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Abstract

Among the nomadic Maasai of East Africa for whom cattle symbolize wealth, tradition permits Maasai women to own the milk but not the cows, which are largely received as a dowry. In our contribution, we seek to outline how women can manage and grow their businesses despite challenges, by adopting three key successful practices: Combining resources in multi-firm networks, focusing on value-adding activities, and Exploiting digital technology.

Keywords: Female Entrepreneurship, Frugal Innovation, Digital Transformation, Developing Economies

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Circumventing Tribal Tenets: A True Maasai Story

Julia Koikai of the Odupa Women's Dairy Cooperative is a native of Narok County in Kenya. Far from the metropolitan capital, Nairobi, she grew up as a member of the Maasai tribe where cows and milk formed the center of the local economy. Traditionally, the men receive cows as a dowry, and those cows belong to the husbands as heads of the household. The women are allowed the milk, as wives must feed their household. This is the custom among the Maasai, even today.

Speaking at the Switch Africa Green Conference, Julia told the audience that she had found a way to do more with milk. She enrolled in a training program at Jomo Kenyatta University of Agriculture and Technology, where she learned how to make probiotic yoghurt. Deciding to go into business, she knew that as a woman, it would be better if she was not alone. So, she first got the support of her husband, and with his permission she approached her friend, Christine Nkoitoi, whose husband also gave his permission for both women to start business.

Beginning with an initial investment of 2000 Kenyan Shillings (equivalent to \$20), they made their first 5 liters of yoghurt. Selling the product on market days in Narok, they received a positive consumer response, encouraging them to expand production capacity to 50 liters per market day. The women chose to start a milk chama - a group of like-minded women investing in each other's businesses through a rotational savings fund. Each woman would contribute milk towards the yoghurt production, and each would get a share of the proceeds in her personal M-Pesa account. Thus, the Odupa Dairy Cooperative Society was born.

"Since the women owned the milk, we told them to bring us quality clean milk without any additives as the qualification to be a member and also used it as the registration fee. We were also offering a better price than two processors in the area, and the women agreed. We trained them in milk hygiene, including how to transport it, and they were happy since previously a lot of their milk was rejected due to poor handling. This increased the amount of milk they were selling, which was another reason they joined us."

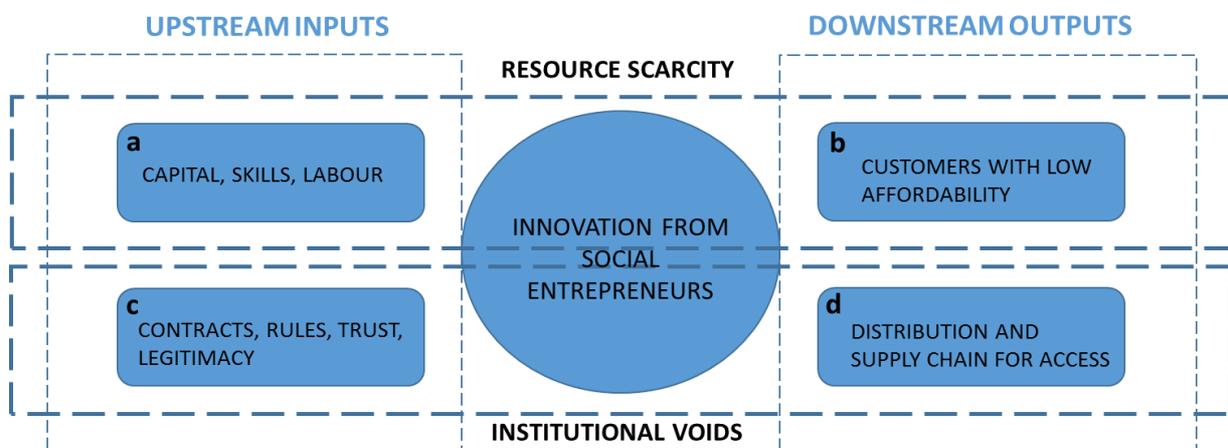
Julia Koikai

Over time, and with support from non-profits and referrals from rural health personnel, the women aligned their yoghurt-making process and ensured that workers adhered to strict production standards. Thanks to the contributions of the first group of women, it had become a thriving community business that needed to be formalized and registered. They received the national bureau of standards approval and, in 2017, their Odupa Probiotic yoghurt hit the market. The women had become trainers of other yoghurt makers within the community and were speaking at conferences and peer gatherings on the benefits of rural entrepreneurship and the need for government to assist by implementing policies that favor the predominantly female farmers.

Now, the question is: what can we learn from this success story?

Key Practices for Success: Learning from the Maasai Story.

The context in which Julia Koikai founded her dairy business was heavily shaped by cultural barriers (e.g., need to get the support by her husband), scarce resources (e.g., funding, consumer demand) and a lack of institutional support (e.g., infrastructure). Despite such a hostile environment, she was able to come up with an innovative and successful business model. Thus, it seems crucial to better understand how she used innovation as a bridge to overcome the challenges of cultural barriers, scarce resources and institutional voids. Prior research in development studies explores the way in which innovation can occur and can be an enabler of entrepreneurial activities in contexts that are characterized as hostile. More specifically, frugal innovation refers to low-cost new products by reducing complexity during the production process (Bhatti et al., 2018). This angle of innovation is particularly suited to our case, as the Maasai women clearly focus on reducing complexity during the value creation process. The aim is to make their products cheaper and thus to make their offer attractive even to customers with low affordability.



- A. Maasai women are highly skilled in traditional milk management but lack the capital to expand operations
- B. Rural and semi-urban customers cannot afford to pay more for milk (the easiest source of low-cost protein)
- C. Mostly, unbanked with limited financial leverage as tribal rules do not permit women to own cows or land
- D. Nomadic lifestyles pose problems for longer term preservation and distribution to creameries or ATMs

Figure 1: Conceptual Framework adapted from Bhatti et al., 2018

The Maasai milk ecosystem needed low-cost innovations that would empower nomadic settlements, leverage the community of cashless women (referring to the ‘Double X’ economy introduced by Linda Scott), preserve milk for longer, improve profit margins and ensure access for end consumers to affordable nutrition. Bhatti et al., 2018, aptly note that “social entrepreneurs are creating the market for frugal innovation – potentially profitable and socially valuable solutions that are affordable, adaptable, and accessible.” (p.123). Echoing the idea of Linda Scott (2018), these female entrepreneurs foster frugal innovation to bypass systemic constraints and create a shadow economy which benefits the larger community without breaking traditional codes of conduct. Below, we illustrate three key practices that supported the Maasai women in their efforts to circumvent the existing barriers.

Practice 1: Combining resources in multi-firm networks

In Kiswahili, a chama is an informal co-operative society. The practice is indigenous to many African communities, and predominantly engaged in by females. Usually, it is used for pooling and investing savings among the members of a chama. Thus, the main idea behind it is the power of a community to support individuals out of this group. Maasai women were

not allowed to own a cow or subsistence crops. They could, however, do acceptable business with milk. In order to support female dairy farmers, Julia converted them into chama members that were willing to share resources within the chama.

With the revolutionary growth of the dairy value chain, more rural women are gaining confidence to explore value addition in other areas of the agricultural sector. These rising entrepreneurs contribute to peer investment through chamas and keep their profits privately on digital finance platforms. This power turns chamas into strong enablers of the Maasai women.

Practice 2: Focus on value-adding activities

Although they do not own the cows, the women display proud ownership of the milk which they are allowed to use for business activities. As a consequence, Maasai women have started to focus on finding various ways of adding value to their milk. For instance, Julia Koikai extended value creation processes to the production of yoghurt. In doing so, the women do not undermine cultural habits and traditions as they are not infringing on the rights of the male heads of households who own the cows. Women may manage their own yoghurt production because the milk belongs to them, and the men cannot infringe on those rights either. Thus, in the very rules that constitute the constraints, Julia and her partners have found protection and cultural acceptance of their business model.

Practice 3: Exploitation of digital technology

In recent years, Kenya has transformed into a dynamic environment which is often described as “Silicon Savannah” (Akamanzi et al., 2016). This has stimulated innovations such as M-Pesa (mobile phone-based money transfer service; payments and micro-financing service), and an internet penetration rate of around 87% (Internet World Stats, 2020). With the advent of digital technology and the widespread use of M-Pesa, women are able to do business digitally, with profits kept in electronic wallets on their mobile phones. With M-Pesa mobile wallets, rural Maasai women can pay for Last Mile Power Supply or M-KOPA Solar service to charge their mobile phones. With these basic phones, they re-invest in one another’s businesses and in frugal innovations, such as shared MaziwaPlus solar fridges. They are thus able to manage cash flows, control business growth and prevent ‘sitting money’ from accumulating, while operating within tribal rules.

Thus, they use a protective financial strategy to ensure that they keep the proceeds of their milk business.

Conclusion

The Kenyan agricultural ecosystem is an inarguably female-driven mechanism boosting the local economy. The growth of the market is much affected by the role of women in family resource management, culture preservation, economic development and frugal innovation. We have identified three key successful practices that Maasai women have developed in order to start their own businesses despite severe barriers. The transformation paradox lies between restrictive tribal practices and digitally enabled entrepreneurs, with tensions between striving to scale and maintaining domestic equilibrium. The women balance these paradoxes by forming micro-investment groups that mitigate the cultural backlash. This emerging trend of entrepreneurship among Maasai women translates to better living standards for the entrepreneurs’ immediate families, while the women can afford formal education for their children. The continuous rotational investment of profits in other women’s businesses naturally contributes towards a stronger, more prosperous local economy.

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