviour controlling effect of norms are network specific, with its efficacy determined by the structure of such a network.

### 3.4.4 Social Network

Social network alludes to the linkages of interpersonal relations within a social organisation. An essential attribute of social capital is the information generated through interpersonal

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<sup>14</sup> Here, the assumption is made that the evaluator also assesses the external conditions, i.e. threats and opportunities in the environment.

relations within a network (Coleman, 2001). It is through this availability of information that participants in a network observe and reward or reprimand each other's behaviour. Notwithstanding availability of information in all forms of networks, not all networks are able to enforce sanctions and rewards effectively. Closure, that is the state of *complete* interconnection of relations between agents, is the requisite condition required for a network to effectively implement sanctions and rewards (Coleman, 2001; Dagustpsa, 2001; Fukuyama, 2001). Owing to the closed structure, information circulates easily, and enables collective monitoring of behaviour as well as the capacity for collective enforcement of norms (Merry, 1984; Ostrom 1990; Coleman 2001). In such an environment, where the actions of agent A imposes negative externalities on agents B or C or both, the aggrieved agents (B and C), having direct relations with each other, can pool their resources to sanction A—thus reducing costs of applying sanctions for each.

#### 3.4.5 *Embeddedness*

The embeddedness approach submits that *specific* social relations and the structures of such relations foster the development of social trust and thus dissuade opportunistic behaviour (Granovetter, 1985). It is through specific and repeated interpersonal interactions, that actors gain knowledge of the disposition of co-actors. With this information actors can decide to continue or dissolve future relations. Thus, as per the approach, the issue of behavioural risk inherent in multi-actor transaction is deflated by the presence of strong relations between the transacting actors. From this it can be asserted that all non-coercive repeated interactions are premised on the perception of mutual dependability. Subsequently, given information dissemination function of network, in the absence of direct personal relationship, actors rely on reputation signals. Additionally, they also solicit information from trusted informants, one whom has had personal interaction with actors in question.

Thus, continuing economic interactions become interlaced with “social content” (Ibid, p.490). That is relation specific values of goodwill and codes of conductive developed through shared experienced that inculcates strong expectations and thus regulates malfeasance. Social content can be interpreted as the basis for sustained trust in a relationship. As Akerlof (1983) demonstrates social content inculcates predictability of behaviour. Akerlof's predictability is predicated upon the existence of strong social relations representing high cost of deviation from expected behaviour—for example excommunication from network. As such participants develop high loyalty for each other, since to act opportunistically is tantamount to discounting long-term benefits with short-term gains. Here Granovetter's ‘social content’ becomes what Akerlof terms “loyalty-filter”. That is the means

by which an actor recognises and engages with those that are dependable (Ibid). Here ones relation to a particular network, outsider or insider, is the marker (filter) of one's trustworthiness.

### 3.5 Propositions

To conclude this chapter, by synthesising the above concepts, I submit theoretical propositions on how regulation delegation problem occurs.

- *Proposition I:*

Where social trust exists: in selecting an agent capable of completing the task adequately, DP's relies on her knowledge of available agents' competencies.

- *Proposition II:*

Where social trust exists, in selecting an agent capable of completing the task adequately DP's relies on her knowledge of available agents' disposition.

Iia: Given DP's knowledge of agents, she will assign tasks to those with task congruent motivations.

Iib: Given DP's knowledge of agents, she will assign tasks to those with the willingness to cooperate with her.

- *Proposition III:*

In the absence of social trust, DP will not assign the task to A.

- *Proposition IV:*

In a closed network the threat of losing reputation compels agents to commit to their obligations.

In this chapter, I have suggested that delegation problem is essentially an issue of reliability or lack thereof. And indicated that formal contracts, by instituting certain ex and post ante measures, is able of regulate delegation problem. However, its capability is restricted to the formal spheres. Alternatively, I have shown that social trust, and its supportive elements of norms and networks concertedly regulate behaviour as well as guarantee reliability in P-A relationship in the informal sphere. In the chapter that follows a discussion of the how the study was developed is presented.

## 4. Methodology

### 4.1 Case Study

The study employed a qualitative case study method. A procedure that enables expansive exploration of a phenomenon of interest within its natural setting using multiple data sources (Baxter & Jack 2008). It is a mode of inquiry whereby an investigator “explores” single or multiple cases, within a “bounded system” by embarking upon “in-depth” data collection, with findings presented in a descriptive manner (Creswell, 2013, p.73). The choice of method was motivated by the nature of the phenomenon under study. In that it was necessary to gather in-depth information within the natural settings where the phenomenon of interest occurs. In doing so a multiple case study, of two cases was conducted. The rationale for studying two cases in different regions was to better understand the mechanism of coordination in varying geographic areas with the aim of identifying, perhaps, an overarching mechanism.

In adhering to Creswell’s view of *bounded system* a ‘case’ as applied to this study denotes a self-contained entity constituted of inter-relating parts where interaction occur in consistent and sequential order (observable pattern). In addition to features within the entity, there exist external features that have influence of the operation of the system (Stake, 1978). Relying upon this conceptualisation, in the operationalized realm of this study, a case denotes to those activities of an enterprise that relate directly to organising production of Kente cloth. Here activities outside the production process are excluded, i.e. marketing, sales etc. in short, a case is composed of two sections: (I) internal features concerned production-related interactions within the firm, namely: directing principal’s interaction with creative inputs; and (II) external features concerned those consequential properties of the broader social environment within which the firm exists. For the internal segment of a ‘case’, the directing principal and suppliers of creative input were studied. Here DP are actors tasked with managing the production process, identifying, selecting and coordinating creative inputs, monitoring actions of creative inputs etc. Whereas A alludes to those actors tasked with supply of creative labour—artisans and craftspeople working for a firm<sup>15</sup>.

Regarding the external components, properties such as institutions, customs, and network characteristics were the focus of the data collection with an emphasis on their function. In the internal segment, the unit of analysis was the ‘actions’ of DP and A.

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<sup>15</sup> During the data collection it emerged that the nature and structure of proprietors relationship with other suppliers of creative inputs beside weavers (i.e. Adinkra embosser, tailors etc.) was identical. As such, given to the central role of weavers process, the decision was made to only interview weavers to as means of corroborating proprietor’s accounts.

## 4.2 Data Collection and Analysis

### 4.2.1 Selection of Cases Candidates

Owing to the absence of official data on Kente production firms in rural areas, first data on population of firms had to be collected before selecting case candidates. As such selection of candidates involved a three-tier procedure that was guided by a purposive sample strategy. Initially, a series of discussions with professionals possessing expert knowledge on Kente production in rural areas were conducted, Here the aim was to identify the clusters of Kente production areas, as well as identify firms within those clusters. Second step concerned screening the list of identified firms. Here enterprises that did not meet 'attributes of interest'<sup>16</sup> were eliminated from firms-of-interest list. At the end of this stage two groupings of firms-of-interest in Asante, and Volta regions remained.

In the final stage, 9 firms were selected from the two regions. In an attempt to limit researcher's bias, the decision to select cases were externalised. Firms-of-interest were contacted by telephone in a randomised order, and given one week to indicate their willingness to participate in the study by sending message through *Whatsapp* or *SMS*. The initial 5 firms to respond from of each region were automatically selected. One firm withdrew from the study prior to data collection, however was it too late to secure a replacement firm, hence 9 instead of 10 firms.

### 4.2.2 Sources of Data

Aggregation of data occurred by means of direct observation and interviewing key actors in within their natural setting. The researcher lived amongst case subjects for a period of four days in each community. In assembling data on internal segments of the case, semi-structured interview was conducted with relevant actors. The interview took a form of conversational style, with the exchange being natural and fluid. The approach suited the study's aim, since it allowed subjects to introduce new issues into the discussion, all the while with the use of an interview guide<sup>17</sup>, the researcher was able to pursue a consistent line of inquiry. Upon completion, the study had involved a total of 19 subjects across 9 Kente production firms: in Bonwire subjects comprised of 4 proprietors, 5 weavers, and 2 executives of weavers associations; whereas in Agotime-Kpetoe, 5 proprietors, and 3 weavers were interviewed. See Table 5.1 for an overview of respondents interviewed.

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<sup>16</sup> Attribute of interest pertain to the set of case features serving criteria for selecting case candidates. These include: (a) Firm ought to be operational in a rural area; (b) Firm size should be between 10 and 30 employees; and (c) firm structure should have a minimum of 1 coordinating agent, there should be division of labour among craftsmen employed.

<sup>17</sup> See to Appendix 2.1 for interview guide.

With regards to the external features of the case, data were collected through means of direct observation. During visits to Kente shops, trading centres, weavers' work-spaces and homes of respondents, causal observation of the physical surrounds were made and fragments of non-interview conversations were recorded. Additionally, by partaking social and leisure time activities the researcher was able to observe the mechanisations of the various forms of institutions present within both communities. Below is an overview of data collection focus areas for the respective features of a case:

*Internal segments:*

- (a) Decision making process and actions of directing principal (DP), particularly: decisions regarding selecting creative inputs; process of delegating authority (adapted DTA steps 1-2); and securing and maintaining commitment.
- (b) Decision making process and actions of creative inputs (agents), specifically: decisions regarding accepting or declining assigned mandate; interpretation of principal's mandate; selecting course of action to execute mandate; and decision on adhering or redrawing commitment.

*External segments:*

- (c) Identify supporting institutions and instruments external to DP and A's relationship yet influencing their decision-making and behaviour.
- (d) Identify the production-related function served by recognised institutions and instruments.



### **4.3 Data Analysis**

#### *4.3.1 Analytic Strategy: Reliance on Theoretical Propositions*

Given the unorganised and unwieldy nature of raw data, it was necessary to employ a general analytic strategy in managing raw data. The use of a general analytic strategy, as Yin (2003) notes, is useful for processing data fairly, as well as developing robust analysis. In doing so, 'reliance on theoretical propositions' was employed as the study's general analytic strategy. Here, theoretical propositions of Section 3.5 were used as a guide for organising and analysing data gathered. The rationale being the collected data shared similar conceptual basis with the theoretical propositions, therefore it could be used to structure the data in a relevant manner.

#### *4.3.2 Analytic Technique: Framework Analysis*

Straddling between thematic and content analysis approaches, framework analysis is a procedure for classifying data according to key issues and themes (Ritchie & Spencer, 2002). The primary rationale for adopting framework analysis technique was due to the necessity to embark upon content and thematic analysis simultaneously. Given the profile of interviewees and their context, emphasis had to be placed on the use of language. In that Ghanaians residing rural areas, a group to which the study's sample population belong to, have a tendency to speak figuratively, this made it necessary to conduct content analysis to discern the latent meaning of respondents' accounts. Also, given the objective of the study, it was imperative to embark on thematic analysis as so to determine how organisation of production occurs along the lines of the respective sub-questions.

#### *4.3.3 Analytic Procedure*

Using framework method, data processing and analyses occurred in 5 stages as presented below. Table 4.4 presents a summary of the procedure.

##### *I. Familiarisation*

In the initial stage the researcher re-familiarised himself with the collected data by means of listening to audio recordings, and reading transcripts, field notes and memos. Whilst reviewing the material, recurring themes and key ideas were recorded to be explored at latter stages.

##### *II. Developing Analytic Framework*

At this stage, an analytic framework was developed. The framework consisted of a 53 set of labels and categories, as well as rules for the systematic application of codes. The development of the framework occurred in two phases:

First, an initial set of labels and categories were derived from the interview topic guide and preliminary emergent issues. This constituted the preliminary index. In the second phase, the preliminary index was applied to eight transcripts. In the course of coding these eight transcripts, new codes emerged. Upon completion, the constituents of preliminary index were refined, and integrated with the emergent labels and categories. Upon completion, a total of 53 labels and 11 sub-themes across a total of 4 themes had been amassed forming the working index<sup>18</sup>. Having developed a working index, a coding guide consisting of rules were developed. Below presented is an abridged version working index<sup>19</sup>.

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<sup>18</sup> Refer to Appendix 2.1 and 2.2 for complete list of interview topic guide

<sup>19</sup> Appendix 3.1: Working Index Unabridged

Table 4.1: Working Index (Abridged version)

Theme I: Coordination of Production:			Theme II: Securing Credible Commitment		Theme II: Enforcing Credible Commitment				Theme I : Environmental Context	
Sub-themes I-III			Sub-themes: IV-V		Sub-themes: VI-IX				Sub-themes: X-XI	
Search for competent agents	Selecting suitable competent agent	Knowledge of disposition	Determining terms & conditions of agreement	Rendering Agreement binding & Issuance of mandate	Monitoring	Resolving breach & maintaining commitment	Applying sanctions & rewards	Managing production process	Structure of the network	Norms
Knowledge of capabilities of entire agent population	Confidence in agents capability	Assurance from trustworthy intercessor	A's interest in commission	Presence of third party when concluding agreement	Inspecting & assessing initial work	Cost of breaching commitment	Reward for adhering to commitment	Acceptance of loss of sunken cost	Access to information through observation	Following tradition
Maintain own pool of agents	Differentiation of workers	Autonomy of A	Concluding agreement	Procedure of assigning mandate	Repeat follow-up and supervision	Cost using formal institutions		Acceptance of retrievable sunken cost	Autonomy of A	principle of truthfulness
	Matching agent capability to task	Determining trustworthiness	Determining design	Rendering agreement binding		Formal institutions in resolving breach		Flexible and empathetic managerial approach	Close proximity	Professional integrity

### *III. Indexing*

At this stage, established working index was systematically applied to all textual material. Using the framework the contents of all transcripts were assigned codes. At this phase, the textual data processing software, *ATLAS ti* was used for coding.

### *IV. Charting*

With indexing completed, each coded passage was closely studied for its meaning, and a condensed summary of respondent's views were entered into the chart under the appropriate theme. An index system was developed to linking summarised entries their original accounts, and as such contextual meaning of summaries could be traced. Here, from the theoretical propositions, four themes were developed, namely: "coordination of production", "securing credible commitment", "enforcing and obliging by commitments", and "structure of network". For each charted summary, a reference to the original passage was noted for easy referral. Presented below is Table 4.2 illustrating charting of accounts of 3 respondents in relation to theme 1<sup>20</sup>

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<sup>20</sup> Additional 3 charts are presented in Appendix 4.1–3 representing the remaining themes. Given large size of charting document unabridged version could not be presented in this document, it is however available upon request.

Table 4.2: Data Charting Theme 1 (abridged)

**Theme I: Coordination of Production**

**Sub-theme I.I: Recognizing Competent Agents**

Respondent No	Knowledge of capabilities of entire agent population	Search for agents with task-specific skills	Maintains own pool of agents // Searches own pool for agents // Searches wider pool for agents	Close proximity : clustering in the same physical vicinity; being members of a physical network or community	Access to information through observation
B-DCP1	<b>Nuanced knowledge of skills within agent population</b> [2:4]- -- <i>"In this craft, we have specialist weavers for various sorts of designs. Currently, the Adwene Si Dwene (a pattern perched upon another) design, only a small number of elderly weavers are skilled enough to weave such a pattern. " --- [2:7] "When a contract for a difficult assignment design comes through, I know those that I trust with such works, as well as those that can execute the more simple designs "</i>	0000	<b>Inclined toward engaging agents with existing/previous professional relationship</b> --- [2:1] <i>"so it is my father's workers that I reason with to work with me"</i>	0000	<b>Awareness of agents' aptitude and character through first-hand observation</b> --[2:5]" <i>I know because when you visit a person at work and you observe them at work, you can recognize if they are skilled at their craft, and then assess their ability."</i>
B-DCP2	<b>Community resident thus cognizant of weavers aptitude.</b> [1:5] ---- <i>"You know, we all leave in this town. We know the attitude and degree of expertise of all weavers."</i>	0000	<b>Inclined toward engaging agents with existing/previous professional relationship</b> -- [1:2] <i>"Since I work with a lot a people, I begin by contacting those weavers that I work with if they work on the project"</i>	<b>Located/participating/interacting within a closed network</b> [1:5] ---- <i>"You know, we all leave in this town. We know the attitude and degree of expertise of all weavers."</i>	<b>Awareness of agents' ability through first-hand observation</b> -- [3:34] <i>In that sense, if I have never worked with a person, since we all live in this village, I still aware if he is a forceful individual/</i>
B-DCP3	<b>Nuanced knowledge of skills within agent population</b> ---[3:4] <i>"We have been weaving for a very long time, and we're all residents of this town, so we know all those with fine fingers. " --- [3:5] " we know those that are capable of weaving a difficult design well"--- [3:12] "You know, with any vocation, some are more talented than others. As we have been doing this for a long time, we know those with fine fingers. Those are the workers we assign them projects.."</i>	0000	<b>Maintaining a retinue of qualified agents // Inclined toward engaging agents with existing/previous professional relationship</b> -- [3:31] <i>"That is why if you have twenty workers, you just have to maintain them and continue to work with them. So when you have a consignment, you offer it to the worker who is free at the moment"</i>	<b>Located/Participating/interaction within a closed network</b> --- [3:4] <i>"We have been weaving for a very long time, and we're all residents of this town, so we know all those with fine fingers."</i>	

## V. Mapping And Pattern Development

The final stage consisted of organising charted data into patterns. The object of patterns was to offer answers to the three research questions. In developing pattern, two steps were followed:

First, an analytical map was created by charting summaries (labels) and categories were re-grouped into conceptual clusters. Here sub-themes and labels were sifted under themes with which a conceptual relation was determined. After mapping, the labels were rephrased into abstractions and then was analysed for patterns. Here patterns were developed for the various categories of the respective themes. The development of the pattern involved asking questions about what a set of labels under a sub-theme represented. It was through this synthesis that patterns were developed. In the final phases connections between patterns across themes were developed. Here intuitive connections were sorted with questions such: What are the necessary conditions required for the function of this mechanism, why does it function under such conditions. Table 4.3 below illustrates the mapping and pattern development process of theme 1

COORDINATION OF PRODUCTION THEMES	Labels	Mono Pattern	Synthesis of mono-pattern	Empirical pattern	Analytic pattern
<b>Search for competent agents:</b> <i>Knowledge of competencies within local network</i>	DP posses extensive knowledge of overall production capability of the network. i.e. what can be done and what can not be done	DP possess nuanced knowledge of the range of capability within the network.	DP possess exhaustive knowledge of the capability of all agents within the local cluster.	<b>Given P's exhaustive knowledge of overall competency contained in the network his search is restricted to the local cluster.</b>	<b>Given P's exhaustive Knowledge of overall Competency contained in the local cluster along with access to personal and public information regarding A's disposition he is able to attain harmonious alignment between agent aptitude &amp; requirement of commission mandate.</b>
	DP possess extensive knowledge of the aptitude of each agent within the network.	Inclined toward engaging agents with existing/previous professional relationship.	DP's search for competent agents is restricted to the network.		
	Preference for searching within own agents.	DP's search is restricted to the network.	Preference for agents within local cluster.		
<b>Selecting suitable competent agents:</b> <i>Matching agent skill to task; belief in agents competency; determining A's interest; selection within local cluster</i>	Preference for agents from own pool. Restricts selection or agents within network. Discriminating between competent agents. Insistent on selecting agent with adequate level of competence for the commission. Preference for selection based on specialisation.	Preference for agents within local cluster.  Matching agent capability to task: aligning A's ability and task-specific skills.	Harmonious alignment between agent aptitude and overall requirement of a commission.	<b>Harmonious alignment between agent aptitude and overall requirement of a commission.</b>	
	Belief that agents inability to concede commission within timeframe.	Absolute confidence in agents competence.	Complete commission-bounded belief in agent's competency.		
	Enquiring of A's availability to work on commission.  A determines desire to work on commission Presenting commission brief.	DP determines A availability; presents brief to A; A accepts or rejects commission proposal.	DP having determined A's availability, presents commission brief; P either rejects or accepts commission		

	<b>Labels</b>	<b>Mono Pattern</b>	proposal. <b>Synthesis of mono-pattern</b>	<b>Empirical pattern</b>
<b>Knowledge of disposition:</b> knowledge of attitude; determining dependability (personal interaction & observation-assurances from trustworthy intermediary entities)	Awareness of willingness Awareness of attitude Awareness of motivation Awareness of character	DP is cognisant of A's disposition: willingness and motivation.	Belief A's disposition as being suitable to the commission.	
	Ascertaining dependability via direct interaction.  Ascertaining dependability via secondary information.  Building trust by long-term participation in a the network.	Dependability is determined through previous direct interaction.  Dependability is determined through observation of A actions within the network over a long period of time.	Dependability is determined by assessing specific previous actions of A across time.	<b>A's dependability is ascertained by assessing specific past actions, as well as observing external entities for validation signals.</b>
	Trusted native vouches for newcomer's trustworthiness.			
	Set-up of one's working space signals one trustworthiness. Affiliation with professional organisation signals trustworthiness.	Reliance on external signals to validate trustworthiness.	Reliance on external signals to validate As dependability.	

Table 4.3: Mapping & Pattern Development Theme 1



*Table 4.4: Analytic Procedure*

Phase	Aim	Steps / Actions	Outcome
Phase I: Familiarisation	Gain overview of recurrent issues and themes of the data.	<ul style="list-style-type: none"> <li>i. Read transcripts</li> <li>ii. Listened to audio recordings</li> <li>iii. Reviewed field memos</li> <li>iv. Recorded general impressions</li> </ul>	Preliminary emerging issues: collection of preliminary ideas and impression from respective actions taken.
Phase II: Developing Analytic Framework	Create coding protocol consisting of labels and rules for assign labels.	<ul style="list-style-type: none"> <li>i. Generated initial sets of categories and labels.</li> <li>ii. Refined initial set of labels</li> <li>iii. Developed rules for assign labels to text.</li> </ul>	Coding index and code guide
Phase III: Indexing	Gain overview of recurrent issues and themes of the data.	<ul style="list-style-type: none"> <li>i. Coded raw data using coding index.</li> </ul>	Coded data
Phase IV: Charting	Sifting coded data into thematic clusters.	<ul style="list-style-type: none"> <li>i. Moved coded data into data chart, assigning each code to a corresponding theme.</li> </ul>	Data chart
Phase V: Mapping and pattern development	Interpretation of data	<ul style="list-style-type: none"> <li>i. Re-organised charted data into conceptual themes (thematic maps).</li> <li>ii. Generated intra-thematic patterns.</li> <li>iii. Generated inter-thematic patterns</li> </ul>	<ul style="list-style-type: none"> <li>i. 12 empirical patterns</li> <li>ii. 4 analytic patterns</li> </ul>

## **4.4 Limitations**

### *4.4.1 Transferability*

Lack of data on the economics aspects of Ghana's Kente industry represented a problem for verifying the transferability of findings. Notwithstanding the distinctiveness of qualitative findings, the present study would have benefited from comparing its outcome with findings of industrial or trade reports. This problem was compensated for by following two strategies. First, the researcher consulted two scholars<sup>21</sup> who had studied Kente production in different districts of Ghana more extensively to verify the emergent findings. Furthermore, upon concluding data analysis, the researcher contacted firm owners not included in the respondent sample from different weaving clusters to determine if they recognised the findings as reflective of their local cluster. The above resulted in the decision to abstract certain aspects of the respective cases not germane to the phenomenon of interest so as to reinforce the study's transferability. In doing so, chieftaincy and market promotion aspects were abstracted to clan and market respectively. Although certain degree of nuance is lost, transferability emboldens.

### *4.4.2 Inter-coder Agreement Test*

As a sole researcher, conducting inter-coder agreement test was not possible. Inter-coder agreement, as Harris (1997) notes, pertains to consensus attained by multiple autonomous analysts on the "segments of data to be coded", "categories to be used" as well as "interpretations" to be derived from analysis (p.5). This ensures impartial analysis is conducted from which reliable codes and interpretation emerges. In the absence of a second analyst, inter-coder agreement test was not conducted. Being aware of this, three strategies were pursued to replicate the essence of double-coding. First, upon completing with development of initial codes (Stage I of Phase II, in Analytic procedure table), the researcher revisited field-memo to discern the degree of similarity between the two. Furthermore, the reliance on theoretical propositions as a general analytic strategy was useful in maintaining the reliability of codes developed. Thus by means of developing codes guided by the concepts inherent in the respective theoretical propositions coding deviations and errors were limited.

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<sup>21</sup> Dr. A E. Asmah (Kwame Nkrumah University of Science & Technology, Ghana) and Dr. C. Ventura (University of Nebraska, U.S.A.) were contacted.

#### *4.4.3 Conducting Field Research*

Finally, it is anticipated that the researchers lack of prior experience in conducting field studies might have affected the data gathering process. As in all qualitative studies, the researcher functions as a vital instrument in the data collection, and therefore have an influence in the data collection. By living and interacting with respondents there is the possibility that through off-the record discussions the researcher might have influenced the respondents. Here, the researcher sought to at all times desist from revealing critical details of the study so as to prevent the possibility of influencing them. Furthermore, the use of a translator in Agotime-Kpetoe regions is recognised as another source of limitation. In there exist a possibility of loosing richness of original response given. Here the strategy was to rephrase and re-ask certain questions at different times of the interview. In so doing the researcher was able to discern as whether the two responses were similar as well as if any new elements are introduced. With the effects of the above limitations assuaged, the following chapter presents the study's findings.

## 5. Findings

This chapter presents the outcome of the study. The chapter is organised into sections. The latter section deals with findings pertaining to the respective sub-questions, representing the internal segment of the study. Whereas the opening section, presents findings pertaining to the external segments of the cases.

### 5.1 Environmental Context: Bonwire and Agotime-Kpetoe

#### 5.1.1. Close Spatial Proximity and Multidimensional Relationship

The analysis points to the presence of close acquaintance amongst actors in the network. Respondents indicated the existence of close interaction between actors within the network from which springs familiarity with each other. A proprietor asserts “we have all been weaving for a very long time, [so] we know each other”<sup>22</sup>. The incidence of close familiarity in respondents accounts, similar to the above, were noted to be predominately in the context of discussing dependability of others based upon their previous professional actions. This leads to the perception of familiarity, between DP and A as an effect direct professional relations.

However, that is not the case. Rather close interaction expressed by respondents traverse the professional realm into those of social and familial. Owing to the dense clustering of work-spaces and residential spaces, individuals live and work closely together. Under such conditions, the distinction between professional, social and familial relations are blurred. For one’s weaver is also one’s neighbour, who happen to also be an in-law. This view is encapsulated by, the weaver, Oheneba Osei insisting that “this village is sizable, but it is not that big, so we all know each other: you know my uncle, my parents, family and friends, and my workplace, you even walk past it several times in week” . The above quote subtly captures the pervasive multidimensional nature of all observed relations between proprietors and weavers.

#### 5.1.2. Closed Network and Access to Information

The presence of close proximity and multifaceted relationships, is indicative of closed network characteristic. The efficiency by which dissemination and access to information occurs signals complete interconnection of actors on some level—be it direct or indirect. As Amoaku’s account suggests “we are all operating in the same system, we know all these

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<sup>22</sup> Steven, 1.3.4, Personal communication, 2017, Bonwire

things”<sup>23</sup>. By the “system” Amoaku refers to the weaving industry, which according to his assertion the virtue of belonging to the network grants one access to information contained within the system.

In the presence of this characteristic, it emerged that two forms of knowledge exists within the network. That of public knowledge representing accumulative cluster-specific knowledge accessible to all members of the network. Common knowledge as observed pertains to information regarding patterns and design, production price, and timeframe required for producing each design. Supplementing the above, personal knowledge is the second kind of information. It pertains to information gleaned through direct interaction or observation. Public knowledge, as observed, is openly accessible to all. Whereas through a system of information sharing among peers, private information too enters into the commons. This is captured by a principal’s account: “we are all in the same industry, those of us with shops we know each other and through that we talk to one another about our relationship with our workers”<sup>24</sup>. As shown, given closure of the respective networks, access to and dispersion of all kinds of information occurs efficiently.

### *5.1.3 Key Stakeholders: Weavers and Proprietors*

Weavers interviewed had been weaving for an average of 20 and 25 years in Agotime and Bonwire respectively. Three classes of weavers was discerned. First pertains to natives weavers. Second are non-natives that have become residents of the town. The final group are non-natives non-residents, these are weavers from other towns that come to sell their wares, as well as take orders from proprietors, where possible.

All proprietors were known to be natives with an average of 25 years experience in the industry, of which an average of decade in the capacity as an enterprise owner. They all began their careers as weavers, therefore all principals are enterprising expert weavers with solid reputations to protect, as their livelihood is dependent upon it.

With regards to the relationship between the two, weavers are autonomous (self employed). Proprietors contract them on project-basis, and thus remuneration is based on current consignment only. Nevertheless, it was observed that the two engaged in a prolonged relationships. Proprietors repeatedly assigned agents projects. Whereas agents are inclined toward affiliating themselves with specific firms—work primarily—and works, if not exclusively—for certain principals.

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<sup>23</sup> Amoaku, 1.10.14, Personal communication, 2017, Bonwire

<sup>24</sup> Kwabena, 1.1.46, Personal communication, 2017, Bonwire

Presented below in Table 5.1 is an overview of the case respondents interviewed. Their profile and life stories informed the above formulation.

*Table 5.1: List of Case of respondents*

Case	Proprietors					Weavers	
	Name	Firm	Size of Firm (No_of	Years in industry	Years as DP	Name	Years in industry
Bonwire	Kwabena Antwi Boasiako	He is King Enterprise	10	25	10	Oheneba Osei Darko Emmanuel	20
	Oduro Agyeman	Unfruitful Labour is Tiring Enterprise	18	23	15	Kwame Okyere	20
	Steven Osei	Almighty Bonwire Kente Enterprise	10	20	10	Owusu Lawson	25
	Osei Kwaku	Good Parent Enterprise	10	20	10	Osei Kwabena Kwadwo Agyapong	36 26
	Eric Kwarteng	Bonwire Kente Weavers Centre	45	23	-		
	Barima Amoaku	Bonwire Tourist Centre Weavers Association	22	14	-		
	Solomon Grande Bobo	Bobo Ewe Kente Weaving Institute	20	25	17	Felix	5
	Emmanuel	By His Grace Ewe Kente Enterprise	13	25	15	Bright Naah	20
Timothy	Timothy Kente Enterprise		31	19	Kwame Abgmwe	35	
Israel	The Lord of Israel Enterprise	23	20	10			
Hallo George	The Lord is Shepherd Ewe Kente Enterprise	20	15	5			

#### 5.1.4 Norms

Three relevant norms were discerned. First, concerns truthfulness. Through respondents accounts, agents were recognised as placing high value on being frank and sincere. This was recognised as pertaining to their pronouncements, as well as actions. As Okyere account asserts, “human truthfulness is a virtue, if you ask me to do a particular job, and I say yes I can... , if I do not do the work because it is beyond strength, and I knew it was beyond my fingers, that will wear heavy on conscience” .

Second norm concerns adherence to tradition. In both cases, respondents demonstrated they value Kente as their patrimonial inheritance, and therefore saw it as their duty to preserve it for future generations. In doing so, proprietors and weavers alike, were observed to be conformist to established structures. First established design patterns are vigorously maintained; altering an existing pattern reflects bad on one’s craftsmanship. In similar vein, principals were recognised as being insistent on of paying workers in instalments, as well as not issuing payment documents of any kind. Oduro, a literate principal asserts that “our fathers and ancestors in plying this trade never did so with papers. You see, I am emulating what they did<sup>25</sup>” .

In contrast to rigidity of the second norm, flexibility in one’s outlook and in managing interactions with others is the third norm. Rural life is perceived as full of contingencies that may impair individuals from honouring their commitments. Thus, it is expected of an offended party to be considerate and not hold certain actions as an act of insincerity on the part of the offender. Israel, a principal, harkens to this maintaining that “[this is] handicraft and not machine work. So you can not blame the person too much, maybe he is sick, or even there can be rainfall you can not blame the person”<sup>26</sup>. Although proprietors depend upon their reputation to sustain their trade, they are expected to be flexible, with enforcing agreements. Those that are overly rigid will in the future find it “difficult to find workers willing to take on [their] consignments<sup>27</sup>”

#### 5.1.5 Institutions

Three institutions of consequence to production were recognised. First, the family<sup>28</sup>. Its function of interest is that of resolving issues of breach of agreement. When an individual shrieks from his obligation the offended party petitions the family members for resolution.

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<sup>25</sup> 1.6.14, Personal communication, 2017, Bonwire

<sup>26</sup> 2.4.14, Personal communication, 2017, Agotime

<sup>27</sup> Lawson, 1.7.15, Personal communication, Bonwire, Bonwire

<sup>28</sup> <sup>28</sup> The family denotes either the clan (broader family) or ones immediate blood relation (immediate family). In the findings, family refers exclusively to the immediate kind. In that it was observed as having immediate consequence in the organisation process than that of broader kind.

Second is that of professional associations. These are institutions of fellowship for distinct stakeholders within the industry, i.e. weavers and traders association. Their role is to resolve noncompliance between contracting parties. Also, being affiliated with an association signals one's credibility, as associations demand high professional standards from their members. Lastly, the presence of formal institutions, namely the police and courts were observed. These institutions, as per findings, are preferred for the resolving of breaches.

## **5.2 Organisation of Production**

In this section, findings are organised under their corresponding sub-question. Under each sub-question emergent empirical patterns that elucidate on aspects of the question are presented. Additionally, under each sub-question, a synthesis of the respective empirical patterns are presented in the form of single analytic pattern. The latter pattern answers the corresponding sub-questions.

### *5.2.1 Sub-question I: Coordination of Production I*

Coordination of Production I being a component of the first sub-question pertains to certain functions served by DP concerning, namely: (I) identifying pool of individuals with requisite set of skills for performing specific tasks to at specific stage of production; and (II) selecting competent individuals for the tasks. The analysis, reveal three empirical patterns that collectively demonstrates the procedure by which DP attains harmonious alignment between agent and mandate.

#### *Empirical Pattern I: Identifying Competent Weavers*

First empirical pattern explicates how DP 'identifies pool of component weavers to be considered for selection at later stage. It reveals that: 'Given principal's exhaustive knowledge of overall capability contained within the network, she is predisposed to search for competent agents in the local cluster.'

Owing to proprietors' profile<sup>29</sup> they possess high stocks of cluster-specific knowledge. And therefore **they** are cognisant of the complete skill distribution among weavers population. As one principal submits "in this our locality, we have different types of weaving for which some are specialised in some areas whilst others are not. I know who is who<sup>30</sup>". Given their **specific** knowledge, proprietors in seeking out competent agents were observed as inclined toward searching only within the local cluster. As Kwabena Antwi

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<sup>29</sup> As natives, with an average of twenty years of professional experience within the network of respective communities.

<sup>30</sup> Solomon, 2.1.5, Personal communication, 2017, Agotime



asserts "regarding Kente, of course I choose from those in this town, the same applies to the tailors<sup>31</sup>".

#### *Empirical Pattern II: Selection of Competent and Suitable Agents*

In selecting competent and suitable weaver, the observed pattern is: 'DP enacts a regimented selection procedure in order to achieve a perfect match between agent capability and conditions of commission.'

All proprietors, notwithstanding the propensity to restrict search to local cluster, admitted they maintained a retinue of weavers. They also indicated preference for weavers from their retinue: "Since I work with a lot a people, I begin by contacting those weavers that I work with if they want to work on the project<sup>32</sup>". This practice serves acquisition knowledge function. In that, when selecting a weaver specific valuation of a candidate's competence is required. For this private knowledge—gained through previous direct interaction—is valuable than public knowledge. Here a principal submits "I know [their ability] because when you visit a person at their work[place] and you observe them at work, you can recognise if they are skilled at their craft, and then assess their ability<sup>33</sup>".

Proprietors venture into broader weavers population only when a right candidate is not found within her retinue. This regimented selection procedure permits proprietors to thoroughly sift through the pool of competent agents within the network to find a suitable agent. Unlike the identification phase, at the selection stage emphasis is placed upon picking a competent and suitable candidate. That is a weaver with specialist ability to produce pieces devoid of error, and flair for stirring details. Given that the survival of a firm is contingent upon the quality of its stocks, proprietors are incentivised at all times to realise the highest quality of cloth. Therefore, a merely component agent will not suffice. He has to have 'fine fingers' too, as George, indicates "I know the boys that can do it well, those that can weave it je-je [immaculately] and can do it on time, those are the ones I move with<sup>34</sup>".

#### *Empirical Pattern III: Determining the Disposition of Selected Agent*

Empirical pattern III indicates: 'DP ascertains the congruence of A's disposition to conditions of mandate (dependability) by assessing specific past actions, as well as observing external sources for validation signal.'

Determining a weaver's disposition commences with a proprietor forming a preliminary assessment of the former's character. In doing so where shared professional

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<sup>31</sup> 1.1.17, Personal communication, 2017, Bonwire

<sup>32</sup> Kwabena Antwi, 1.1.14, Personal communication, 2017, Bonwire

<sup>33</sup> 1.1.2.5, Personal communication, 2017, Bonwire

<sup>34</sup> 2.2.5, Personal communication, 2017, Agotime

history exist, DP draws from her personal knowledge of agents' attitude (willingness and motivation). In its absence principals indicated relying upon information gleaned through observations of A's activities in the network. Additionally, she confers with peers to determine the character of the weaver. As Steven asserts, "I [may] never [have] worked with a person, since we all live in this town, I am still aware if he is a forceful individual. ... you know that when you give him the work, it will be done"<sup>35</sup>.

Proprietors corroborate their initial assessment by observing external signals. This occurs by means of examining agent-specific signals from credible institutions or entities in the network. For example, a weaver's affiliation with professional associations, the families to which they belong and their role in it is also taken into account. With regards to non-native resident weavers, a trusted native vouches for their dependability. Thus, it is through the combination of personal assessment and external validation that DP obtains a final valuation of DP's trustworthiness.

Elucidating on Coordination of Production I, from a synthesis of the three patterns, the emerging analytical pattern reveals that: *DP in his selection achieves harmonious alignment between agent aptitude and competence, and conditions of mandate; he does so by relying upon his exhaustive knowledge of capability of the local cluster as well as private and public knowledge of agent disposition.*

Table 5.2: Research Question I: Coordination of Production (I) Pattern

Themes	Empirical Patterns	Analytic Pattern I
<b>Sub-question I Coordination of Production (Coordination I)</b>	<i>Observational Pattern I: Identifying competent weavers</i> Given DP's exhaustive knowledge of overall competency contained in the network, his search is restricted to local cluster.	Given DP's exhaustive knowledge of overall competency contained in the local cluster along with access to personal and public information regarding A's disposition he is able to attain harmonious alignment between agent aptitude & requirement of commission mandate.
	<i>Observational Pattern II: Selection of competent and suitable agents</i> DP enacts regimented selection procedure toward attaining a perfect match between agent capability and condition of commission.	
	<i>Observational Pattern III: Determining disposition of selected agents</i> DP ascertains the congruence of A's disposition to conditions of mandate (dependability) (a) by assessing specific past actions, (b) as well as observing external sources for validation signal.	

<sup>35</sup> 1.3.34, Personal communication, 2017, Bonwire

### 5.2.2 Sub-question II: Securing Credible Commitments

Having selected<sup>36</sup> a suitable agent, DP proceeds to secure credible commitment. This is the focus of sub-question II. By credible commitment, it is meant a set of pledges that both parties, given their respective endowments and previous actions, are capable of upholding. Thus for a commitment to be deemed credible, in the eyes of each partner, there exist empirical evidence open for all to observe that each actor is capable of meeting his or her obligations under the specified under conditions. As the analysis reveals, two relevant sub-themes are recognised each with an empirical pattern<sup>37</sup>. In answering the sub-question, a synthesis of the two patterns is presented at the end of the section.

#### *Empirical Pattern IV: Collaborative Definition of Terms and Conditions*

The pattern reveals that: ‘Conclusive timeframe and structure of payment are determined concertedly, whereas DP single-handedly determines design of cloth and mode of supervision.’

Defining conditions begin with proprietor enquiring about the selected weaver’s availability and interest in taking on the commission. The function of verification is two-fold: DP seeks confirmation from A if he perceives himself capable of completing the current commission, and presents A with the initial commission brief. Confirmation from a weaver implies acceptance of proprietor’s design. From there deliberation of timeframe ensures. All respondents indicated that the timeframe for completing each design was standardised (common knowledge), therefore not deliberated. As one respondent states [...] there are specific duration it takes for completing each type of design, we know how long it will take a worker that is fast and one that is slow<sup>38</sup>’ However, given the discrepancies in weavers’ pace as well as conditions of the commission—using standard timeframe as a reference point—the two actors engage in negotiations over timeframe.

With design and timeframe determined, prices are next to be decided. Price too was observed as conforming to standardised rates. Respondents submit that the price a weaver demands is based upon the duration required for completing the design: “each design has particular way of weaving and [...] each design has its own price”<sup>39</sup>. However, a deeper

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<sup>36</sup> It is important to note that selection does not imply assignment of authority to act. Selection implies DP has identified a suitable agent she seeks to engage.

<sup>37</sup> A third component exists that indicates that respondents prefer verbal agreements over formal arrangements. The pattern is not included in this section as it is not germane to determining conditions of commission. Refer to Table A.6.1 under Appendix 6.1 for complete list of empirical patterns.

<sup>38</sup> Lawson, 7:4, Personal communication. 2017, Bonwire

<sup>39</sup> 2.5.6, Personal communication, 2017, Agotime

analysis revealed that prices are all but standardised. It was observed that price constitutes three elements: cost of production material, workmanship and quality of execution. The first is self-explanatory and determined exogenously; second concerns labour cost as in (standard) time required for completing a particular design, and third pertains to the finesse of details and overall finishing. Payments pertaining to calibre of execution were accounted for in an imprecise fashion: a mixture of weaver demanding a price he perceives fair, and proprietor voluntarily offering additional payments (gifts) upon being content the quality of the cloth. As one principal summits “for the really good weavers, whenever I visit them I give them some money, also whatever they charge I do my best to give them an additional amount”<sup>40</sup>.

Next the structure of issuing payments is deliberated. All respondents indicated that payments are always made in instalments. The norm, is for proprietors to offer an advance payment of fifty per cent of total price (excluding quality of execution cost).

The remainder is divided into further instalments. Its issuance is conditionally linked to the weaver’s production progress. With payment offered upon demonstrating adherence to mandate. Articulating the rationale for instalments, George notes that because the proprietors operate with caution they offer “...part of the money. So you [as a weaver] being in charge [you production] will have to force to finish the cloth in order to take the reminding money”<sup>41</sup>

As the above findings show, design of the cloth and frequency of supervision are determined by the proprietor, with other aspects of the terms and conditions—such as timeframe and price, size and sequence of payment—are determined by both.

#### *Empirical Pattern VI: Rendering Agreement Binding*

With the majority of agreements concluded informally<sup>42</sup>, empirical pattern VI asserts that: ‘the issuance and acceptance of advance payment renders agreement binding.’

Having reached mutual agreement on the terms and conditions, a proprietor will offer an advance payment to weaver for him to commence work on the project. “Upon concluding the discussion, if we reach an agreement on the price, he then offers me an advance payment. I only start working on the piece upon receiving an advance, otherwise I will not work on the piece”<sup>43</sup>. Thus prior to receiving such payment A does not think himself beholden to agreement concluded with DP. And in effect, by accepting the advance A indicates that he is bounded to their agreement. As such it is through the mechanism of issuance of payment ex ante of execution that commitments secured become binding. As Oduro indicates “I am the

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<sup>40</sup> Kwabena Osei, 1.4.44, Personal communication, 2017, Bonwire

<sup>41</sup> 2.5.6, Personal communication, 2017, Agotime

<sup>42</sup> As per empirical pattern V

<sup>43</sup> Lawson , 1.7.12, Personal communication, 2017, Bonwire

one who has engaged you for employment and paid you [...], so you have to deliver what I expect of you<sup>44</sup> .

In answering the sub-question II, analytical pattern II submits that *‘both actors contribute to determining conditions of mandate, and that agreements reached are rendered obligatory by issuance and acceptance of advance payment.*

Table 5.3: Research Question II: Securing Credible Commitments Patterns

Themes	Empirical Pattern	Analytic Pattern II
<b>Sub-question II</b> <b>Securing</b> <b>Credible</b> <b>Commitments</b>	<i>Observational Pattern IV: Defining terms and conditions</i> Conclusive timeframe and structure of payment are determined concertedly, whereas DP single-handedly determines design of cloth and mode of supervision.	Certain aspects of commission are determined jointly, given the preference for verbal agreement issuance and acceptance of advance renders commitments binding.
	<i>Observational Pattern V &amp; VI: Rendering agreement binding</i> Given that agreements are concluded verbally, the practice of issuing & accepting of advance payment renders agreement binding.	
	<i>Analytical Pattern VII: Monitoring</i> Inspection of initial outcome is crucial to determining course of the production; whereas frequency and intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A.	

### 5.2.3 Sub-question III: Enforcing Credible Commitment

In analysis of data pertaining to sub-question III three sub-themes emerged, each with a corresponding empirical pattern. The empirical patterns are presented below.

#### *Empirical Pattern VII: Monitoring*

The findings indicate the existence of a two-tier monitoring system. At first tier, DP scrutinises A’s initial output to ascertain adherence to design mandate issued, and then determines subsequent production actions. Here it was observed that proprietors inspected the first strip of cloth produced to determine the extent to which the piece aligns with design mandate. Based upon the degree of congruence, the principal confirms or rejects the piece. In case of the former, the weaver is allowed to continue weaving. Should the latter prevail, A is instructed to re-produce the first strip integrating DP’s feedback. As one respondent submits

<sup>44</sup> 1.2.46, Personal communication, 2017, Bonwire

“the first strip that the weaver produces, I have to watch if he has done what I want. If there is a mistake I have to correct him<sup>45</sup>”.

After confirming A’s initial output, a second tier of monitoring *ensues* during the course of production, with continuing supervision from DP. However, the form and frequency of supervision is contingent upon A’s demonstrated cooperativeness. As Osei Kwaku insists “[I] continue to visit them each three or four days. If I see that the weaver is on track, then I visit less frequently”<sup>46</sup>.

From the above, empirical pattern VII is given as ‘inspection of initial outcome is crucial to determining course of the production, whereas frequency and intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A’.

#### *Empirical Pattern VIII: Resolving Breach and Maintaining Adherence to Obligations*

The pattern reveals the presence of ‘institutionalised preference for informal over formal arrangements for resolving malfeasance’.

From the data, it was observed that generally offended parties preferred resolving issues within the social sphere. In settling a breach, first the matter is brought before the offenders circle of close friends for resolution. Should the matter persist then the association the offender might be affiliated with is approached. And ultimately the issue is presented before one’s immediate-family. One principal articulates the system of resolving malfeasance through the family: “what happens is that most of the people we work with have relatives, so any time that there is a disagreement we go their parents or elder of the family [...] Anytime these things occur we talk to them, because we are almost like families”<sup>47</sup>. It is only when resolution through informal institutions prove futile that formal institutions are considered. Thus, formal legal institutions are used as a matter of final resort, as Steven indicates “certain individuals are stubborn, they do not heed to the *advice* of their family. In that case, the matter has to be deferred to the courts”<sup>48</sup>.

Preference for informal institutions, as observed, is due to actors’ insistence on utilising resolution measures that are sensitive to socio-economic reality of their context. It was observed that proprietors are keen on measures that internalises the social attributes of their relationship, namely: welfare interdependency and multi-dimensional relationship. As Timothy asserts “we take our brother’s burden, if Kwame does not eat from your house, who else will eat from your *house*? So there is no need to be angry [litigate], we just talk to him,

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<sup>45</sup> 2.5.15, Personal communication, 2017, Agotime

<sup>46</sup> 1.4.17, Personal communication, 2017, Bonwire

<sup>47</sup> Solomon, 1.1.29, Personal communication, 2017, Agotime

<sup>48</sup> 1.3.29, Personal communication, 2017, Bonwire

that is how most of these things come to a conclusion”<sup>49</sup>. Regarding economic factors, it emerged that the opportunity cost of using formal institutions are much higher relative to those of informal institutions. As respondents are bent on limiting the on-going cost of current breach as well recouping their sunk costs, measures with potential for expedient resolution are favoured. From this, it is noticeable that sanctioning the defaulter is secondary to halting cost of breach and retrieving sunk cost promptly, thus resolution measures with such features are preferred.

As shown financial and time costs along with the inability of formal (litigation) institutions to accommodate the welfare of offending actors renders them less suitable for the local context, hence the institutionalised preference of informal arrangement in resolving breach.

#### *Empirical Pattern VIII: Application of Sanctions and Rewards*

From findings pertaining to enacting sanctions and rewards, two classes of enforcements are discerned. First, individual sanctioning, whereby offended party single-handedly metes out immediate punishment. In the case of a principal, the uncooperative agent is excluded from his retinue of weavers. Additionally, the principal broadcasts the agent’s non-cooperative behaviour to his peers tarnishing the weavers reputation. Second concerns collective sanctioning, whereby in the long-term, the entire network jointly sanctions opportunistic offenders. Given closed network characteristic, information is seamlessly disseminated, and thus knowledge of an individual’s non-cooperative behaviour made known to all. Hence actors within the network will desist from working with such weaver.

The ultimate cost sanctions to a defaulter is that he suffers reputational loss, and in effect jeopardises his competitiveness within the network. As Kwabena Antwi’s remark captures “this is the only skill you have, one developed through years of training. Now if you ruin you name, no one will want to contract you, so you end up without employment”<sup>50</sup>. Conversely, exhibiting cooperative behaviour results in cultivation of strong positive reputation by which ones competitiveness within the network is sustained. By adhering to agreements, A strengthens his relationship with DP, and thus can secure future consignment. Here Felix submits that “always [I] endeavour to complete it at the right time, so that the commissioner will always want to give [me] more consignments when he gets them”<sup>51</sup> .

In a synthesis the three empirical patterns towards answering sub-question three, analytical pattern III indicates that: ‘short and intermediate-term sanctions are applied by

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<sup>49</sup> Timothy, 2.3.17, Personal communication, 2017, Agotime

<sup>50</sup> 1.1.56, Personal communication, 2017, Bonwire

<sup>51</sup> 2.6.7, Personal communication, 2017, Agotime

individuals, whereas those of long-term they are applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas by breach results in negative long-term gains to reputation as well as future employability within the network’

*Table 5.4: Research Question III: Enforcing Credible Commitment Patterns*

<b>Themes</b>	<b>Empirical Pattern</b>	<b>Analytic Pattern III</b>
<b>Sub-question III Enforcing Credible Commitment</b>	<i>Analytical Pattern VII: Monitoring</i> Inspection of initial outcome is crucial to determining course of the production; whereas frequency and intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A.	Short and intermediate-term sanctions are applied by individuals, whereas those of long-term they are applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas breach he incurs negative long-term gains to reputation as well as future employability within the network.
	<i>Analytical Pattern VIII: Resolving breach and maintaining adherence to commitment</i> Institutionalised preference for informal over formal arrangements for resolving malfeasance.	
	<i>Analytical Pattern IX: The application of sanctions and rewards</i> Cooperation incur positive gains to Agent’s reputation and future employability; whereas breach incur negative long-term gains to reputation as well as competitiveness within the network. Rewards and sanctions are applied individual as well as collectively.	

*5.2.4 Sub-question I: Coordination of Production II*

The second component of Coordination of Production theme pertains to actions and decisions a proprietor pursues upon assigning mandate to a weaver. The managerial approach theme was recognised as the architectonic structure within which proprietors organised all facets of production. The theme, constitutes two sub-themes, each with one empirical pattern. Owing to the themes overarching nature, both empirical patterns subsume or facilitates the functioning of other empirical patterns, therefore they parallel certain patterns discussed above.

*Empirical Pattern IX: Managing Temporal Process*

From data pertaining to organising temporal dimensions of production the pattern indicate that ‘proprietors enact and pursue non-invasive strategies to bring commission to completion—across and within production phases—as per allotted timeframe’.

From the data, it was observed that weaving is central to the production process. It is the pivotal point around which coordination of temporal-specific production occurs. In



issuing temporal-specific mandate to distinct agents, the proprietor first determines when the weaver can deliver whole set of strips of commission<sup>52</sup>. Kwabena Antwi articulates this by noting that “this work is a process, first the weaver does his part, then Adinkra embosser does his part and finally we give the Kente and Adinkra pieces to the tailor to stitch them together, into a big cloth”<sup>53</sup>. Having agreed upon a timeframe, the proprietor then assign temporal-specific differenced agents (Adinkra<sup>54</sup> and tailors). At this juncture it is of essence that the proprietor manages the process so as to get the piece to each agent at the specified time. By means of on-going supervision, should the proprietor perceive the weaver to be behind schedule, he intervenes by re-assigning portions of the work to other homogenously-skilled weavers.

#### *Empirical Pattern X: Managing Relationship*

Empirical pattern X submits that proprietors employ ‘flexible and empathetic managerial approach in managing working relationships in the course of production process’. The two are considered below.

Beginning with empathic relationship management. Analysis of data reveals that given to profile of proprietors they are sensitive to socio-economic conditions of the local context. Furthermore the existence of mutual welfare nudges them to enact actions that will sustain the overall wellbeing of weavers at all times. Hence the preference for resolving breach informally, as well as well as issuing gifts to weavers. As Solomon articulates “the money that they [weavers] earn of a piece is not quiet it, so they need extra motivation to keep them going. Because, when you look at the market, sales are very slow, and people are not willing to pay for the real cost of the work and materials. Nonetheless, these are people who depend on their weaving, and we [proprietors] are the ones keeping them busy, so I always try to give them some gifts and motivation”<sup>55</sup>. This managerial style is the reflected in empirical patterns VIII (resolving breach) and IX (application of sanctions).

Similarly, flexible managerial orientation pertain to set of actions and choices DP pursues in dealing with a weaver. Here the norm of forbearance in dealing with opportunistic and non-opportunistic breaches is prevalent. Therefore, in a case of non-opportunistic breach, such a delay due to family issues, a proprietor accommodates the delay and even deliberates with the agent to find alternative means of completing the product. Kwabena Antwi echoes the above insisting that “with such crafts you can not be too rigid or demanding on the

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<sup>52</sup> 18 and 24 for male and female respectively.

<sup>53</sup> 1.1.18. Personal communication, 2017, Bonwire

<sup>54</sup> It must be noted that not all Kente cloths require Adinkra embossment.

<sup>55</sup> 2.1.23, Personal communication, 2017, Agotime

craftsman. As such you have to be patient and develop appropriate method of conveying your wishes to the weaver... in a way that the craftsman will continue with the work in a manner that will result in him delivering a good piece”<sup>56</sup>.

Regarding opportunistic breach, as empirical pattern VII demonstrates, measures with minimal social and economic costs are favoured. Here too, given the trust that a proprietor has in the weaver, as well as her awareness of local context, should an opportunistic breach occur, the former is of the opinion that the breach was necessitated by a development that was beyond the control of the latter. Therefore she is lenient with the opportunistic defaulter. As Solomon’s account makes clear “few of my weavers left a cloth [commission], and travelled to Nigeria to weave for other companies there, simply because they think they are not earning enough, so they travel overseas to make it better. Some of them go and come back, saying master I am sorry, I want to work with you again”. What can you do? So I take them back”<sup>57</sup>.

As shown, owing to proprietor’s awareness of living conditions and of interdependencies of mutual welfare, the former secures her welfare by sustaining that of the latter. She does this by offering social and economic support as well as being lenient in case when a reach occurs.

*Table 5.4: Research Question I: Coordination of Production (II) Patterns*

<b>Themes</b>	<b>Empirical Pattern</b>
<b>Sub-question I</b> <b>Managing production process (Coordination II)</b>	<i>Analytical Pattern IX: Managing temporal dimension of production</i> Proprietors enact and pursue non-invasive strategies to bring commission to completion—across and within production phases—as per allotted timeframe.
	<i>Analytical Pattern X: Managing Relationship</i> Proprietors employ flexible and empathetic managerial approach in managing working relationships in the course of production process.

In summation, the findings presented above has shown that proprietors utilise their expertise in weaving and cluster-specific knowledge to select to a trustworthy agent. From there, the two consultatively determine the conditions of the mandate with their commitment rendered binding through issuance of advance. And in the course of production process, monitoring of compliance to agreements occurs endogenously. The observed form of supervision hinder deviation at early as well as latter stages of production. Also it has been shown that immediate sanctions are applied individually, whereas in the long-term they are

<sup>56</sup> 1.1.34, Personal communication, 2017, Bonwire

<sup>57</sup> 2.1.28, Personal communication, 2017, Agotime

applied collectively. Further, the true cost of sanctions to a defaulter was revealed as being the negative effects on reputation. All this occurs predominately without recourse to formal institutions as they are thought to be less susceptible to the socio-economic conditions both settings. Figure 5. 1 presented below illustrates the empirically observed delegation procedure. .

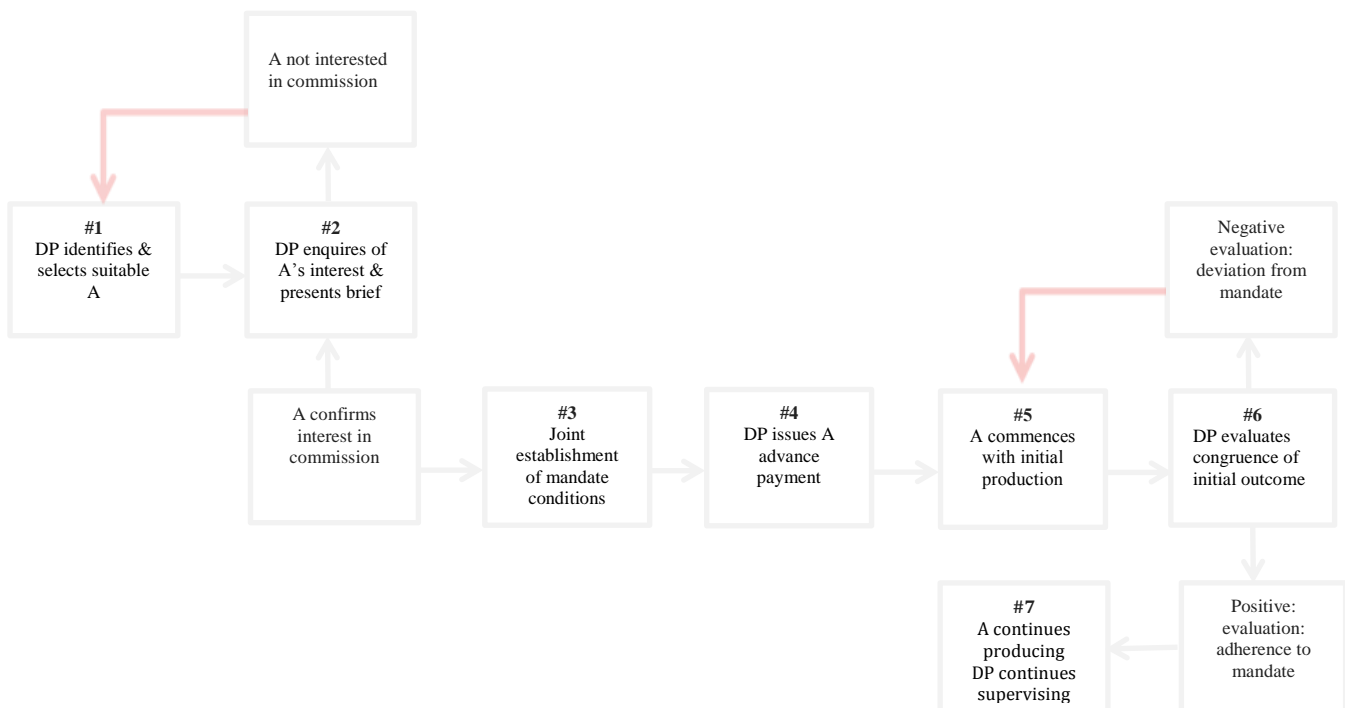


Figure 5.1: Empirically observed delegation procedure

## 6. Discussion

This chapter elaborates the findings. They are placed in a wider perspective by relating them to previously discussed theories. In doing so, the first section expounds upon ex ante of delegation findings, whereas the second examines that of ex post of delegation. The penultimate section presents examines the rationale for observations made, with the study's significance is presented end of the chapter.

### 6.1 Ex Ante of Delegation

#### 6.1.1 Regimented Selection Procedure

As per empirical pattern I<sup>58</sup>, 'attaining harmonious match' is observed as means a of deterring delegation problem. In that by harmonious alignment, perfect congruency between agent aptitude, attitude and conditions of the mandate is achieved. Therefore the likelihood of deviations arising from incompetence, and of insolence is unlikely. This attainment of harmonious match, is through the mechanism of regimented selection procedure.

The procedure constitutes a two-tier selection process by which proprietors select a suitable agent for a specific commission. Identification phase of the first tier involves the proprietor recognising a pool of generally qualified agents within the wider network. This the proprietor does by determining the broad social trust of agents (general dependability) within the network. She ascertains broad social trust by means of observing signals of agents' reputation within the broader community. It is through the instrumentality of broad social trust that at the first phase identification of qualified agents occur.

The function of this instrument is similar to that of a strainer for separating grain from chaff; reliable agents from the inconsistent ones. In a sense it is a dependability filter, one similar to that of Akerlof's (1985) loyalty filter. In Akerlof's filter, a principal selects only those agents that have demonstrated dependability in the past. Its function is predicated upon the existence of strong social ties. That is an instance where DP and A have formidable relational history and have developed mutual interests. With this, the cost for deviation of actors is high (ibid). Within the cases, the existence of close familiarity is indicative of strong social ties. Whereas respondents desire for good reputation translates into high costs of deviation, after all, the ultimate cost of sanction is damage reputation. Since the conditions by

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<sup>58</sup> 'Given DP's exhaustive knowledge of overall competency contained in the local cluster along with access to personal and public information regarding A's disposition she is able to attain harmonious alignment between agent aptitude & requirement of commission mandate.'

which the two filters function operate are similar, I submit that at the first tier, a proprietor is engaged in loyalty filtering.

With a pool of broadly reliable agents recognised, the proprietors are set to determine those that can be depended upon narrowly—in a specific context. This is the function of the second-tier. Here the proprietor determines the narrow social trust of agents within the recognised pool. That is, she evaluates specific aptitude and disposition attributes of weaver's past actions within the network. And thus arrives at the degree of a weaver's suitability to conditions of mandate.

The function of narrow social trust corresponds with 'ally principle' of Brendor et al's (2001). It asserts that a principal in seeking to realise her objectives will select an agent who shares her outlook. Here semblance of an aptitude between DP and A is salient. Within the empirical frame of the study, the presence of narrow social trust<sup>59</sup> implies the existence of Granovetter's (1985) social content' between weaver and proprietor's relationship. This is symptomatic of shared outlook<sup>60</sup>. For we recognise that all non-coercive repeat interaction is based upon the perception of mutual dependability. And as aptitude is a constituent element of dependability (Castelfranchi & Falcone, 2001) it can be concluded that where social content exist ally principle too is operational. Therefore, the second-tier of selection utilises narrow trust to select competent agents is in effect operating as per ally's principle.

As shown through regimented selection procedure DP sifts through the wider population of weavers to select the most suitable agent.

### *6.1.2 Joint Establishment of Commitment Mandate*

Pertaining to analytical pattern II<sup>61</sup>, jointly establishing mandate conditions functions as an instrument for securing credible commitment. By joint establishment of conditions it is meant the process by which both actors co-determine all aspects of the mandate excluding design aspects. Its behaviour regulatory function is that it bounds a weaver to conditions of the mandate. Owing to the presence of norms of truthfulness a weaver who co-develops conditions of a commission is expected to fully comply with it. Thus co-determining is far potent a regulatory mechanism than imposing mandate, as the latter compels the weaver to self-align his actions to the mandate.

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<sup>59</sup> Against the backdrop of DP's preference for repeat interaction, as well as private knowledge being the source of narrow social trust.

<sup>60</sup> Even in the absence of previous shared professional history, given that the assessment of narrow social trust is subjective, only those weavers that reflect proprietors' views will be positively evaluated.

<sup>61</sup> Certain aspects of commission are determined jointly, given the preference for verbal agreement issuance and acceptance of advance renders commitments binding.

This self-alignment effect is reflective of McCubbins et al (1987) notice and comment administrative mechanism. An instrument requires agents to reveal their execution plan prior to implementing them. In order for a principal to deter possible deviations prior to its execution. Indeed, in the course of joint establishment of conditions, the opportunity is ample for a proprietor to alter conditions suggested by a weaver should she perceive a misalignment. Therefore, through the mechanism of co-development of conditions, proprietors are able to hold possible deviations at bay.

The two mechanisms do not operate in a vacuum. The network's closed structure supports the informational needs both mechanisms. In the first, it facilitates access to common pool knowledge necessary for broad social trust, and close proximity for discerning narrow social trust. Whereas in the second access to public knowledge forms the basis for co-developing conditions of mandate. Equally, norms play a critical supportive role to both mechanisms. In the first, norms are the basis upon which broad social trust is determined. With regards to the latter, it that renders a weaver's assurance credible owing to high cost of deviation.

As shown at ex ante of assignment phase delegation problem is dissuaded by proprietor selecting a weaver who is least likely to deviate. And upon having achieved this engage him in co-establishing conditions of mandate so as to have him assuredly commit to the mandate.

## **6.2 Ex Post of Delegation**

### *6.2.1 Structure of Production Process*

From the findings it can be discerned that the structure of production possess inherent deviation deterrence mechanisms. By structure of production it is meant the configuration of the performance of individual obligations at specific moments. Obligation elements of interest possessing are: issuance of payment, and monitoring and sanctioning. The interaction of these two features, as analytical pattern III<sup>62</sup> demonstrates, deters a weaver from acting opportunistically. Each is considered in turn.

Beginning with the element of payment, the practice of conditionally linking residual, and calibre-of-execution payments to mandate adherence is a regulatory instrument. By issuing further payments only upon weaver demonstrating adherence to agreements restricts

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<sup>62</sup> 'Short and intermediate-term sanctions are applied by individuals, whereas those of long-term they are applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas breach he incurs negative long-term gains to reputation as well as deflates competitiveness within the network'.

A's desire to shriek. The mechanics of this instrument lays in the fact that substantial part of the initial advance payment issued is allocated for purchasing production materials, with minute portion catering to weaver's workmanship. Therefore, at this stage, the weaver having incurred high sunk cost (in terms of labour expended) is incentivised to retrieve further payment. As such he aligns his actions to the mandate. Furthermore, the ambiguity by which quality-of-execution payment is dispersed can be interpreted as serving deviation regulatory function. In that the issuance of the supplementary payment is not guaranteed. Thus, an opportunistic weaver by executing a task poorly forfeits this payment. A move that is to his disadvantage. In that pecuniary gain in weaving is derived from the supplementary payment. Consequently, all serious weavers are bent on receiving such payment, as such and by default, the minimum quality an agent can produce is one that will result in the proprietor issuing the surplus payment.

Secondly, the structure of monitoring and sanctioning deters deviation. The observed system of monitoring is endogenous to the production process. Thus monitoring, at any rate, does not result in principal incurring additional costs. Given this, proprietors supervise weavers closely. And thus are able to recognise all deviations early in the process. Additionally, in the presence of sustained deviation, the threat of enforcing sanctions is credible. Credible in the sense that all opportunistic deviations are sanctioned at 'all' times. In that proprietors bear no cost for applying sanctions, be it severing professional ties with an agent or informing others about an agent's malfeasance. Moreover, sanctions with the utmost costs to defaulting agents are issued collectively. With the cost of application being negligible to any one proprietor, the fidelity with which sanctions are enforced is high. The observed structure of monitoring and sanctioning, and assertion of its effectiveness is reflective of Ostrom's conclusion of the effectiveness of collective monitoring and sanctioning in deterring opportunistic behaviour (1990).

Effective functioning of the above discussed is reliant upon attributes of their environmental setting. With regards to issuance of payments, norms play a critical role. The system of payment in instalment and lack of ambiguous nature of quality-of-production payments are maintained due to adherence of norm of tradition. Additionally, closed network structure is conducive to the recognised cost efficiency of sanctioning observed in the second part. As I have discussed, at ex post of delegation stage, the system of connecting succeeding payments to fidelity-of-output-to-mandate serve as a mechanism by which agents self-align their actions to the demands of the principal. Additionally, the high cost of sanctions to a defaulter, coupled with the effectiveness of enforcing sanctions deters opportunistic behaviour as there is but a scant probability that a perpetuator might evade punishment.

As the above demonstrates all facets of proprietors' actions are oriented toward dissuading delegation problem. But more importantly it is the structure of the broader environment within which the industry operates that generates the repertoire of permissible instruments at their disposal for doing so. Contrary to this observation, literature on delegation, and the D-T-A model, do not account for the issue of contextual-specificity. However, as shown, proprietors' choices are necessitated by the situatedness of economic cultural production in social contexts. To ignore this, is to render the findings pointless. For they could be equally applied to Mumbai or say Nairobi, without revealing the distinct features about those contexts that make the operation of such instruments worthwhile for its actors. It is for this reason that I present, in the succeeding paragraphs, fraternal bonds as the most pertinent environmental feature accounting for the organisational choices and instruments proprietors make use of.

### **6.3 Beyond Ex and Post Ante of Delegation**

#### *6.3.1 The Prominence of Social Sphere and Fraternal Bond*

The analysis shows that the presence of fraternal bonds between proprietors and actors [favour](#) cooperative behaviour. Fraternity in the sense that both are kinsmen, as well members of a tight-knit industrial cluster (closed network). As such they share a common interest, that being the development of Kente industry (network) in their town (community). Further, actors recognise that the cultural and economic gains of the former spills over into the latter. The presence of common interest by virtue of co-location (being a member of community/kinsmen) is symptomatic of 'mechanic fraternal bond'. Whereas 'organic fraternal bonds' pertain to the presence of common interest as a result of professional affiliation; especially where a weaver belongs to a proprietors' retinue. This two forms of fraternal bonds account for all of proprietors, as well as agents, actions pertaining to regulating delegation, and organising production in general.

With regards to organic bonds, the existence of mutual welfare is immediate and strongly felt. In that weavers recognise that the decline in a proprietor's reputation and thus her trade affect their livelihood. Given this, agents are of the view that by deviating from a mandate they are merely discounting their long-term gains for short-terms benefits. Consequently, weavers self-align their actions toward realising proprietor's objective. Proprietors too are cognisant of their dependency on weavers, and thus seek to sustain the substantive welfare of the latter. Be it through gifts, social support and or covering costs for replacement strips arising from weaving errors. This flexible-empathetic approach as captured in empirical pattern XI only makes sense in the context of organic fraternal bonds. For the



extraneous costs DP incurs strengthens and sustains the relationship between the two. It can be understood as a formation of social content, which as a form of social capital, that renders future transactions to occur efficiently. Also, it serves as means by which proprietors ensure constant supply of weavers in the industry, at least in their retinue. For these costs serve a redistributive function. It ensures that weavers gain sufficient pecuniary compensation in order to remain in the trade.

The presence of mechanical fraternal bonds accounts for actors' preference for informal and social arrangements in organising production. First, it must be noted that, in both cases, when an actor is dealing with a fellow kinsman it is the norm for Clan laws to supplant those of State laws. Consequently, all professional interactions between natives tend to exclude formal procedure. Secondly, given to close proximity and the existence of dense relationship<sup>63</sup> social arrangements are preferred to formal ones as latter capture and account for social content generated in each of the three relational spheres. Moreover, as empirical pattern VIII demonstrates, social arrangements tend to resolve (deviation) matters efficiently and *amicably*<sup>64</sup>, without not ruining relationships in other realms. For example, Kwami's second-hand man is his nephew, this represents multidimensional relationship. Should a breach occur, since the matter will be resolved by family or group of friends, their familial relationship will not be negatively affected—although the nephew might be excluded from his retinue of weavers. However, were Kwami to take the formal route the fact that in dealing with a fellow kin, Kwami has abandoned Clan law in favour of State law will not be taken kindly. His action will obliterate the relationship the two have outside the professional realm<sup>65</sup>.

Furthermore, the ultimate aim of all actors is to be of great esteem within their community. Since, matters resolved within the social sphere involve community members, an actor found guilty of opportunistic breach is looked down upon. For the progress of any commercial endeavour is perceived as linked to the advancement of the broader community. Given the negative effect of opportunistic behaviour on a firm, the community views an uncooperative agent as greedy and thus not concerned with the mutual gain of the

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<sup>63</sup> One that spans across professional, familial and friendship spheres.

<sup>64</sup> In that matters resolved this usually ends up with the defaulting recognising the fault in actions and committing to recourse, whereas litigation is perceived as confrontational and with a coercive resolution.

<sup>65</sup> Also it will be noted in the community that Kwami prefers State Law over that of the clan and thus other actors will be less inclined to work with him.

community. Such an indelible stain upon one's reputation is to be avoided at all times, hence agents self-regulate their actions against opportunistic breach.

The above has shown that fraternal bonds indeed is the salient factor influencing organisation of production and regulating delegation problem. It brings to the fore Polanyi, Graeber, and Klamer's view that economic activity is inherently embedded in social contexts. And that, perhaps, the dominant cultural school of economics<sup>7</sup>—and that of standard economics—limited focus on the economic contexts inhabits it from observing the function of informal instruments. It is from this view that Douglas North in a rhetorical quip, begs the question quoted at the beginning of thesis<sup>66</sup>. To which this study responds to indirectly<sup>67</sup> submitting that: informal constraints shape the nature of economic activity (and of economies) because the logics of such instruments are in *sync* with the intentions of its actors, their actions and capacity of the milieu within which they find themselves. Thus to remove those instruments and leave environmental features unchanged—as in the case of WIPO and IFPI examples—is to introduce friction, a conflict of logics. And with friction comes loss of energy, whilst conflict of logics begets stifling of potential.

#### **6.4 Significance**

The relevance of the study's outcome is that it offers a nuanced understanding of information and assurance provision functions of social trust in organising cultural production. Particularly in relation to production in an environment with low formal institutional assurances (high uncertainties). As the study has shown broad social trust provides coordinating principals with information on agents' overall suitability. It also offers assurance of supporting social institutions to intervene should disagreements occur. And thus facilitate transactions (of DP employing A) that might otherwise not occur due to the absence of credible information and supporting institutions to adjudicate disputes. Although some studies in the field of cultural economics explore the role of intermediary institutions in the dissemination of credible information, as per the researcher's knowledge, there are no such explorations in the informal sphere. Nor of studies examining social institutions that enforce agreements between suppliers of creative inputs and coordinating principals in the context of production in the informal realm<sup>68</sup>. Therefore, the demonstrated function of narrow and broad

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<sup>66</sup> “What is it about informal constraints that gives them such a pervasive influence upon the long-run character of economies?”

<sup>67</sup> By means of synthesising empirical outcome of the current study with Klamer's multiple spheres-logics approach.

<sup>68</sup> Chapter 5 of Elizabeth Currid's *The Warhol economy: How fashion, art, and music drive New York City* (2007) comes close to a study of informal institutions in cultural industries. In the said chapter, the author demonstrates

social trust might inform and set the foundation for future enquires of similar kind in the informal spheres of the broader economy.

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the embeddedness of music production in the social sphere, as well as those informal institutions that support it. However, Currid's exposition is limited to information dissemination functions of social network (spread of new music trends and such).

## 7. Conclusion

This study commenced by making two observations. First, spurred by the economic potential of cultural industries Global-South nations are resulting to adopting initiatives for fostering such industries. However, owing to the misalignment of the conceptual basis of such initiatives to the peculiarities of local contexts they fail. Second, the dismal results of such programmes point to limitation of the theoretical basis of cultural industries literature. And more importantly of lack of understanding of cultural industries in informal spheres of the Global-South. In addressing this gap in knowledge, the study has charted a somewhat indirect path by studying an indigenous, largely informal, cultural industry in Ghana. It focused on unnering how 9 Kente trading firms, operating in rural areas, organise and manage the production process amidst threats of delegation problem.

The analysis presented suggests that production of Kente is embedded in the social sphere. It posits that social trust along with informal institutions contained in this sphere wield strong influence on the organisational logics, instruments and strategies proprietors employ in managing production amidst uncertainties. An analysis of the process by which proprietors select suitable weavers demonstrated that the latter pursues a regimented procedure. A process of thoroughly sifting through all available candidates in the local cluster. The high costs (of information and time) involved in such an endeavour are circumvented through the instrumentality of social trust. It has been shown that proprietors utilise broad social trust as filter to recognise weavers of sound reputation in the community. After which narrow social trust, concerned with specificities of a weaver's competence and disposition, is employed to determine the suitability of a weaver's profile in relation to the conditions of a commission. While the regimented approach also ensures that only principal-agent relationships that can be supported by existing social institutions are established. Overall regimented selection, occurring on the basis of social trust, is the initial mechanism for regulating the possibility of agent malfeasance prior to delegation of mandate.

Also it has been demonstrated that successful regulation of delegation problem hinges upon the structure of production. First, as per the norm of the industry, production process is configured such that issuing an agent with primary and supplementary payments are conditionally linked to the adherence of his actions to commission mandate. With any deviation resulting in agent bearing cost of re-production. Linking agents economic welfare to adherence to mandate incentivises them to maintain their fidelity to conditions of the mandate. Second, supervising was observed as constitutes a core part of proprietors function. Thus they are able to enact frequent monitoring without incurring additional cost; as such no

deviation gets unnoticed. Also, low cost of individual and collective enforcement of sanctions represent an efficient sanctioning system serving a deviation deterrence function in the industry.

Lastly, and perhaps more importantly, the presence of fraternal bonds among community members account for the structure of the industry. It also influences how production is organised, choice of institutions for regulating malfeasance and resolving breach. Additionally, proprietors' willingness to offer social and economic support to weavers' and their proclivity for amicable resolution of disagreement is due to the presence of fraternal bond. The notion of we are all brothers, and thus our welfares are as interdependent fosters cooperation. It is the means by which the industry sustains itself, for it is believed the benefit of one weaver or a proprietor is a benefit to the industry and thus benefit to the entire community.

As previously noted in seeking a holistic view of organisation of Kente production, the current study engaged in abstracting certain features of the setting. For example, the cultural features of the respective cases are not dealt with. Although it is commonly known that the chiefs are serve as patrons to certain class of weavers. Further, given the studies primary focus on institutional arrangements, distinction between the setting of both cases are not highlighted. Naturally absence of these features limits the scope of our understanding of the phenomenon. This then is the challenge for scholars interested in studying Kente production in rural areas. The appeal is for future studies to examine the role of culture, and that of market institutions play in structuring the industry as well actions of its actors.

As an exploratory study, no conclusive policy recommendations can be offered on the basis of economic effectiveness or efficiency. Rather a tentative one. That is for policy makers when developing programmes for the Global-South should endeavour to examine the social institutions and instruments sustaining production in the targeted localities. And thus develop initiatives the make use of existing institutional capacities, and then supplement them with foreign models, where need be. For it is by doing so that existing coping mechanisms can continue to support the industry whilst new ones evolve.

Since works of cultural economists inform cultural industries developmental programmes, it is of essence for the field to expand it understanding of the industry as a whole. As the study has demonstrated institutionalised preference for informal arrangements is due to the inefficiencies (economic and social kinds) of formal institutions. Or rather due to effectiveness of informal institutions. However these arrangements and its capability are largely discounted by the field. Therefore, it is suggested that the field systematically examine cultural production in informal spheres, in order to develop wider and sharper theoretical

scalpels, with which to dissect and thus understand more thoroughly the nature of creative and cultural production, and of the industry as whole.

## Post-face

I started off to discover the underlying mechanisms by which firms organise production that is not accounted for in cultural economics literature. This was my ‘what do they know that we do not know’ question. In gearing up for answers, I posited (via theoretical propositions) that social trust plays a critical role in the organisation process. This in indeed was the case. Thus my mission was accomplished, I thought. However, this confirmation had dragged along with it an intractable contradiction, one that threw me into a state of aporia.

Firm owners unanimously indicated that social trust was the basis for all aspects of production. And in its absence transactions do not occur. Interestingly enough these same proprietors pointed out that they routinely worked with weavers that had previously broken the trust placed in them. For example, Solomon, from Agotime, accepted a weaver back into his retinue that had departed for Lagos after accepting an advance payment for a commission. Similarly, Kwabena and Oduro insist that weavers are human, and therefore fallible. As such they should be forgiven when they err. To my understanding of social trust, as per the new institutional economics approach, forgiveness, in this context, sends the wrong signal: that one can be dishonest and get away with it.

At this point my reasoning was that perhaps what they know is not worth knowing. It was at this stage of utter puzzlement that I came to realise that I, as a researcher, too was operating within a limited perspective. I had for analytic purposes isolated social trust from human relations. It had become only an outcome and a resource. An outcome with ideal competence and disposition as inputs. And a resource that facilitates transaction. In the absence of one input no outcome could be generated, and thus transaction will not occur. Thus in observing the acts of my respondents I perceived them to be sitting far too close to the fire for their own good. For they seem not to be concerned with employing the instruments their own environment had generated to shield them from engaging shirkers—reducing uncertainties. They appeared to me too eager to embrace financial loss.

With this on my mind, on the last afternoon of my stay in Bonwire, while accompanying Oduro on one of his supervisory saunter, I put to him a question that had been mulling on. ‘You keep telling me off how tough things are, how your [margins] are small, yet you keep working with people that have not done right by you in past. Are not concerned they might do it again? Or do you not care for loss of capital?’ To which, as expected, he responded in proverbs. ‘Loss is like hot water, it has had been boiling long before we arrived. Sooner or later one of its bubbles will land on your skin. Whether it will land on your skin or not, either way man has to boil his yam and plantain. Are you saying that because we carry

gunpowder, we must not smoke tobacco? Of course we do. But we do so next to a water body’.

In my state of puzzlement, I returned to this equally puzzling proverb for some resolution. In a sense Oduro was affirming the unavoidable and persistent nature of risk in his trade. However, a tradesman must not allow risk (gunpowder) to render him less industrious (smoke tobacco). And that when taking risks, one must go about it prudently (by a water body). Prudence is what I had overlooked. Here Mr. Oduro was indicating that there are conditions under which one can take risk (working with a less trustworthy individual). This cast a new light on my understanding of how regulating deviation in the informal sphere occurs. It was not merely social trust, but also the availability of right institutions and conditions that make possible the generation of trust. For after all if trust is a relational construct, the relation has to have a starting point in order for trust to be established. The same way trust when exhausted has to be re-accumulated. In a sense what Kwami, Oduro and all the other firm owners know that I did not know is when the right institutions and conditions are present for effecting a risky transaction. And that this knowledge is embedded in the social realm, this much I now know.



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## Appendix

### Appendix 1

#### *Appendix 1.1: The Conceptual Basis of Cultural Industries*

The consensus, in the field of cultural economics, is that cultural industries are identified by the symbolic characteristic of their produce (Caves, 2000; Hesmondhalgh & Pratt 2005; Ginsburg & Throsby, 2006). Additionally, in the well established literature (e.g. aforementioned titles, as well as Towse, 2001 and 2006) it is asserted that cultural goods exhibit certain (economic) characteristics that render it distinct from other industries. Jointly, these characteristics form the conceptual basis of cultural goods. A basis that informs the analysis of such goods, and structures the industry by rendering intellectual property rights and formal contracts crucial organisation of the industry's production.

The symbolic nature of such goods derives from the core creative inputs employed in its production, and thus subject to intellectual property rights (IP). The legal authority to claim of ownership, by a creator of a work of intellectual creation is the purpose by IP. Copyright, the common form of IP assigned in the cultural industries, bestows upon creators exclusive rights to exploit reproduction and distribution of such works (Burrow, 1994, p.100). Proponents assert that copyright incentivises optimal production of cultural goods (Towse, 2001, p.37). The argument is that a high proportion of such goods exhibit quasi-public good characteristics, and thus—given forgone rents of free-riders overall profits will be meagre, therefore—production will occur at sub-optimal levels. Thus to curtail inefficient production, creators are to be assigned exclusive rights to monetize their works (Burrow, 1994; Caves, 2000; Towse, 2001). Given monopoly rights over reproduction and dissemination, the ensuing rents accruing to creators, it is said, will nudge production to an optimal level which would otherwise occur—this is the efficiency of IP argument. The logic of IP contradicts Caves arts for arts sake characteristic of cultural goods. For one would assume that as are creators driven primarily for arts sake it would be unnecessary to lure them with rights to capture monopoly rents. Are creators are then driven by art for its own sake or for pecuniary sake? Or could it be that IP is meant for financiers of cultural production and not the creators, as intended? Of course the efficiency argument does not concern itself with such matters, rather it restricts itself to levels of output.

The significance of the aforementioned characteristics extend beyond justifying monopoly rights, into the realm of organising production. Production of cultural goods, as per Caves (2006) classification falls into two groups. Simple goods are those class of works relying on a single creative entity, whereas complex combine core creative inputs from

multiple entities. The latter exhibits multifaceted interactions between a coordinating firm, core creative and humdrum inputs. Given the idiosyncratic economic characteristics of cultural industries, during production coordination of multiple inputs is capricious. In an attempt to reduce this unpredictability, the organisation of complex cultural goods production is reliant upon formal contracts (Caves, 2000). Notwithstanding the incompleteness problem (Caves, 2000, p.5), formal contracts are crucial for effective coordination of multiple specialist-agents required to perform tasks at different stages of production (Milgrom & Roberts, 1992). Milgrom and Roberts' production features—of multiple agents and temporal sequence—parallels Caves' description of production of complex cultural goods. Furthermore, their assertion that contracts are effective organisation function is echoed by Caves' insistence that cultural and creative industries rely on (formal) contracts, and that in their absence coordination of suppliers becomes difficult (2006, p.534). Here, the rationale is that formal contracts serve as a mechanism for ensuring that suppliers of creative inputs keep their commitment in delivery inputs as per identified standards. This ability to regulate conduct and thus deter deviation from standards is the basis of the effectiveness of formal contracts argument.

As this sub-section has shown that cultural economists relying on host of axioms perceive intellectual property rights and formal contracts as central to the production of (complex) cultural goods, and by extension to the cultural industries. In that the former grants by granting exclusive exploitation rights to producers incentivises production (Burrow, p.100). Whereas the latter postulates effective coordination of varying classes of creative inputs. The efficiency and effectiveness arguments of IP rights and formal contracts have become influential in the literature on organisation of cultural industries. However, in the literature little is said of how these instruments operate. Under what conditions do they function? What are the supporting institutions and costs of enforcement? Answers to these questions are not forthcoming for the literature assumes that these necessary conditions are operational and its use incur no costs. In the succeeding sub-section I discuss the effect of operation of such assumptions in places where they ought not be expected.

## **Appendix 2 Interview Guides**

### *Appendix 2.1: Interview Guide Proprietors*

O. Introduction to study

OA. Introduce subject matter of discussion and the aim.

OB. Discuss practicalities: expected duration, recording, privacy issues and withdrawing contribution from data pool.

I. Principal coordinating multiple creative inputs

#### *IA. Identifying and selecting competent creative inputs for various stages of production*

- i. How does DP identify competent agents?
- ii. What kind of information does he rely upon in selecting agents?
- iii. What is the source of this information?
- iv. How does he get access to this information?
- v. How reliable is the information in predicting the likelihood of an agent competently executing a task?

#### *IB. Assigning authority to act*

- i. When is mandate issued?
- ii. How is time-bound authority to act assigned to multiple agents?

The interest here lies in understanding the procedure by which DP assigns time-bound authority to act to distinct As. Are the respective As in contact with each other? Who decides the timeframe for the completion of each component of the product?

#### *II: Securing credible commitment*

IIA. Determining the presence of credible commitments in the relationship.

The following will be function as indicators to determine the presence or lack therefore of credible commitments:

- i. Has DP does specify objectives of commission?
- ii. Are terms and conditions clearly defined? (By who, when, what and where do the terms stem from)
- iii. Concluding on 'a' and 'b' by P & A? (How does this occur?)
- iv. DP & A recognise agreements as binding?

To get a nuanced understanding of credible commitments, in addition to the above, during discussions and observations, attention will be focused on determining:

- i. Determine degree of consistency between DP & A's understanding of each other's obligation.
- ii. DP & A recognise that each other is capable of and willing to effect their obligations under specified conditions.
- iii. DP & A perceive the presence of legitimate intuitional or external reassurances in case obligations are not kept.

*IIB Establishing credible commitments*

What is P's role in establishing credible commitment?

- i. How does DP debrief A on 'a' and 'b'? (Open calls, personal interaction etc.)
- ii. What kind of information does DP emphasis?
- iii. What strategies are employed by DP to get A to accept his or her offer?

What is A's role in establishing credible commitment

- iv. What kind of information does A emphasis in relation to P's proposal?
- v. What strategies are employed by A employ to get P to accept his or her offer?

*DP and A securing credible commitments*

- vi. How are agreements concluded?
- vii. What makes agreements binding?
- viii. Are there any involvements from external institutions or intermediary agents?

*III: Sustaining and enforcing credible commitment*

IIIA. Monitoring

What form of monitoring mechanism exists?

- i. Is this endogenous (single) or exogenous (collective) to DP & A's working arrangement?
- ii. When does monitoring occur: interim or post ante? In what manner?
- iii. Are opportunistic behaviour broadcasted, if so how?
- iv. What are the costs involved in monitoring and broadcasting?

IIIB. Enforcement

- i. What sanctions are in place to deter opportunistic behaviour?
- ii. How are sanctions determined (by whom and how), and are they credible?
- iii. Who applies sanctions? Individual or group? On basis of what authority?



- iv. With what intention are sanctions applied?
- v. What are the costs of applying sanctions?
- vi. What are the cost of sanction to defaulter?

Having gained answers as to the form organisation in employed, informants will be inquired about the how such a mechanism was established, and the rationale for its use. In a sense why is the current mode of organisation preferred over others.

### *Appendix 2.2: Interview Guide Proprietors*

#### Interview Guide Agents

##### O. Introduction to study

OA. Introduce the subject matter of discussion and the aim.

OB. Discuss practicalities: expected duration, recording, privacy issues and withdrawing contribution from data pool.

##### *I: Securing credible commitment*

IA. Determining the presence of credible commitments in the relationship.

The following will be function as indicators to determine the presence or lack therefore of credible commitments:

- i. Has DP does specify objectives of commission?
- ii. Are terms and conditions clearly defined? (By who, when, what and where do the terms stem from)
- iii. Concluding on 'a' and 'b' by P & A? (How does this occur?)
- iv. DP & A recognise agreements as binding?

To get a nuanced understanding of credible commitments, in addition to the above, during discussions and observations, attention will be focused on determining:

- i. Determine degree of consistency between DP & A's understanding of each other's obligation.
- ii. DP & A recognise that each other is capable of and willing to effect their obligations under specified conditions.
- iii. DP & A perceive the presence of legitimate intuitional or external reassurances in case obligations are not kept.

### *IIB Establishing credible commitments*

What is A's role in establishing credible commitment?

- i. What kind of information does A emphasize in relation to P's proposal?
- ii. Having discussed the details of the work with you then do you respond? Design, quality of materials, technique, time of completion.
- iii. What kind of tactics do you employ for your manager to accept your response?

DP and A securing credible commitments

- iv. How are agreements concluded?
- v. What makes agreements binding?
- vi. Are there any involvements from external institutions or intermediary agents?

### III: Sustaining and enforcing credible commitment

#### IIIA. Monitoring

- v. What form of monitoring mechanism exists? Is this endogenous (single) or exogenous (collective) to DP & A's working arrangement?
- vi. When does monitoring occur: interim or post ante? In what manner?
- vii. Are opportunistic behaviours broadcasted, if so how?
- viii. What are the costs involved in monitoring and broadcasting?

#### IIIB. Enforcement

- i. What sanctions are in place to deter opportunistic behaviour?
- ii. How are sanctions determined (by whom and how), and are they credible?
- iii. Who applies sanctions? Individual or group? On basis of what authority?
- iv. With what intention are sanctions applied?
- v. What are the costs of applying sanctions?
- vi. What are the costs of sanction to defaulter?

Having gained answers as to the form of organisation in employed, informants will be inquired about the how such a mechanism was established, and the rationale for its use. In a sense why is the current mode of organisation preferred over others.

### Appendix 3

#### Appendix 3.1: Working Index Unabridged

Table: A.4.2: Working Index Unabridged

Theme I: Coordination of Production:			Theme II: Securing Credible Commitment		Theme II: Enforcing Credible Commitment			Theme I: Environmental context		
Sub-themes I-III			Sub-themes: IV-V		Sub-themes: VI-IX			Sub-themes: X-XI		
Search for competent agents	Selecting suitable competent agent	Knowledge of disposition	Determining terms & conditions agreement	Rendering Agreement binding & Issuance of mandate	Monitoring	Resolving breach & maintaining commitment	Applying sanctions & rewards	Managing production process	Structure of the network	Norms:
Knowledge of capabilities of entire agent population	Confidence in agents capability	Assurance from trustworthy intercessor	A's interest commission	Presence of third party when concluding agreement	Inspecting & assessing initial work	Cost of breaching commitment	Reward for adhering to commitment	Acceptance of retrievable sunken cost	Access to information through observation	Following tradition
Maintain own pool of agents	Differentiation of workers	Autonomy of A	Concluding agreement	Procedure of assigning mandate	Repeat follow-up and supervision	Cost using formal institutions		Acceptance of retrievable sunken cost	Autonomy of A	principle of truthfulness
	Matching agent capability to task	Determining trustworthiness	Determining design	Rendering agreement binding		Formal institutions in resolving breach		Flexible and empathetic managerial approach	Close proximity	Professional integrity
	Mutual confidence	Knowledge of attitude	Determining Price & Payment			Resolving breach or disagreement		Managing production process	Information sharing within network	

	Search for agents with task-specific skills		Determining timeframe			Resolving breach social and family institutions		Managing temporal dimension of production	Non familiarity with formal contract	
	Searches own pool for agents		Non-use of formal contract					P is highly knowledgeable of production process	Production being adverse to rigid planning	
	Searches wider pool for agents		Structuring working process						Rationale	
	Selection of agents within network		Use of formal contract						Source of information	
									Trust substitutes formal contract	
									Unpredictable demand	
									& high production cost	

## Appendix 4: Data Charting

### Appendix 4.1: Data Charting Theme 2 (abridged)

#### Table A.4.1: Data Charting Theme 2 (abridged)

Theme 2: Securing Credible Commitment				
Sub-theme 2.1: Knowledge of Disposition				
Respondents	<u>Knowledge of attitude: being cognizant of the an agent predilection for certain behavior</u>	<u>Determining trustworthiness: Ascertaining, confirming or establishing trustworthiness; or the presence of trustworthiness</u>	<u>Assurance from trustworthy intercede</u>	Mutual confidence: instances indicative that actors have trust in trust in each other.
B-DCP1	<b>Awareness of attitude--</b> [2:9] <i>"You see, some elders are lazy...In that case, you get to know those that you better not assign a complex design if you wish to avoid loosing</i>	<b>Ascertaining trustworthiness via direct interaction --</b> [2:27] <i>"I believe in them because in they have never failed me. If they demand 2000 GHC, I will offer it to them and I in turn make it known that I need the cloth in three months. No later than three months, I will receive my cloth".</i>	<b>Trusted native vouches for newcomer's trustworthiness--</b> [1:43] <i>" Usually those that move here, do so because they know someone here. In that case, that person will vouch for the character of the newcomer. It is only when a native has vouched for a newcomer that I start working with him."</i>	<b>Explicit mutual trust --</b> [2:26] Because I trust them, and they trust me.
B-DCP2	<b>Awareness of attitude -</b> [1:46] <i>You know, we all leave in this town. We know the attitude and degree of expertise of all weavers.</i>	<b>Ascertaining trustworthiness via direct interaction --</b> [1:42] As the relationship gets stronger, then I will start paying an advance whenever I contact him to produce a cloth—as I have come to know him well. ///-- <b>Ascertaining dependability via secondary information</b> [1:7] <i>"So prior to assigning a project, you can contact some of their colleagues or friends to inquire abut their attitude, it is through this that you can get a true picture of a weaver's ability."</i>		

B-DCP3

**Awareness of motivation** --[3:30] *As I have said those of us that have doing this for longer time, we know those that are serious and those that are not.*

**Ascertaining trustworthiness via direct interaction** -- [3:42] "This is a serious trade, it is in your own interest to work with those craftsmen that are serious in their vocation. That is, those that are determined to continue plying their trade long into the future. For some they are not committed to the vocation, you might give such an individual a project, when you go to check up on him, you'll find him in the farm"--- [3:32] *"Since you've been working together for a long period of time, you know his character and he knows yours; you will not cheat him nor will he cheat you."* // **Ascertaining dependability via secondary information** -- [3:34] *In that sense, if I have never worked with a person, since we all live in this village, I still aware if he is a forceful individual. ... You know that when you give him the work, it will be done. **Blind Trust --ditto** "However, if you offer him work without knowing his craftsmanship, then you must be trying him out. In that case, he might carry out the work or not."*

**Set-up of one's working space signals one trustworthiness** -- [3:17] *"That is not how we work. Even when I pay workers, I do not take receipts. This is a serious trade, it is in your own interest to work with those craftsmen that are serious in their vocation. That is, those that are determined to continue plying their trade long into the future. For some they are not committed to the vocation,"*

**Explicit mutual trust** -- [3:32] *" Since you've been working together for a long period of time, you know his character and he knows yours; you will not cheat him nor will he cheat you"*

B-DCP4

**Awareness of attitude** -- [4.2] *"we see their works and know how skilled each weaver is, as well as their attitude"— [4:6] "I give you a commission and repeatedly miss the delivery times, whilst others make it in time, then I know something about you."*

**Explicit mutual trust** [-- 4:13] *"We do not sign formal contracts, rather we work on the basis of trust. We trust each other: the client trusts me, the weaver trusts me, so there is no need for papers."*

Appendix 4.2: Data Charting Theme 3 (abridged)

Table: A.4.2: Data Charting Theme 3 (abridged)

**Theme 3: Enforcing Credible Commitment**

**Sun-theme 3.2 Resolving Breach & Maintaining Commitment**

Respondents	<u>Resolving between P &amp; A / Costs</u>	<u>Resolving breach social and family institutions / Costs</u>	<u>Formal institutions in resolving breach / Costs</u>	<u>Amicable managerial style</u>
	<p><b>Resolving disagreement without institutional involvement 1:27</b>  <i>It is with the support of such witnesses that we begin resolving the misunderstanding. Sometimes, that does not occur or the weaver, in question, rejects everything, in that case then you will have to give resolving the matter in general. //1:34 You will have to continue discussing the corrections with him and nudge him to weave the pattern as you instructed. ... You have to discuss such matters to reach an agreement in a way that the craftsman will continue with the work in a manner that will result in him deliver a good piece.</i></p>		<p><b>Cost of using legal institutions perceived as time intensive)</b>  <i>--1:65 Although, at times, it does happen that a worker might squander the money without producing the cloth. Here, one can have the worker arrested, <b>Cost of using formal institution</b>                      --ditto-- but, as you know, all police cases take a long time to be resolved.</i></p>	

B-DCP1

**Resolving disagreement without institutional involvement**--2:32 In that case you have to be gentle with him. I will just take what he has produced, with the intention of selling it, and then offer him money to go back and work on the initial design that I had assigned him. \*\*CF2:40 /// **Reducing cost of breach for P as well recouping loss** -- 2:44. When an issue occurs all that I am focused upon is getting the cloth completed.

**Preference for resolving issues in the social sphere**--2:43 In case there is an issue, you know we are all friends, so the thing to do is to discuss the matter with a mutual friend. The mutual friend will have a talk with defaulter; you do not go to the police for such matters.

**Cost of using legal institution**--2:42 *At times you take the matter to the police, and they ask for a contract. As you do not have one, the matter is referred to the courts. In the court, a judge might ask weaver to repay the sum in micro installments. This arrangement means that you've lost your capital. Thus, it is vital to be patient and accommodating so as to have the weaver complete the clot*

**Resolving breach by considering mutual welfare // Long termism**  
--- 2:40 *There is no need for engaging in a conflict. For this same person might return after sometime begging or forgiveness. So if you have him arrested, he will not in the capacity or willing to work for you in the future. Again this trade requires, patience and seeking to appease your weaver.*

B-DCP2

B-DCP3

**Resolving breach by considering mutual welfare** -- 3:26 I will even pay him for the replacement that strips that he weaves, at mine own costs. I do this because the he is now stuck with a strip, which is costly. Since I do not want him to be in debt, I buy the strip in question from him; using those pieces for bags, vests and sell them at a profit.

**Preference for resolving issues in the social sphere**---3:28 *We do not have formal contracts, nonetheless when engage a worker, we all you know that so-so-and-so—is a weaver and—is working for you. So should such a conflict occur, you present the matter to the weaver's family, asking them to sit-down and reason with you and find a solution for the matter.*

**Use of legal institutions as last result** -- 3:29 . Certain individuals are stubborn, they do not heed to the advise of their family. In that case, the matter has to be deferred to the police. Once the matter goes to police, he will be sent court, then asked to pay the money to court, and I in turn receive my money form the courts.



Appendix 4.3: Data Charting Theme 4 (abridged)

Table: A.4.3: Data Charting Theme 3 (abridged)

**Theme 4: Environmental context**

**Sub-theme 4.1: Structure of network**

		<u>Close proximity : clustering in the same physical vicinity; being members of a physical network or community</u>	<u>Information sharing within network</u>	<u>Source of information</u>	<u>Unpredictable demand &amp; high production cost / Autonomy of A</u>	<u>Access to information through observation</u>
2	B-DCP1	oooo	o	<p><b>-- Acquiring information through personal interaction</b>                      [2:5] " I know because when you visit a person at work and you observe them at work, you can recognise of they are skilled at their craft, and then assess their ability. Then you get to know if some is capable of executing a complex design pattern or not. I"</p>		<p><b>Awareness agents aptitude and character through first-hand observation</b>                      --[2:5]" I know because when you visit a person at work and you observe them at work, you can recognise of they are skilled at their craft, and then assess their ability."</p>
1	B-DCP2	<p><b>Located/participating/interacting within a closed network</b> [1:5] ---- "You know, we all leave in this town. We know the attitude and degree of expertise of all weavers."</p>	<p><b>Ps exchange information amongst themselves</b> -- C [f1:7]</p>	<p><b>Acquiring information through third parties</b> [1:7]                      Besides that, the weavers have colleagues and friends they work with. So prior to assigning a project, you can contact some of their colleagues or friends to inquire about their attitude, it is through this that you can get a true picture of a weaver's ability. --- [1:43] "Usually those that move here, do so because they know someone here. In that case, that person will vouch for the character of the newcomer. It is only when a native has vouched for a newcomer that I start working with him"</p>	<p><b>Form of structural relationship between P &amp; A // As an auto nous creative agent</b>1:35 Well, the weaver is self-employed. Even though you have contacted him to work for you, you can not be controlling of him</p>	<p><b>Awareness agents ability through first-hand observation</b> -- [3:34]                      In that sense, if I have never worked with a person, since we all live in this village, I still aware if he is a forceful individual.</p>

3 B-DCP3 **Located/Participating/inter action within a closed network** --- [3:4] *"We have been weaving for a very long time, and we're all residents of this town, so we know all those with fine fingers."*

**Tapping into & presence local buzz** [3:34] "In that sense, if I have never worked with a person, since we all live in this village, I still aware if he is a forceful individual. You know, a person might have never produced a piece for you know he is an excellent craftsman... You know that when you give him the work, it will be done."

**-- Acquiring information through secondary observation** --[3:34] In that sense, if I have never worked with a person, since we all live in this village, I still aware if he is a forceful individual.

**High production cost and unstable demand rationale for project-based organisation of labour**--3:35 *This is because, Kente trade requires substantial capital investment. Say I have one hundred million, with twenty employees: I buy the cotton, yarns and all necessary material; in addition to all this I also have to give them welfare money, for food and other things—can you imagine is I offer each five hundred per month—it all adds up to high sum. So by the time they will be finished with the cloths, all your capital would be exhausted. Meanwhile the stock will be lying in the shop, yet to be sold.*

## Appendix 5 Data Mapping

### Appendix 5.1.: Mapping and Pattern Development Theme 2

Table: A.5.1.: Data Mapping and Pattern Development Theme 2

Securing Credible Commitment	Labels	Mono Pattern	Synthesis of mono-pattern	Empirical pattern	Analytic pattern
Themes					
<b>Determining terms &amp; conditions agreement:</b> determining design; timeframe; structure of working process and individual obligations	Enquiring of A's availability to work on commission	P determines A availability;	P having determined A's availability,	<b>Conclusive timeframe &amp; structure of payment-in- instalment are determined consultatively, whereas P determines design of cloth and mode of supervision</b>	<b>Certain aspects of commission are determined jointly, given the preference for verbal agreement issuance &amp; acceptance of advance renders commitments binding.</b>
	A determines desire to work on commission	presents brief to A; A accepts or rejects commission proposal.	presents commission brief; P either rejects or accepts commission proposal.		
	Presenting commission brief				
	P enquires about A's time estimation for completing commission		Conclusive timeframe is determined consultatively		
	A determines the period required for completing production	<i>P manages timeframe in consultation with various As-</i>			
	<i>P indicates timeframe and A accept or reject-him so.</i>	P issues specific non-alterable design mandate			

	Payment in instalment	Making provisions for graduated payment at specific production stages	Structure of making payments, sequence & size of payment instalments, is determined consultatively; whilst P determines the mode and frequency of supervision.	
	Establishing supervisory framework	Determining the mode of supervision, issuing feedback and delivery of cloth.		
	Non-preference for formal contract	Institutionalised preference for verbal agreement over formal contracts	Institutionalised preference for verbal agreement over formal contracts	
	Endogenous practice of non-use of contracts			
<b>Rendering Agreement binding &amp; Issuance of mandate:</b> use of non-formal contracts (FC); use of FC; rendering agreement binding	<i>Use of formal contract as evidence in case breach (Cautionary function/)</i>			<b>The issuance &amp; acceptance of advance payment renders agreement binding</b>
	Preference for formal contract in the absence of trust		Presence for formal contract in the absence of trust among parties	
	Formal contracts perceived as being of relevance but second to verbal agreement.			
	Offering of initial advance indicates P acceptance of agreement reached	Payment of advance indicates	The issuance & acceptance of advance	

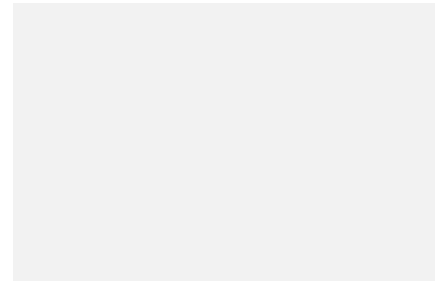
Payment of initial advance renders binding

binding agreement

payment renders agreement binding

*Payment of unusual advance amount reflects peculiar  
binding agreement*

Acceptance of advance payment indicative of consent  
to binding agreement



Appendix 5.2.: Mapping and Pattern Development Theme 3

Table: A.5.2: Data Mapping and Pattern Development Theme 3

Enforcing Credible Commitment Theme	Labels	Mono Pattern	Synthesis of mono-pattern	Empirical pattern	Analytic pattern
<b>Monitoring:</b> Inspecting & assessing initial output; repeat follow-up & supervision;	Initial inspection and confirmation of output alignment	Initial output is inspected and its alignment to design mandate is determined.	Initial output is scrutinised to ascertain A's adherence to design	<b>Inspection is initial outcome is crucial to determining course of the production; whereas frequency &amp; intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A</b>	<b>Short and intermediate-term sanctions are applied by individuals, whereas those of long-term they are collectively applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas breach he incurs negative long-term gains to reputation as well as future employability within the network.</b>
	Issuing feedback and corrections	Confirmation or rejection of initial work	mandate issued, as well as determining subsequent production actions.		
	Initial inspection crucial for detecting deviations in design	Rejection begets reproducing initial output integrating corrections	Frequency of continuing supervision is contingent upon A's demonstrated cooperativeness		
	On-going supervision of output at frequent intervals	Continuing supervision & site-visits at intervals depending on A's demonstrated attitude and			

On-going supervision of output at less frequent intervals

aptitude in the course of production

Issue feedback to dissuade deviation

Follow-up site visits to dissuade opportunistic behaviour

**Resolving breach & maintaining commitment:**

Resolving breach through family & social institutions; resolving breach through formal legal institutions; rationale for preference for informal resolutions

Preference for resolving issues through group of close friends

Preference for resolving breach of commitment in the social sphere

A preference for informal over formal institutions with regards to resolving breach of agreement

**Institutionalised preference of informal arrangement over formal arrangements**

Resolving issues through an association

Preference for resolving issues through defaulter's family

Use of legal institutions as last result

	Use of formal institutions as incurring loss of operational capital.	Preference for resolving breach of commitment through formal legal institutions as means of last result	
	High time cost of legal institutions		
	Reducing cost of breach for P as well recouping loss		
	Considering mutual welfare when resolving breach of agreement	Sensitive to local context: social as a nature of production	Informal process of resolving breach's is sensitive to local context: social norms of structure of the trade
	Expedient resolution of disagreement-		
<b>Applying sanctions &amp; rewards:</b>	Reward		
for adhering to commitment;	Strengthening working relationship		
Sanctions for breach of agreement	Establishing favourable reputation		
	Securing future / repeat consignment	Fostering strong positive reputation to sustain reception of future consignment	Gains to reputation & it positive influence on future employability
	Continue earning a living		<b>Breach incur positive gains to reputation &amp; employability; whereas breach incur negative long-term gains to reputation as well as employability within the network</b>



Inability to secure future consignment

Development if negative reputation

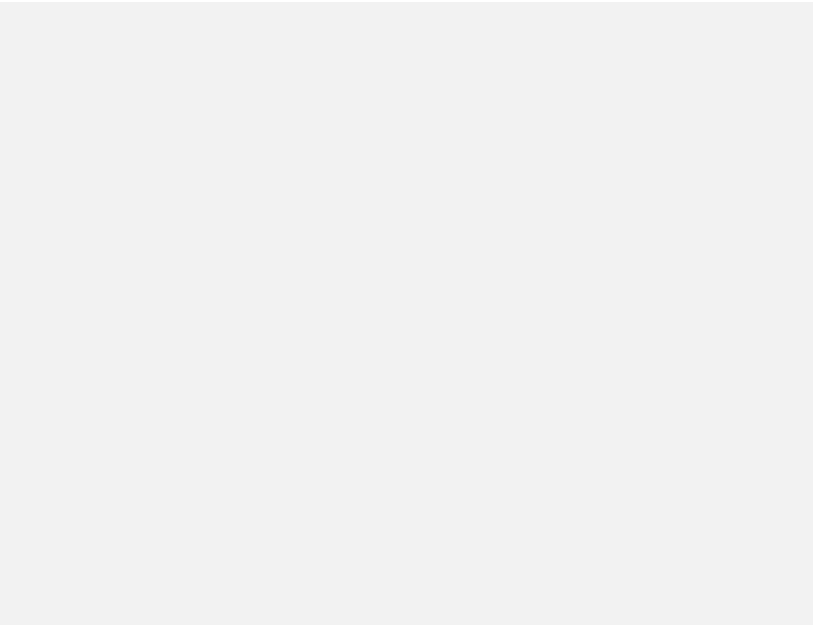
Termination of affiliation with enterprise

Threats to livelihood

Temporary suspension from association--

Suffers reputational loss and thus jeopardises competitiveness within the network

Reputational harm & it negative influence on future employability



## Appendix 6: Development of Empirical and Analytical Patterns

### Appendix 6.1: Complete Empirical and Analytical Patterns

Table A.6.1: Complete Empirical and Analytical Patterns

Themes	Empirical Pattern	Analytical Pattern
<b>Coordination of Production (Coordination I)</b>	<p><i>Observational Pattern I: Identifying competent weavers</i></p> <p>Given DP's exhaustive knowledge of overall competency contained in the network, his search is restricted to local cluster.</p>	<p>Given P's exhaustive knowledge of overall competency contained in the local cluster along with access to personal and public information regarding A's disposition he is able to attain harmonious alignment between agent aptitude &amp; requirement of commission mandate.</p>
	<p><i>Observational Pattern II: Selection of competent and suitable agents</i></p> <p>DP enacts regimented selection procedure toward attaining a perfect match between agent capability and condition of commission.</p>	
	<p><i>Observational Pattern III: Determining disposition of selected agents</i></p> <p>DP ascertains the congruence of A's disposition to conditions of mandate (dependability) (a) by assessing specific past actions, (b) as well as observing external sources for validation signal.</p>	
<b>Securing Credible Commitments</b>	<p><i>Observational Pattern IV: Defining terms and conditions</i></p> <p>Conclusive timeframe and structure of payment are determined concertedly, whereas DP single-handedly determines design of cloth and mode of supervision.</p>	<p>Certain aspects of commission are determined jointly, given the preference for verbal agreement issuance &amp; acceptance of advance renders commitments binding.</p>
	<p><i>Observational Pattern V &amp; VI: Rendering agreement binding</i></p> <p>Given that agreements are concluded verbally, the practice of issuing &amp; accepting of advance payment renders agreement binding.</p>	

<b>Enforcing Credible Commitment</b>	<i>Analytical Pattern VII: Monitoring</i>	Short and intermediate-term sanctions are applied by individuals, whereas those of long-term they are collectively applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas breach he incurs negative long-term gains to reputation as well as future employability within the network.
	Inspection of initial outcome is crucial to determining course of the production; whereas frequency and intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A	
	<i>Analytical Pattern VIII: Resolving breach and maintaining adherence to commitment</i>	
	Institutionalized preference for informal over formal arrangements for resolving malfeasance.	
	<i>Analytical Pattern IX: The application of sanctions and rewards</i>	
	Cooperation incur positive gains to Agent's reputation and future employability; whereas breach incur negative long-term gains to reputation as well as competitiveness within the network. Rewards and sanctions are applied individual as well as collectively.	
<b>Managing production process (Coordination II)</b>	<i>Analytical Pattern IX: Managing temporal dimension of production</i>	
	Proprietors enact and pursue non-invasive strategies to bring commission to completion—across and within production phases—as per allotted timeframe.	
	<i>Analytical Pattern X: Managing Relationship</i>	
	Proprietors employs <i>flexible and empathetic managerial approach in managing working relationships in the course of production process</i>	

Appendix 6.2: Development of Sub-question I Labels and Patterns

Table A.6.2: Development of Sub-question I Labels and Patterns

Sub-themes	Labels	Pattern	Synthesis of mono-pattern	Empirical pattern	Analytic pattern
Search for competent agents	DP possess extensive knowledge of overall production capability of the network. i.e. what can be done and what can not be done, and at what pace.	DP possess nuanced knowledge of the range of capability within the network.	DP possess exhaustive knowledge of the capability of all agents within the local cluster P possess nuanced knowledge of the range of capability within the network.	Given DP's exhaustive knowledge of overall competency contained in the network, his search is restricted to the local cluster	<b>DP attains harmonious alignment between agent's aptitude and disposition, and that of overall requirement of commission.</b>
	P possess extensive knowledge of the aptitude of each agent within the network.				
	Inclined toward engaging agents with existing/previous professional relationship.	DP's search is restricted to the network	P's search for competent agents is restricted to the network		
	Preference for searching within pool own agents				
Selecting suitable competent agents	Preference for agents from his own pool	Preference for agents within local cluster	Preference for agents within local cluster	Preference for agents within local cluster	
	Agent selection restricted to local network				
		Matching agent capability to task: aligning A's ability and task-specific skills	Achieves perfect match between agent capability and condition o task		
	Discriminating between competent agents				
	Insistent on selecting agent with adequate level of competence for the commission				

	Preference for selection based on specialisation			
	Belief in agent's ability to conclude commission within timeframe.	Absolute confidence in agents competence	Complete commission-bounded belief in agent's competency	
	Belief in agent's ability produce qualitatively superior work than others			
Knowledge of disposition	Awareness of willingness	P is cognisant of A's disposition: willingness and motivation	Belief A's disposition as being suitable to the commission	
	Awareness of attitude			
	Awareness of motivation			
	Ascertaining dependability via direct interaction	Dependability is determined through previous direct	Dependability is determined by assessing specific previous actions of A across time	A's dependability is ascertained by assessing specific past actions, as well as observing external entities for validation
	Ascertaining dependability via secondary information			
	Building trust by long-term participation in a the network			

	Trusted native vouches for new non-native resident trustworthiness	Dependability is determined through observation of A actions within the network over a long period of time	Reliance on external signals to validate A's dependability. Dependability is determined through observation of A actions within the network over a long period of time	signals	
Set-up of one's working space signals long-term commitment to the trade	Reliance on external signals to validate trustworthiness				
Affiliation with professional organisation signal trustworthiness					

Appendix 6.3: Development of Sub-question II Labels and Patterns

Table A.6.3: Development of Sub-question II Labels and Patterns

Sub-themes	Labels	Pattern	Synthesis of mono-pattern	Empirical Patten	Analytic Pattern
<b>Determining terms &amp; conditions agreement</b>	Enquiring of A's availability to work on commission	DP determines A availability; presents brief to A; A accepts or rejects commission proposal.	DP having determined A's availability, presents commission brief; DP either rejects or accepts commission proposal.	Conclusive timeframe & structure of payment-in-installment are determined consultatively, whereas P determines design of cloth and mode of supervision	Conditions regarding mandate are jointly determined, given the preference for verbal agreements, mutual commitments are rendered binding by the issuance and acceptance of advance payment.
	'A' determines desire to work on commission				
	Presenting commission brief				
	DP enquires about A's time estimation for completing commission	DP manages timeframe in consultation with various As	Conclusive timeframe is determined consultatively		
	'A' determines the period required for completing production				
	DP indicates timeframe and A accept or rejects.	DP issues specific non-alterable design mandate			
	Payment in instalment	Making provisions for graduated payment at specific production stages	Structure of making payments, sequence & size of payment instalments, is determined consultatively; whilst P determines the mode and frequency of supervision.		
	Establishing supervisory framework	Determining the mode of supervision, issuing feedback and delivery of cloth			

<b>Rendering Agreement binding &amp; Issuance of mandate</b>	Non-preference for formal contract	Institutionalised preference for verbal agreement over formal contracts	Institutionalised preference for verbal agreement over formal contracts	The issuance & acceptance of advance payment renders agreement binding
	Endogenous practice of non-use of contracts			
	Use of formal contract as evidence in case breach (Cautionary function/)	Preference for formal contract in the absence of trust among parties	Preference for formal contract in the absence of trust among parties	
	Preference for formal contract in the absence of trust			
	Formal contracts perceived as being of relevance but second to verbal agreement.			
	Offering of initial advance indicates P acceptance of agreement reached	Payment of advance indicates binding agreement	The issuance and acceptance of advance payment renders agreement binding	
	Payment of initial advance renders binding			
	Payment of unusual advance amount reflects peculiar binding agreement			
Acceptance of advance payment indicative of consent to binding agreement				





Appendix 6.4: Development of Sub-question III Labels and Patterns

Table A.6.4: Development of Sub-question III Labels and Patterns

Sub-themes	Labels	Pattern	Synthesis of mono-pattern	Empirical Patterns	Analytical Patterns
<b>Monitoring</b>	Initial inspection and confirmation of output alignment	Initial output is inspected and its alignment to design mandate is determined.	Initial output is scrutinised to ascertain A's adherence to design mandate issued, as well as determining subsequent	<b>Inspection is initial outcome is crucial to determining course of the production; whereas frequency &amp; intensity of post-initial supervision is contingent upon degree of cooperativeness revealed by A</b>	<b>Short and intermediate-term sanctions are applied by individuals, whereas those of long-term they are collectively applied collectively. Further by compliance an agent incurs positive gains to reputation and competitiveness within the network; whereas breach he incurs negative long-term gains to reputation as well as future employability within the network.</b>
	Issuing feedback and corrections	Confirmation or rejection of initial work			
	Initial inspection crucial for detecting deviations in design	Rejection begets reproducing initial output integrating corrections			
	On-going supervision of output at frequent intervals	Continuing supervision & site-visits at intervals depending on A's demonstrated attitude and aptitude in the course of production	Frequency of continuing supervision is contingent upon A's demonstrated cooperativeness		
	On-going supervision of output at less frequent intervals				
	Issue feedback to dissuade deviation				
Follow-up site visits to dissuade opportunistic behaviour					
<b>Resolving breach &amp; maintaining commitment</b>	Preference for resolving issues through group of close friends	Preference for resolving breach of commitment in the social sphere	A preference for informal over formal institutions with regards to resolving breach of agreement		
	Resolving issues through an association				
	Preference for resolving issues through defaulter's family				
	Use of legal institutions as last result	Preference for resolving breach of commitment through formal legal institutions as means of last result			
	Use of formal institutions as incurring loss of operational capital.				

	High time cost of legal institutions				
	Reducing cost of breach for P as well recouping loss	Sensitive to local context: social as a nature of production	Informal process of resolving breach is sensitive to local context: social norms of structure of the trade		
	Considering mutual welfare when resolving breach of agreement				
	Expedient resolution of disagreement-				
<b>Applying sanctions &amp; rewards</b>	Strengthening working relationship	Fostering strong positive reputation to sustain reception of future consignment	Gains to reputation & it positive influence on future employability		
	Establishing favourable reputation				
	Securing future / repeat consignment				
	Continue earning a living				
	Inability to secure future consignment	Suffers reputational loss and thus jeopardizes competitiveness within the network	Reputational harm & it negative influence on future employability		
	Development if negative reputation				
	Termination of affiliation with enterprise				
	Threats to livelihood				
	Temporary suspension from association				



