

CASE STUDY



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Investment Climate & Business Environment Research Fund

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In partnership with the International Development Research Centre, we have set up a special fund to support research and advocacy on business and investment in Africa and help ensure that the benefits of economic growth extend to all members of society. Known as the **Investment Climate & Business Environment (ICBE) Research Fund**, it has awarded nearly US\$1.5 million to 53 teams in 16 African countries in its first two rounds of support.

Grant Summary

Kenyatta University, Centre for Entrepreneurship and Enterprise Development

US\$10,000 (2007)

“Entrepreneurial orientation and access to new markets by small-scale earthenware manufacturers in Kenya”

Margaret Matanda Ph.D., principal investigator



Christopher Reardon

Artisans Must Adapt to Reach New Markets

To stay in business, Kenyan potters should think like entrepreneurs, developing new products and marketing them far and wide.

Just three years ago, Elizabeth Njeri was scraping by as a subsistence farmer and part-time potter in Kenya’s central highlands. Then opportunity struck. As she was peddling her wares one day at a local market, a visiting trader placed a large order for earthenware cooking stoves. As more deals followed, Njeri and 11 other women in Kiriani village began gathering daily to mix clay, “throw” pots and stoves, and fire them in an open-flame kiln. Njeri, a wife and mother of three, marvels at her good fortune. “Now I have a cow, a water tank, and a kiln of my own,” she says with a radiant smile. “I have arrived.”

Like many Kenyan artisans, however, Njeri still faces some daunting challenges. The cost of clay, firewood, and other materials keeps rising. The local market is getting saturated, leaving neat stacks of inventory to crowd her family compound. And despite her creative flair, Njeri has not taken the initiative to develop new products or to seek out new buyers in Nairobi or beyond. “These small and micro-enterprises won’t survive if they just keep making products for the local or internal market,” warns Margaret Matanda, a scholar at Kenyatta University’s Centre for Entrepreneurship and Enterprise Development. “Sooner or later, the buying capital runs out.”

Cultivating an Entrepreneurial Mindset

Matanda, who is also an accomplished ceramic artist, conducted a recent study of small-scale earthenware manufacturers in Kenya with support from TrustAfrica’s Investment Climate and Business Environment Research Fund. The existing body of literature suggested a close correlation between entrepreneurial orientation—one’s capacity for taking risks and being proactive, innovative, autonomous, and competitive—and the ability to identify, enter, and exploit new markets.

Matanda’s research team put this theory to the test by surveying 384 potters in the Bungoma, Kakamega, and Kisumu districts of western Kenya. Using a ►

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detailed questionnaire, they were able to create a statistical portrait of each respondent—documenting their personal background, educational attainment, work experience, and professional networks as well as their entrepreneurial orientation. A series of focus group discussions with selected participants helped round out this data set with qualitative information.

The researchers found that entry into new markets remains an acute problem, stifling the growth of small enterprises. In fact, fewer than 5 percent of the potters had accessed new markets in the prior 12 months. Those who had were significantly more innovative in creating new products, more autonomous, and more willing to take risks—though not significantly more competitive or more proactive in anticipating trends and opportunities. They also tended to be young, married men, even though women comprised 76 percent of the sample group; Matanda explains that husbands have greater responsibilities than single men and greater mobility than women. Business skills, networks, understanding of customers, participation in trade fairs, and advertising all proved critical, too.

Although the survey was limited to a single art form in one part of the country, Matanda suspects that the findings are applicable to a great many traditional artisans throughout Africa, from basketmakers and beadworkers to weavers and woodcarvers. Kenya's potters "have the mindset in terms of being productive, aggressive, and innovative," she says. "But they lack the information needed to tap into new markets. They need training to understand the market better."

All the World's a Stage

Matanda applauds a modest program at the University of Nairobi that pairs design students with experienced craftspeople to develop new products. But to achieve a greater impact, she is calling on the nation's Export Promotion Council to:

- Assess 20 leading earthenware manufacturers using its export-readiness tool;
- Prepare practical, graphical training manuals on product development and export marketing;
- Host workshops on product development and international marketing trends; and
- Mount a small traveling exhibition that exposes conventional potters to new product designs and techniques.

Matanda has a potential ally in Rebecca Mpaayei, who promotes pottery and other commercial crafts for the council. "Small artisans are not able to voice their concerns," Mpaayei says, but by joining forces they could import materials in bulk, exchange information and experiences, and advocate for policies that strengthen the sector. In the absence of such a group, the council is starting to provide training and advocacy to help producers with business skills, packaging, pricing, promotion, and policy. It is also exploring ways to cluster craftspeople in export production villages to facilitate this training and forge useful networks.

It's still a long shot, given the current economic climate and Africa's weak standing in the global marketplace. But thanks to Matanda's research, such interventions can now be informed by empirical evidence and scholarly analysis. For entrepreneurs like Elizabeth Njeri, this much is clear: cultivating the ability to experiment with new product designs and improved finishing processes offers the best way to access new markets, stay profitable, and carry on Kenya's earthenware traditions. "Maybe it's time to branch out," says Njeri, her smile now registering a mix of trepidation and resolve. ■

Read an in-depth report on this research project at www.trustafrica.org/icbe.