



Freedom, Family, Hope, Reward?  
Points of departure for  
Development Studies research  
on direct selling

Joel Busher, Sophie Bremner and  
Paramita Muljono

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## DEV Working Paper 16

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## ABSTRACT

Direct selling has become a major transnational industry in lower and middle income countries (LMICs), promoting the sale and purchase of products ranging from cosmetics and nutritional supplements, to kitchenware, oils and detergents. The proliferation of direct selling organisations and network marketing organisations warrants attention among scholars of Development. These organisations extend their reach well beyond formal marketplaces, drawing on the energy, entrepreneurship, and aspirations of a global workforce in excess of 63 million distributors. Supporters of the industry claim that this represents an opportunity for millions of people to earn an income and become economically and socially empowered; detractors argue that the industry is exploitative, only benefits a minority of distributors, and may damage social relations. The aim of this paper is not to arrive at a conclusion about the impacts of direct selling in LMICs, but to take a preliminary step towards opening up an engaging and nuanced debate on the subject.

The paper begins with a review of existing social science literature that addresses direct selling and network marketing. It then presents three short case studies from the authors' field-sites, in Namibia, Uganda, and Indonesia. Drawing on the literature review and the three case studies, it suggests points of departure for research on direct selling and network marketing in LMICs, including: labour practices and employment; women's empowerment and gender; consumer culture, prosperity and aspirations; social capital; and governance and ideology.

## Introduction

Direct selling can be defined as "the marketing of products and services directly to consumers in a face-to-face manner, away from permanent retail locations" (World Federation of Direct Selling Associations (WFDSA))<sup>1</sup>. Network marketing, or multilevel marketing, is a sub-type of direct selling in which distributors generate income by recruiting new distributors, in addition to selling products<sup>2</sup>. Well-known direct selling organisations (DSOs) include Avon and Nu Skin Enterprises, and well-known network marketing organisations (NMOs) include Amway, Mary Kay, and Omnilife. Despite the emphasis on profit-making through distributor recruitment, network marketing should not be confused with the kind of pyramid schemes (Vander Nat & Keep 2002) whose collapse has contributed to economic turmoil in

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<sup>1</sup> See the WFDSA website: [http://www.wfdsa.org/about\\_wfdsa/index.cfm?fa=history](http://www.wfdsa.org/about_wfdsa/index.cfm?fa=history) [accessed 9 February 2009].

<sup>2</sup> Whilst the boundaries of what constitutes network marketing and other similar forms of enterprise may at times be difficult to delineate, in this paper we concentrate on registered companies (where possible with a relevant national Direct Selling Association) that are making use of this system for marketing and distributing their products or services.

countries including Colombia (BBC 2008), the U.S.A. (Biggart 1989, p.45; Clark 2008), and Albania (Verdery 1995)<sup>3</sup>.

According to the WFDSA, commercial activity in the direct selling industry is worth approximately US\$114bn per annum. There are an estimated 63 million distributors worldwide, of which approximately 38m are in Latin America, Asia and Africa<sup>4</sup>. Here the industry facilitates the distribution and consumption of a wide range of products including cosmetics, nutritional supplements, alternative health products, speciality foods, oils, rice, soaps and detergents. Industry supporters claim that it provides opportunities for entrepreneurship and economic empowerment to people with limited access to start-up capital (Sreekumar 2007; Tarquinio 2008). Furthermore, as suggested by Amway's founders' fundamentals<sup>5</sup>: 'Freedom, Family, Hope, Reward', the industry is seen to promote aspiration, entrepreneurial spirit and, ultimately, well-being (cf. Conn 1988; Cross 1999). However, the industry's critics describe it as a deeply manipulative form of capitalist exploitation that rarely renders the kind of lifestyle that the industry seems to promise (Butterfield 1985; Carter 1999; Fitzpatrick & Reynolds 1997). Given the scale and global reach of the industry and the contested claims about its contribution to human well-being, there is a surprising dearth of academic literature on direct selling and network marketing, particularly on lower and middle income countries (LMICs).

In this paper we make the case that direct selling and network marketing warrant attention from social scientists who are interested in the processes of development in LMICs<sup>6</sup>. In particular, we call for research on how direct selling and network marketing intersect with the ways in which people represent, and engage with, processes of social, economic and political development. As a major transnational industry of increasing macro-economic significance (Msweli & Sargeant 1998), direct selling is interesting from the point of view of livelihoods diversification and the development of new labour markets: not only do women play a prominent role (Biggart 1989; Brodie et al. 2004), but direct selling and network marketing are forms of enterprise that appear to accentuate the fuzziness of the boundaries between the

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<sup>3</sup> Although these two forms of enterprise should not be confused with one another, some conceptual parallels can be drawn in relation to the way in which social networks and interpersonal trust are harnessed to further commercial interests.

<sup>4</sup> See the WFDSA's website: [http://www.wfdsa.org/about\\_dir\\_sell/index.cfm?fa=whatisds](http://www.wfdsa.org/about_dir_sell/index.cfm?fa=whatisds) [accessed 2 February 2009]. This data only includes the organisations that belong to the 59 national Direct Selling Associations that are part of the WFDSA, so WFDSA figures are likely to underestimate the total size of the industry. For example, the only listed African country is South Africa.

<sup>5</sup> See Amway Founders' Fundamentals: <http://www.amway.com/en/BusOpp/founders-fundamentals-10103.aspx> [accessed 2 February 2009]

<sup>6</sup> This paper came about as a result of the authors' encounters with network marketing during recent fieldwork on diverse topics in Namibia, Uganda and Indonesia; and their subsequent attempts to locate and explore a related academic literature.

so-called formal and informal labour markets. Furthermore, distributors in LMICs operate at the interstices between global and local systems of exchange, aspiration and imagination, reproducing organisationally sponsored practices and discourses. DSOs and NMOs are therefore replete with potential transformative power, whether perceived as positive or negative, and research into the experiences of distributors and their families offers rich terrain for strengthening our understanding of core theoretical issues within Development, some of which we will outline in this paper.

We begin by reviewing existing social science literature that addresses direct selling and network marketing, particularly that which may have relevance to research in LMICs. We then provide three short case studies from the authors' field-sites, in Namibia, Uganda, and Indonesia. Drawing on the literature review and the three case studies, we then suggest points of departure for further research on direct selling and network marketing in LMICs. These points of departure, which are not meant to be exhaustive, include: labour practices and employment; women's empowerment and gender; consumer culture, prosperity and aspirations; social capital; and governance and ideology. We have sought to avoid taking a strongly evaluative position regarding direct selling, as it seems apparent that the practice of direct selling is complex and has potential for both negative and positive impacts on the lives of distributors (Muncy 2004). It is our hope that a more informed discussion about the dynamics and impacts of direct selling and network marketing in LMICs can take place in the future based on a greater body of high quality inter-disciplinary research.

## **Existing literature on direct selling and network marketing**

Most of the existing academic literature on direct selling has concentrated on North America (Bhattacharya & Mehta 2000; Biggart 1989; Biggart & Castanias 2001; Coughlan & Grayson 1998; Frenzen & Davis 1990; Koehn 2001; Muncy 2004; Pratt 2000; Pratt & Rosa 2003). More recently, isolated studies from Taiwan (Lan 2002), Hong Kong (Kong 2002; 2003), Mexico (Cahn 2006), Costa Rica (Preston-Werner 2007), Thailand (Wilson 1999) and South Africa (Msweli & Sargeant 1998; 2001) have all addressed questions relating to network marketing. Not surprisingly, the most extensive coverage has come from the disciplines of Business Management and Marketing (Biggart 1989; Brodie et al. 2004; Koehn 2001; Msweli-Mbanga 2004; Pratt 2000; Pratt & Rosa 2003), although there have also been contributions from Anthropology (Cahn 2006; Preston-Werner 2007; Wilson 1999), Sociology (Lan 2002) and Linguistics (Kong 2002; 2003).

There is also a sizeable grey literature, which is strongly polarized with regards to the merits of direct selling and network marketing. Direct selling has caught the attention of the print media (Cahn 2006, p.126), and there are several personal

accounts by current or former distributors (Butterfield 1985; Fitzpatrick & Reynolds 1997), as well as an abundance of websites that either promote or criticise the industry<sup>7</sup>. In this paper we concentrate primarily on the academic literature, although the grey literature is also mentioned.

## **A brief history of direct selling**

The most broad-ranging and comprehensive account of the history of the direct selling industry is provided by Biggart (1989), and much subsequent research builds upon this foundation. Although Biggart focuses on direct selling and network marketing in the U.S.A., her work is highly relevant when considering the contemporary expansion of direct selling in LMICs because the models deployed in the U.S.A. appear to have been reproduced with minimal adaptations (Cahn 2006; Lan 2002; Wilson 1999).

Biggart traces the current industry (but not the practice of direct selling, which goes back much further) to the mid-nineteenth century U.S.A. Following the growth of store-based retailers, many peddlers and hawkers became direct sellers, selling the wares of one manufacturer. The direct selling industry expanded and consolidated in the first three decades of the twentieth century, benefitting from coinciding socio-economic and cultural trends. First, the progressive involvement of women in the labour force, and in leisure pursuits outside the home, resulted in an expanded market in labour-saving technologies and an increased demand for new luxury products. Second, the industry also benefitted from the mechanisation and rationalisation of the manufacturing sector, as the resultant labour surplus provided a ready supply of (mainly) men to work as distributors, and manufacturers sought new outlets to accommodate increased production (Biggart 1989, pp.20-32).

Whilst many direct selling companies collapsed during the depression of the 1930s, it is highly relevant, considering the current economic climate, that the industry itself proved to be resilient to the depression: “[d]irect sellers were finding it much easier to interest unemployed and underemployed persons in the idea of door-to-door sales when alternative forms of work were eliminated, a countercyclical effect that persists today” (Biggart 1989, p.33). Another crucial change occurred within the industry during the Great Depression. Expanding labour legislation in the U.S.A., linked to Roosevelt’s first and second ‘New Deals’, raised the prospect that companies would have to make insurance payments for employees and meet minimum wage requirements. In order to circumvent this legislation, and maintain the economic

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<sup>7</sup> See: The Truth About Amway <http://www.thetruthaboutamway.com/>;  
Merchants of Deception <http://www.merchantsofdeception.com/purpose.html>;  
The Renegade Network Marketer <http://win.therenegadenetworkmarketer.com/>;  
The Unofficial Amway Wiki [http://www.amwaywiki.com/South\\_Africa](http://www.amwaywiki.com/South_Africa);  
Passive Incomes <http://3556.passive-incomes.co.za/>

viability of the industry, DSOs modified their definition of the relationship between the company and its distributors, casting them as 'independent contractors' rather than as employees. This definition has been maintained to the present, as distributors are commonly classified as 'franchisees' or as 'independent business owners' (Biggart 1989, pp.33-41; Wilson 1999, p.404).

The 1940s saw the emergence of two new approaches to direct selling that have shaped the contemporary transnational industry. The first of these is the emergence of network marketing organisations (Biggart 1989, pp.44-47). William Casselberry and Lee Mytinger's 'C & M Marketing Plan' enabled distributors to earn a 3% bonus from the sales of new distributors whom they recruited to the company, who came to be known as 'downlines' (the converse of which is an 'upline') (*ibid.*). Network marketing soon became the dominant system of direct selling, with the emergence of NMOs such as Amway, Mary Kay Cosmetics, and Tupperware (Cahn 2006, p.127). This produced fundamental changes both in the practice of distributors, as they became recruiters as well as salespeople, and in the organisational structure of NMOs that now had "a self-propagating sales force" (Wilson 1999, p.406).

The 1940s also saw the birth of the house party as a sales context (Biggart 1989, pp.42-44), now famous as a result of the popularity of Tupperware parties. For our discussion there are two important points. First, the emergence of this system of selling is grounded in the recognition of the increasing prominence of women both as consumers and as distributors. Second, this system took commercial activities into homes and social gatherings, intentionally collapsing the boundaries between the domestic and commercial spheres. In doing so it facilitated greater participation in direct selling among women who continued (and continue) to spend a greater proportion of their time in the home due to the reproductive labour expectations upon them (cf. Moore 1992).

Since the rise of network marketing and sales parties in the 1950s, the industry has been particularly successful in promoting the participation of women in the workforce (Biggart 1989, p.50)<sup>8</sup>. In fact, Biggart (1989, p.97) argues that "[n]etwork direct selling organisations are one industry's opportunistic response to the segmented and gender-divided arrangements of post-industrial society". In industrial and post-industrial societies, women have often experienced limited or poorly remunerated opportunities for participation in the formal workplace. The flexibility of working hours offered by DSOs and NMOs has been seen to enable women to balance economic activities with reproductive labour, and as direct selling has typically been thought of as a source of supplementary household income, or 'pin-money' (cf. Harkness et al. 1997), it is less likely to be pursued by a male head of

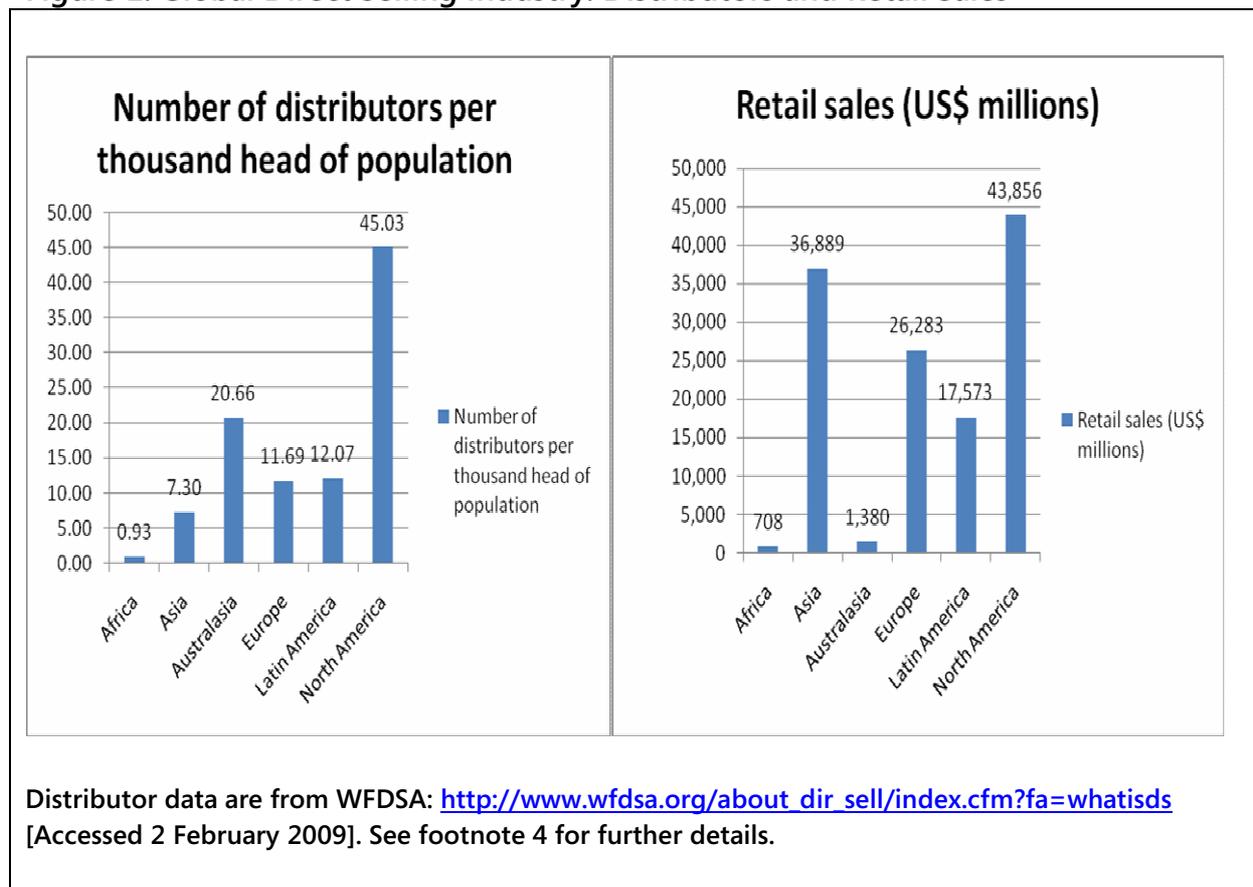
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<sup>8</sup> Although there appears to be an element of cultural particularity in this trend as the direct selling workforce in Taiwan has been more gender-balanced than that in the U.S.A. (Lan, 2002).

household. Direct selling is also seen to utilise ‘soft skills’ more often associated with women, and a large proportion of products sold through DSOs are those that are seen as ‘feminine’, such as perfumes and kitchenware (Wilson 1999, p.405), further contributing to the trend of female participation in the industry.

In the 1970s, the industry increasingly looked towards new markets, initially in East Asia and Latin America (Cross 1999, pp.135-54; Wilson 1999, p.407), and more recently they have sought to create and move into emerging markets in Africa (cf. Passive Incomes 2007).

**Figure 1: Global Direct Selling Industry: Distributors and Retail Sales**



Growth has continued in these regions, with more than half of the global workforce now living outside North America and Europe<sup>9</sup>. Whilst the expansion of the industry in these new markets was initially dominated by North American based companies, there is a growing number of DSOs founded and based in Latin America (e.g. Omnilife), Asia (e.g. Tianshi/TIENS) and Africa (e.g. Avroy Shlain). However, the fundamental aspects of direct selling and network marketing appear to have remained intact during this expansion (Cahn 2006; Lan 2002; Wilson 1999), and

<sup>9</sup> Although DSOs and NMOs have not always had it their own way: national and state governments in China and India have been reluctant to allow NMOs to operate within their borders (Chan 1999).

therefore much of the literature on the phenomenon in the U.S.A. has relevance to research in LMICs.

### **Current debates on direct selling and network marketing**

Central to the academic literature on direct selling and network marketing are two overlapping sets of issues. The first concerns the factors that have facilitated the sustained growth and popularity of direct selling and network marketing organisations. The second concerns the experiences of distributors; their identities and subjectivities. Although we are more concerned in this paper with the latter, a brief outline of the former set of concerns provides useful background to our discussion.

Biggart (1989) argues that the economic successes of DSOs, NMOs and some distributors can be attributed to the effective utilization of the social embeddedness of economic behaviour (cf. Granovetter 1985). The trust and sense of solidarity that inheres in social relations is drawn on to facilitate economic exchange (Biggart & Castanias 2001, p.493), so rather than personalised social relations acting as a drag on rationalised economic activity (cf. Weber 1997), they actually promote economic exchange. This enables distributors to generate wealth, or at least be seen by prospective members to generate wealth, which plays a crucial role in enabling direct selling and network marketing organisations to meet one of their central challenges: recruiting and maintaining a network of distributors.

The direct selling industry argues that the organisations are able to build and maintain distributor networks because they offer individuals with limited access to capital the opportunity to fulfil their aspirations of becoming business owners (Tarquinio 2008; WFDSA)<sup>10</sup>, providing a chance for individuals to become what Wilson (1999, p418) calls “entrepreneurial citizens”. Personal accounts by distributors also refer to economic expectations that motivate participation in direct selling (cf. Butterfield 1985). This may simply be expressed as a need for an (often additional) income, as a desire for an increased sense of economic agency and self-efficacy, or as security against macro-economic instabilities. However, explanations of distributor recruitment and motivation also take into account the social aspirational and affective dimensions of distributor experiences (Cahn 2006; Biggart 1989; Fitzpatrick & Reynolds 1997), which might be a desire for social mobility (Butterfield 1985), greater control over their own time (Biggart 1989), or a working environment with higher levels of positive social interaction (Bhattacharya & Mehta 2000). Broader social trends have also been identified as promoting the expansion of this form of enterprise; such as the inexorable march of a neoliberal fast-wealth

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<sup>10</sup> See WFDSA: [http://www.wfdsa.org/about\\_dir\\_sell/index.cfm?fa=benefitsDS](http://www.wfdsa.org/about_dir_sell/index.cfm?fa=benefitsDS)

culture (Comaroff & Comaroff 1999a), resonating as it does with the concept of individualised and economically oriented persons.

However, some authors have portrayed these organisations as essentially being scams since, they argue, the economic incentives to join are rarely borne out in the experiences of most distributors (Butterfield 1985; Fitzpatrick & Reynolds 1997). It has also been argued that social aspirations may remain unfulfilled as kinship and friendship networks creak under the strain of being redefined as potential economic relations (Lan 2002, p.171). And yet, given the limited income generated by many distributors (Cahn 2006) and the minimal formal exit restrictions, the networks of distributors seem to be surprisingly durable (Pratt & Rosa 2003). Bromley argues that a primary reason for distributors' continuing involvement are the strong feelings of distributor affiliation (1995, pp.150-1), which can be related to both the types of relationships that DSOs and NMOs promote (Biggart 1989; Pratt & Rosa 2003; Bhattacharya & Mehta 2000), and the ways in which these relationships are promoted (Cahn 2006).

Bhattacharya and Mehta emphasise the importance of the dynamics of "close knit social groups" (2000, p.364) in maintaining distributor networks. Distributors are exhorted to start their business by utilising existing social networks. As such, the first business encounters for new distributors will often be within their own kinship and friendship networks, enabling them to appeal to affective ties in order to secure sales. Of course, existing kinship and friendship networks alone are rarely large enough to finance a successful business, so distributors are soon encouraged to look beyond these socially proximal groups (Butterfield 1985, pp.58-70). When they do this, the family and friendship metaphor is then extended into this wider business network, so not only does the family become part of the business but, the business becomes the family; what Pratt and Rosa describe as "bringing family into work" and "making workers into family" (2003, p.395).

These 'close knit social groups' have resulted in management systems that set network marketing organisations apart from most other large commercial organisations. They do not conduct formal management or control procedures with their distributors because, as previously discussed, they are independent franchisees. Instead, as Lan (2002) and Butterfield (1985) observed, distributors become part of a system of non-formalised peer-monitoring in order to safeguard their own commercial interests, especially within the upline - downline relationship. Furthermore, it has been suggested that, by "bringing family into work" and "making workers into the family", NMOs obfuscate the concept of distinct private and commercial spheres (Cahn 2006, p.128; Lan 2002, p.181) allowing commercial surveillance to be extended into what might otherwise be considered the private sphere. Lan describes how this scrutiny from other distributors combines with the

unyielding drive to recruit new distributors such that “work permeates every moment of distributors’ lives” (Lan 2002, p.172).

This kind of surveillance provides an effective means of exerting control over and eliciting affiliation from distributors, but also has implications for the way that distributors experience network marketing. Grayson (2007) and Kong (2003) have observed the emergence of tensions in perceived roles and identities among distributors, generated by the conflation of commercial relationships with prior friendship relations that are typically predicated on a concept of intrinsic rather than economic value. Some distributors manage this role dissonance through what Lan describes as ‘emotional labour’, buying into the idea that they are offering their friends an opportunity to change or improve their own lives, thus constructing altruistic narratives and denying the idea that they are exploiting their friendships (Lan 2002, p.179).

The notion that distributors do not only share financial ‘opportunities’ with potential downlines, but sell a new lifestyle, even a new future, introduces the theme of life transformation, which is central to much of the academic and grey literature. Several authors have provided colourful descriptions of NMO rallies that evoke images of Pentecostal/charismatic Christian services (Butterfield 1985, pp.34-45; Bromley 1995, p.145) both in participatory fervour, but also in content: for example, in terms of an overt ideological stress on new identity transformation (Cahn 2006, p.133), negative reconstructions of their past or contemporary lives before NMO dreams are realised (Pratt 2000, p.464), and a proselytizing fervour towards recruiting new downlines (Cahn 2006, p.127), which is in part what gives these organisations their ‘quasi-religious aspect’ (Cahn 2006; Bromley 1995, p.142).

The quasi-religious aspect of NMOs appears to sit at the crux of understanding both the popularity of direct selling and network marketing and the experiences of individual distributors. Based on an ethnography of Omnilife distributors in Mexico, Cahn asserts that the popularity of NMOs should be understood with reference to the way in which distributors perceive in them an opportunity to reconcile economic aspirations with experiences of spiritual fulfilment (2006). Indeed, Bromley, in his anthropological analysis of Amway distributors in the U.S.A., argues that the focus on identity transformation and on future (financial) salvation facilitates the acceptance of a “period of sacrifice” (Bromley 1995, p.154), in which profits are scant. This provides an account not only of why some distributors continue operating when they are making a financial loss (Bromley 1995, p.151), but also highlights the key issues of aspiration and identity building that shroud direct selling and network marketing.

## Fieldwork encounters with NMO distributors

In this section we present three short case studies based on fieldwork encounters with distributors (see figures 2, 3, and 4 below). They are not intended to be representative of the experiences of distributors in low or middle income countries as a whole, but start to illustrate the heterogeneity of distributor experience, and underpin our suggestions for future research on direct selling and network marketing in LMICs. Given limited access to primary data, we follow an unfortunate trend in the academic literature on the industry of overlooking male experiences and perspectives. We do not suggest that men cannot also be found working in NMOs, although as identified earlier, women franchisees are often in the majority. We would hope that future research will address this bias.

### Namibia

Namibia is a low-middle income country<sup>11</sup>. Since achieving independence in 1990 the economy has grown steadily, but the extreme economic inequalities of the apartheid era remain largely intact (Melber 2005), and it is estimated that about one third of working-age Namibians are unemployed (Fleermuys et al. 2007). Namibia's commercial sector is dominated by foreign, usually South African, banks and businesses, and this pattern is replicated in the direct selling industry. Namibia's direct selling industry appears to be relatively well established, with several major international organisations operating, including Amway, Herbalife and Avroy Shlain.

During fieldwork in one medium-sized Namibian town, Joel Busher observed network marketing activities taking place in homes, a gym, hotels, government offices, NGO workshops and traditional authority meetings. These preliminary observations suggest that network marketing in Namibia draws people from across the social spectrum. Seven different NMOs were identified operating in the town, selling a range of products including cosmetics, nutritional supplements, soaps and detergents, speciality foods, crockery, and clothing. Of these the most common were cosmetics and nutritional supplements.

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<sup>11</sup> World Bank classification. See

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20420458-menuPK:64133156~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html> [accessed 25 January 2009].

The same source has been used in classifying the countries in which our other case studies are located.

**Figure 2: Case study from Namibia**

Maria is 24 and lives with her mother, uncle, sister, her two year old daughter and two cousins in an informal settlement. Her father lives in town, but relations between him and Maria have been strained since his divorce from Maria's mother. The father of her child provides some support but he is not well-off. She completed school with reasonable grades and has spent five years volunteering for a local civil society organisation.

In 2007 she heard about a microcredit organisation offering loans to women aged 18-24. She successfully applied for a loan along with her sister and two cousins. As a group they received approximately US\$50. Their business plan was to sell tomatoes but the supplier let them down on several occasions. They also made and sold fat-cakes (deep-fried dough balls), but they struggled to repay the loan due to the low profit margins. When they eventually repaid the loan, they were offered individual loans, which they took. Her sister sold vegetables, one cousin started sewing traditional dresses and the other joined an NMO. Maria also joined an NMO, selling cosmetics.

Maria is a very able orator. Walking around the settlement she would enter into discussions with friends and relatives about her products. She also received tip-offs from a friend in town about good market opportunities. She collected orders and attended regular meetings with teachers and government administrators who were also part of the NMO. Her demeanour changed. She spoke with confidence about building a new house for her family and providing a secure future for her child. She joked that she would visit the U.K. She was the first to repay her loan, but chose not to accept the next level of loan offered by the microcredit organisation because, as she explained, "it's too much stress owing money to people". She has recruited sixteen distributors into what she calls "my business".

**Uganda**

Uganda is a low income country. Despite economic growth over the last two decades of relative peace and stability<sup>12</sup>, standards of living in the capital, Kampala, are highly polarised (Kappel et al. 2005, p.32; Lwanga-Ntale 2006). Commodity and rent costs are relatively high, the youth unemployment rate in the city is reported to be 32.2% (New Vision 2008), and for those with jobs, crippling low pay is prevalent (Sunday Monitor 2008). Few network marketing organisations seem to be operating in Uganda, although GNLD, whose motto is "People Empowering People"<sup>13</sup> has been

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<sup>12</sup> Not including the north of the country which has been blighted by decades of violent rebel activity

<sup>13</sup> See GNLD's website: <http://www.gnld.com/> [accessed 15 February 2009].

established since 1996, and Chinese-founded Tianshi/TIENS, and Dynapharm, are also operating.<sup>14</sup>

Whilst conducting research about the lives of adherents to Pentecostal Christianity in Kampala, Sophie Bremner came across the practice of network marketing among ‘brothers and sisters’ in church.

### Figure 3: Case study from Uganda

One afternoon in church, after a lunchtime service, Cathy, a 23 year-old woman, took the opportunity to try to sell her products, mainly vitamins and minerals, ‘health supplements’, and household cleaning products, to fellow believers.

Cathy moved from her village in western Uganda to Kampala as a teenager to stay with her paternal aunt and grandmother. Her aunt, a nurse, supported Cathy through her education and she now studies food-processing technology at university.

A month before meeting the researcher, a fellow student discussed with Cathy this “wonderful opportunity” of earning money through GNLD. After attending a meeting for new recruits, and impressed by the potential earnings, she joined up. Since then, Cathy had found only two customers, and had failed to recruit any new distributors, crucial in generating the monthly points needed to climb the managerial pyramid. She was not keeping any kind of accounts for her business, but she paid for return bus fares to the warehouse to collect ordered products. As Cathy had been obliged to purchase a start-up pack for 100,000 Ugandan Shillings (approximately US\$60), and to buy a GNLD product herself (at a relatively high cost), working for GNLD had, as yet, certainly left her in financial deficit. Despite the little success achieved so far, Cathy still continued to pay to cross town four days a week for GNLD’s training sessions, which were crucial for “product knowledge”, she explained, as she proudly showed off glossy photos of American scientists in her GNLD brochure.

Although Cathy asserts her life changed considerably after being born-again, she wanted *more* change, and felt working for the NMO was the means with which to enact this. Indeed being a distributor was, for Cathy, the *only* way to make *good* money in Uganda, despite her university education. She believed that within five years she would build her father a luxury house, buy the car of her dreams, and support the church in evangelising across Africa.

## Indonesia

<sup>14</sup> It is worth noting that ‘Living Goods International’ is operating an ‘Avon-like’ pilot model in Uganda with BRAC, selling health products in rural areas through “Health Promoters” operating in a manner similar to direct selling, in which these ‘health promoters’ work as franchisees. See <http://www.livinggoods.org/model.asp>. Although in this paper we are focusing on ‘mainstream’ DSOs/NMOs, this combination of a development initiative with a direct selling model warrants further research.

Indonesia is a low-middle income country with a labour force of more than 102 million. Direct selling has been increasing in Indonesia since the early 1990s and Indonesia is currently one of the top 25 direct selling markets in the world, with annual sales of more than US\$ 800 million (WFDSA n.d.).

While conducting research on gender, empowerment and bureaucracy in Indonesia, Paramita Muljono encountered several distributors amongst the female managers who were being interviewed. They were participating in a range of NMOs whose products included cosmetics, health food supplements, magnetic bracelets (advertised as treatments for rheumatism), rice and corn oil.

#### Figure 4: Case study from Indonesia

Rina was first contacted by the author through Rina's sister, who had been interviewed as part of the main gender project. Rina was working for the local government in West Java, and because of the potential that she showed, her employer had sent her overseas for a Masters degree, which should have enhanced her career prospects. When she came back, however, she found that instead of being promoted, she had to wait for more than a year before she could be reinstated at her previous managerial level. As an energetic and dynamic person, Rina found her working situation at that time dull and boring. During this period, she joined an NMO after being invited to a meeting by an old friend.

She described her involvement in the NMO as "empowering" and "broadening her horizons". She claimed that she got nearly as much as her government salary from this NMO business, although she admitted that she did not keep records of her NMO working costs: "after all", she said, "it's not all about the money - I've learned a lot about what is going on in the world, and more importantly, to be more assertive in life".

On a separate occasion, however, Rina's sister told the author about what was going on in Rina's family. Her husband was on the brink of divorcing her for "not being around for him and the family like a proper wife should be". Being a "traditional Javanese man", he expected Rina to behave like other Javanese wives, putting family duties before anything else. Rina did not wish to miss any of her NMO meetings and these tended to run after office hours, so she would often come home very late. In the mornings, she would leave the house very early so she could use the time before her office job to do her NMO business. Before getting involved in this NMO, Rina used to drive her only child to school, but now she pays a "becak" tricycle to take her.

When discussing Rina's experience, her sister ironically asked the interviewer, "is this the sort of 'empowerment' that you are talking about?"

## **Some points of departure for direct selling research in Development Studies**

Direct selling appears to provide a paradigmatic illustration of Schumpeter's description of the advance of capitalism:

"The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers' goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates" (Schumpeter 1994, p.82).

What is particularly interesting about direct selling and network marketing are the ways in which it concentrates and personalises the 'fundamental impulse' in diverse locations, so that "more and more of the world is brought within similar systems of governance, consumption and imagination" (Altman 2008, p.145). The critical energy that sustains DSOs and NMOs is produced at the grassroots of distributor networks as independent franchisees at the periphery 'dream big' and aspire to emulate their uplines and attain a life considered luxurious and wealthy (Koehn 2001, p.160; Pratt 2000, p.467). As they are incorporated into the practices and discourses of their organisation, they become consumers, promoters and sellers of aspirations, dreams, and ideologies, as well as of products and services. The industry shapes the way that people think about commerce, but also shapes representations of concepts like family, well-being, work, friendship, freedom or reward.

It is worth noting here that the structure of the direct selling labour force might also make it difficult to construct as a subject of social analysis. With networks of individual franchisees, many of whom use direct selling as a source of supplementary rather than primary income, direct selling can slip under the radar of much country or sector-based labour force research. As such, existing knowledge on direct selling and network marketing has come about largely through case studies of specific direct selling or network marketing organisations. Acknowledging this challenge, in this section we suggest some points of departure for theoretically-grounded research on direct selling and network marketing that can contribute to current debates taking place within the field of Development Studies.

### **Labour and employment**

Growing attention has been given to the role of the private sector in international development (Eade & Sayer 2006). This extends well beyond the fair-trade movement; with major development institutions seeing trade, and particularly small and medium-sized enterprises, as a cornerstone of sustainable economic

development, enabling people to diversify their livelihoods and trade their way out of poverty (cf. DfID China 2007).

The discourse propagated through the direct selling industry chimes well with this position by suggesting that what direct selling offers is an opportunity to “[e]arn in proportion to your own efforts” and “[o]wn a business of your own with very little or no capital investment” (WFDSA)<sup>15</sup>. The growing number of distributors worldwide is evidence that DSOs’ combined allure of fast wealth with apparently minimal entry costs are proving popular, particularly in contexts where there are limited employment opportunities or where, as Cathy described, business is increasingly seen as the primary vehicle for achieving economic and social success. However, given the concerns expressed by some critics that DSOs and NMOs offer exploitation rather than opportunity, and that distributors like Cathy may persist in their activities despite the non-fulfilment of their economic expectations, it is imperative that research is carried out that will facilitate a well-informed appraisal of the validity of the claims and counter-claims concerning the linkages between direct selling and economic well-being in diverse social and economic contexts.

The debate around the validity of these claims must take into account assessments of incomes and commercial expenditures, but should also take into consideration issues around working conditions and the long-term welfare of distributors. It is possible that considerable transferable skills might be acquired through network marketing, as Rina suggests, and it might therefore be seen to offer opportunities for building human capital. It has also been claimed that the industry may be sufficiently robust to ensure that franchisees’ businesses are insulated against malaise in the wider economy (Msweli & Sargeant 1998, p.1), and as such might offer secure incomes over the longer-term.

However, as self-employed franchisees, distributors are unable to make claims on DSOs for pension contributions, disability allowance, medical insurance, redundancy pay, maternity leave or any other forms of benefit that might otherwise be expected from an employer. Distributors’ status as self-employed franchisees, the consequent web of personalised interests, and the typically vertical system of communications, also atomises the workforce and greatly reduces the probability of the formation of any kind of labour movement within the industry (Butterfield 1985, p.137). In LMICs, where the majority of people do not have access to adequate state welfare, this might leave distributors in a highly vulnerable financial position in the long-term. This is particularly relevant at a time when the World Bank is encouraging the extension of private or corporate pensions rather than state pensions and benefits (Holzmann & Hinz 2006). Furthermore, if the enterprises of distributors are unsuccessful, the subsequent decline in personal assets might also undermine the informal safety-nets

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<sup>15</sup> [http://www.wfdsa.org/about\\_dir\\_sell/index.cfm?fa=benefitsDS](http://www.wfdsa.org/about_dir_sell/index.cfm?fa=benefitsDS)

that play an important role at the local level, especially among groups who are situated at or beyond the margins of structures of state welfare (cf. Foster 2007).

It is also important to consider how the emergence of direct selling and network marketing contributes to changes in working practices, particularly in countries characterised by high formal unemployment or deeply embedded perceptions of economic insecurity. Areas for investigation could include ideas about what constitutes commercial space, the nature of business relationships and the impact of NMO membership on attitudes towards more formalised types of employment or study. Cathy remained adamant that network marketing was the only way to make a 'good' living in modern Uganda, despite an initial financial reality that pointed against that judgment; and Maria saw considerably more potential in NMO membership than the formal employment sector. In Indonesia, Rina combined her civil service job with network marketing. She kept her formal job as a safety net as it provides security in the long term<sup>16</sup>, but claimed that she derived more satisfaction from network marketing.

There is a related question about the implications for the productivity of distributors in their formal jobs or in their studies. Anecdotal evidence in Namibia suggests that considerable effort may be put into distributors' network marketing business, possibly at the expense of commitment to their formal occupation. Political figures have been known to go to South Africa for up to a month to attend NMO conferences, and some senior civil servants are famed for using professional meetings as a forum to display and promote their wares.<sup>17</sup> In Indonesia, Rina would attend to customers, prospects and downlines during her office hours, but she did not consider that this was either an inappropriate use of time or that it undermined her performance as a public servant.

### **Women's empowerment and gender**

The research agenda for direct selling and network marketing should also take into account the fact that the industry has, for reasons that we have already discussed, attracted a predominantly female labour force.

Andrea Jung, Avon's Chairwoman and Chief Executive, describes Avon as "part of a movement around the world for women to have more economic independence" (Tarquinio 2008), and Wilson has also noted that NMOs in Thailand draw on a discourse of women's empowerment (1999, p.406). Based on the large number of

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<sup>16</sup> The civil service and the military are among the few sectors in Indonesia that provide a reliable pension.

<sup>17</sup> Both stories are based on conversations between Busher and people that are formal colleagues of the distributors between February 2007 and July 2008.

women engaged in network marketing and the claims made by the industry, we suggest that research on direct selling and network marketing in LMICs should explore the ways that it intersects with the changing dynamics of gender relations. This research could draw on literature around women's participation in cottage industries (Harris 1993; Porter 1992) and home-based enterprises (Gough et al. 2003; Kantor 2003), both in relation to the way that direct selling may collapse distinctions between the private and commercial spheres, and the predominance of piece or commission-only wages.

It has been argued that women's participation in entrepreneurship is hindered by their limited access to capital (Mayoux 2003). The claims that direct selling and network marketing can promote women's empowerment by offering entrepreneurial opportunity at a limited entry cost are, therefore, particularly intriguing. However, a number of questions should be raised. Firstly, there is a question about the profitability of the business. Here it is important to recognise that when transposed into a low wage environment, the apparently limited start-up costs can actually be quite considerable. For example, the US\$60 that Cathy paid for her starter pack is equivalent to three months' wages for a housemaid in Kampala. If, like Cathy and Rina, at least part of the labour force does not take these expenditures into account when evaluating the financial gains that they derive from their business, it seems clear that high levels of participation cannot be treated as an indicator of widespread financial success.

The second issue is that empowerment must be considered in broader terms than simply as access to economic assets. For example, Kabeer defines empowerment as a process of acquiring an ability to make strategic life choices (1999). Therefore, future research might explore other forms of capital that may be gained or lost through direct selling and network marketing. Preston-Werner's description of how female distributors in Costa Rica "demarcate themselves from lower class 'peddlers'" (2007, p.24), suggests that women can draw prestige from their activities and can even use them as leverage to "subvert the existing system" (2007, p.26). Indeed, for Rina it was self-esteem rather than financial gain that was the primary motivation to continue her business. However, caution should be exercised in linking such accounts to more generalised claims about women's empowerment. Observations and informal discussions with distributors in Namibia and Indonesia suggest that it's often not the most disempowered and economically disadvantaged women that become successful distributors. Therefore, future research on women's empowerment in relation to network marketing should also take into consideration the dynamics of class formation.

Consideration should also be given to how NMO membership affects women's positions in the household. The industry's stance is that working as a distributor can strengthen marriages by sharing the financial burden, and thus reducing financial

pressure within the household, whilst at the same time not making husbands 'lose face' as the head of the household (Biggart 1989, p.80). This claim is repeated at meetings and in NMO literature using personal testimonies of marriages that have been saved by network marketing (Biggart 1989, pp.79-82; Butterfield 1985, pp.111-128). However, such claims require further scrutiny. The extensive literature on self-help groups, which have also often been assumed to empower women through increased financial security, might be particularly instructive here. Firstly, the claims are grounded in a western concept of nuclear families as the basic economic unit and contain an inherent notion of shared (economic) goals within that unit. It is therefore assumed that an absence of 'financial worries' would be evenly experienced by both the wife and her husband. It is clear that such assumptions cannot be made when contemplating the impacts of the expansion of direct selling and network marketing in diverse cultural contexts where there are different concepts of household, family and gender.

Secondly, it is important to consider the meanings given to income gained by women through network marketing and how this affects the allocation of resources within the household. Women's control over additional income depends on the power relations between her and other household members, especially her husband (Kantor 2003; Whitehead 1981, p.109). It is also affected by gendered patterns of income expenditure. In both higher and lower income countries, domestic, health, and schooling needs are often financed solely or primarily through incomes generated by women (Harkness et al. 1997, p.155; Snyder 2000, p.71). Similarly, Whitehead (1981) emphasises the phenomenon of maternal altruism, in which women spend the money they earned on collective family needs instead of keeping it for their personal use. Hoodfar's research in Cairo (1988, pp.134-5) suggests that in some cases the power of wives in relation to their husbands decreases when they earn, because the husbands keep more of their earnings for themselves. This pattern of resource allocation within the household is particularly likely to occur where additional income streams are framed as 'pin money' (Harkness et al. 1997), as is often the case in direct selling.

This raises another related issue about how the new income stream might affect labour distribution within the household. If the wife's income is seen as secondary, at least symbolically, to her husband's, and she remains submissive to the authority of her husband, then this might exacerbate her experience of the double burden; performing a greater share of the household's waged labour whilst not being relieved of a share of the reproductive labour. In Rina's case, her involvement in network marketing jeopardised her marriage because relatives, in particular her husband, felt that she had neglected her familial duties: the reproductive labour expected of a 'good and proper' Javanese wife and mother.

Biggart remains unconvinced about claims that women's participation in DSOs or NMOs constitutes empowerment, and suggests that it might be more appropriate to think of it as contributing to a form of 'pre-feminism' because, whilst network marketing may present economic opportunities, they are often heavily and conservatively gendered in the sense that they maintain women's submission to their husbands (Biggart 1989, p.97). Further research in diverse cultural contexts is required that concentrates on the construction, reproduction, negotiation and enactment of gender in households where there are people engaging in network marketing. It is important that such research includes distributors with contrasting experiences of success or failure within the industry (Mayoux 2001).

### **Consumer culture, prosperity and aspirations**

The success of the direct selling industry appears to epitomise the spread of Americanised consumer culture, with transnational distribution channels extending into areas once thought to be beyond the grasp of global markets (Cahn 2006, p.126); bringing American-designed skincare products to the doorsteps of Uganda and Namibia. What is interesting about direct selling is that distributors are both consumers and vendors of the products and aspirations, creating an interesting empirical context within which to explore structure and agency in relation to the diffusion of global systems of consumption and distribution.

Direct selling provides an opportunity for distributors to create and realise new economic objectives. They simultaneously promote and respond to the clamour for 'fast wealth' that accompanies the rise of consumer culture by bringing 'fast wealth' within the perceived bounds of self-efficacy. As distributors conduct their business, the drive for wealth, consumption and the imagined subsequent happiness are continually amplified and reconstructed through 'selling' the NMO dream to new recruits. This repetitive 'dream-building'<sup>18</sup> and the cultivation of hope, echoes current interest within development about the "capacity to aspire", which, it has been suggested, might play an important role in enabling people to break out of poverty (Appadurai 2004).

At meetings, in brochures, and in motivational audio and print materials, aspiration is portrayed as one of the most important prerequisites for success in network marketing. Maria absorbed this message. Her demeanour changed dramatically during her first month as a distributor as she imagined the material and lifestyle possibilities offered by her newly anticipated wealth. Whilst Cathy and Maria both

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<sup>18</sup> Amway distributors in Namibia would meet for 'dream-building' sessions, in which they would be encouraged to bring aspirational magazines with them so that they could cut out images to represent their dreams. These images could be stuck into a book and used to remind distributors what they were working for when their motivation was flagging.

framed their aspirations for prosperity within perceived local moralities, expressing their desire to support their families and the church, aspirations to consume remained prominent. Cathy dreamed of owning a fast car, the status symbol *par excellence* in Uganda, and a luxury home; both things expressed as possible throughout (internationally reproduced) NMO texts that she encountered both in brochures and training sessions.

NMOs exert considerable pressure on distributors to 'think positive' (Cahn 2006, p.128; Pratt 2000, p.463), or to 'fake it until you make it' (Koehn 2001, p.160). However, one wonders how these aspirations will play out in the longer term if they remain unfulfilled. What will Cathy do if her attempts at being a successful franchisee and dreams of building a luxury home fail? Future research should explore the tensions between the need to 'think positive' and the imperative of securing a livelihood, and how this affects the way that distributors, or ex-distributors, conceive of their social and economic relations; perceive economic opportunities or risks; and conceptualise their position within consumer society. There are also linkages here with discussions about the interrelation of new forms of enterprise and organisation with changing processes of self-identification in emergent capitalist economies (Giddens 1991; Webb 2004), which warrant further attention. In particular, it would be interesting to explore the kind of 'projects of the self' (Giddens 1991, p.5) undertaken by distributors as they establish, build, or fail to build, their business, and how these are shaped by the socio-cultural frameworks of their localities.

## **Social capital**

The concept of social capital has enjoyed considerable popularity in the social sciences during the last decade, and has been hypothesised to play a role in achieving objectives as far-ranging as poverty reduction (Narayan 1999), promoting health (Kawachi et al. 1997), and facilitating good governance (Heller 2001; Putnam 1993). We suggest that network marketing presents a particularly intriguing context in which to examine the theoretical dimensions of social capital and to explore the economic and social mechanisms through which social capital may grow, decline, be consolidated, or concentrated.

As identified earlier, NMOs explicitly promote the simultaneous commercialisation of social relationships and the socialisation of business relationships by encouraging the use of kin and friendship networks as business contacts, whilst promoting close-knit and quasi-familial bonds between distributors (Biggart 1989; Pratt & Rosa 2003). In doing so, they stretch business relationships across a variety of more embedded social networks, altering the dynamics of those relationships (Grayson 2007; Kong 2003). This is likely to affect systems of reciprocity, exchange and responsibility that inhere in those networks.

It might be plausible to hypothesise that NMOs generate social capital, in particular bridging and linking social capital (cf. Putnam 2000), with networks spanning across social boundaries such as class, ethnicity, gender, or age. Indeed, solidarity and altruism are often referred to in organisations' promotional materials, or in organisational strap-lines like 'people helping people'<sup>19</sup>. When Maria became a distributor, she made new contacts through meetings with uplines and other new distributors, including teachers and civil servants; and NMO events in Namibia often appear to provide a context that promotes close and respectful working relationships between people from diverse economic and social backgrounds. This, it could be argued, represents the new family that DSOs portray, based on shared values, attitudes and goals.

There is, however, a problem in thinking of these relationships as constituting social capital, due to the qualitative difference between commercial relationships and bonds of friendship or voluntary association (Grayson 2007; Kong 2003). In DSOs, despite the kinship and friendship metaphors, there continues to be an underlying instrumentality to relationships between distributors and their prospects, as illustrated in Butterfield's comment that,

"I learned how to strike up acquaintances with total strangers, hold their attention and discover their needs and greeds without revealing my ultimate purpose... Many of the contacts initiated by prospecting could have ripened into genuine friendships...But my interest in these people was channelled strictly according to the requirements of the business" (Butterfield 1985, p.68).

This obfuscation of personal and economic ties and the underlying instrumentality of these relationships may make it difficult to conceptualise the networks of distributors in terms of social capital.

There may also be an argument that the social and economic individualism promoted through network marketing actually reduces social capital. Accounts of network marketing from North America suggest that NMOs tend to promote a form of social exclusivity, indirectly through the long hours that most distributors work, and directly by encouraging distributors to surround themselves with similarly-minded people (Butterfield 1985; Carter 1999). In Butterfield's account he leaves his former friends bowling alone as he becomes absorbed in his business, a metaphor that reappears later as Putnam describes declining social capital in the U.S.A.

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<sup>19</sup> 'People helping people', or 'Gente que cuida a la gente', is the slogan of Omnilife, a transnational direct selling organisation whose headquarters are based in Mexico. See Omnilife's website: [www.omnilife.com](http://www.omnilife.com) [accessed 9 February 2009].

(Putnam 2000). Such images of isolated individuals cocooned away from friends and family by their pursuit of commercial goals are echoed in the account of Rina's declining contact with her family.

Given the centrality of social capital to analyses of social development, it seems important that research into direct selling and network marketing explores this set of arguments.

## **Governance and ideology**

The expansion of direct selling and network marketing may also have implications for the dynamics of participation in the processes of governance, particularly at the grassroots level. As such, research on direct selling could resonate with broader interests in the role of non-state actors in governance (cf. Stoker 1998).

Network marketing organisations, like other large corporations, religious movements, political organisations, or civil society organisations, exert considerable influence over their now extensive membership. Yet, even the North American academic literature on network marketing offers very little comment on the diffusion of power structures and ideologies through direct selling and network marketing. This seems surprising, particularly as, whilst some NMOs have proclaimed themselves as guardians of the spirit of free enterprise, the family, and the American way of life - the 'Amway' (Wilson 1999, p.404), critics have suggested that the narrow individualism produced and reproduced through direct selling and network marketing can undermine the participatory foundation of the public sphere (cf. Butterfield 1985, pp.71-84).

The natural political allies of the industry would seem to be from the right of the political spectrum. Direct selling and network marketing organisations in the U.S.A. have tended to be politically aligned with, and have supported, the Republican Party (Biggart 1989; Bromley 1995, p.141; Butterfield 1985); although political figures from nominally leftist parties in Namibia have also become distributors<sup>20</sup>. NMO discourses in America are steeped in references to (a conservative Christian) God (Cahn 2006, p.127), the nuclear family, and the free-market, emphasising the imagined compatibility of this trinity. Indeed, Amway's 'founders' fundamentals' of Freedom, Family, Hope and Reward would not look out of place on the website of any number of philanthropic agencies or right-wing political lobbying groups; and Amway's founders were known to financially support conservative Christian organisations (Bromley 1995, p.141). The ideology that underpins the industry appears to be one that is grounded in what MacPherson called "possessive individualism" (1964) and a belief in "the sovereignty of the market" (Comaroff & Comaroff 1999b, p.13),

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<sup>20</sup> Interview by Busher with a community leader in Namibia, 22<sup>nd</sup> May 2007

supported by a moral culture of philanthropy, epitomised by Cathy's resolve to use her anticipated profits to buy a fast car *and* support her church. Whilst the propagation of this ideology may offer the prospect of economic empowerment to those distributors who are able to capitalise on the opportunities that the industry presents, through its atomised and often competitive nature, network marketing may also contribute towards the perpetuation of a "polarization from below" (Wacquant 2007, p.257).

In a presentation to the Development Studies Association, Frances Stewart suggested that we are seeing the gradual swing of the ideological pendulum (cf. Polanyi 1957) away from unfettered free-marketism towards state-interventionism (Stewart 2008). As she and other presenters pointed out, state intervention appears to be on the rise in countries from the U.S.A. and U.K. to Brazil, India and Indonesia (Mody 2008). However, it would seem important to ask whether this momentum from above is supported or resisted by what is going on below. The 63 million direct sellers would appear to be positioning themselves on the side of the market.

## Conclusion

Given the size of the industry and the number of distributors in Latin America, Africa, and Asia, we suggest that there is a need for empirical and theoretically grounded research on direct selling and network marketing in LMICs. Importantly, documenting and understanding the diffusion of network marketing and the ways in which it is experienced in LMICs would provide a sturdier platform from which to consider the arguments surrounding the likely macro and micro economic, social and political implications of participation in this form of enterprise.

We have suggested that network marketing is also replete with intriguing theoretical issues. As distributors operate at the leading edge of the globalisation curve, observing the ways in which the practices of network marketing are interwoven with the practices and discourses of everyday life provides an excellent opportunity to explore the interface of global and local social and economic systems.

Our suggestions for possible points of departure for further research draw upon our (limited) fieldwork experiences and our own research interests. There are, however, other areas that are clearly of relevance to social scientists. For example, the distribution of nutritional supplements and other health-related products through NMOs raises questions about the roles of peddlers, consumers and commercial enterprises in producing the demand and supply of health products, particularly at the margins of transnational markets. The transformational aspects of distributor narratives also encourage comparison with other charismatic movements, in particular with Pentecostal / charismatic Christian movements. There is scope for

research that explores the similarities and differences of participant experience of NMOs and development programmes that make similar claims about enabling entrepreneurship, such as micro-credit programmes. There is also a need for research that explores the extent to which distributors are integrated into what is typically defined as the formal economy. Given the limited administrative capacity of many governments in LMICs, it would appear likely that much of the earnings generated through this industry could slip under the radar of formal systems of national accounting and taxation.

In conclusion, Amway's 'founders' fundamentals' of "freedom, family, hope, reward" point towards an industry which actively aims to have a broad impact on the lives of its franchisees and consumers, going beyond notions of simple economic gain and consumption. This resonates with the recognition within Development research and policy that development must be conceptualised as a multi-faceted phenomenon. Accordingly, in this paper we have taken some preliminary steps towards exploring the multiple ways in which scholars interested in the processes of development could begin to engage with the growing participation in direct selling and network marketing organisations in LMICs.

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