

Full Length Research Paper

Community-level entrepreneurial activities: Case study from rural Kenya

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Abstract

Little is known about entrepreneurship in emerging countries, especially among the low-income people. Yet it is widely recognized that entrepreneurship has important role enhancing the economic growth and reducing poverty. In this paper we are interested in community-level entrepreneurial activities which might be in some occasion better option to practice entrepreneurship in poor, resource-scarce environment. The paper is based on two case studies from rural Kenya. Our analysis focus on examining what kind community-level entrepreneurial activities have been created and especially on: i) how is the development process and ii) how to involve local people. Based on our preliminary findings community-level entrepreneurial activities bring several benefits for the whole community and can reduce poverty. We see that community-level entrepreneurship models are especially suitable for investment requiring high capital or in efforts of mobilizing resources. Nevertheless, the implementation can challenge, especially concerning engaging the local community and creating a sense of ownership.

Keywords: Base of the pyramid (BOP), community-level entrepreneurship/ enterprise, resource-scarce environment

JEL Classification: L26

1. Introduction

The benefits of entrepreneurship for development and economic growth have been widely highlighted. For instance entrepreneurship is seen as a self-development strategy for rural communities (Korsching and Allen, 2004), allowing individuals and households escape poverty (Bennet, 2010; Benzing and Chu, 2009) and innovation (Djordjija et al., 2010). In fact, entrepreneurship has been claimed to be the single most important pathway out of poverty. Hence, international development agencies are demanding for stronger tools for expanding employment and entrepreneurial opportunities (OECD, 2009; Naude, 2008). For example, it is demanded to improve the access of small and micro-enterprises to finance information and technology and develop new sound business practices. Further, there is need to create more inclusive business models that directly integrate low-income people as entrepreneurs, suppliers, distributors, retailers, employees and consumers. These entire requirements need more collaborative approaches between large companies, small enterprises, public sector entities, civil society organizations and the poor themselves.

Yet to date, little is known about entrepreneurship in emerging economies or in developing countries. Majority of the entrepreneurship research so far are concentrated on developed

countries and mature markets. (Bruton et al., 2008; Naude, 2010) particularly entrepreneurship among low-income people is not well understood posing potential challenges to strengthening entrepreneurial efforts at the local context. Nevertheless, what is positive is that in this context during the last years, both management scholars and business practitioners have gained interest in Base-of-the-Pyramid (BOP). BOP refers to the “invisible” bottom of the pyramid mainly in developing countries which is made up of 4 billion people with an annual purchasing power parity of less than US1500 per year. (eg. Prahalad and Hart, 2002; Hammond et al., 2007.)

The greater parts of previous studies on BOP have focused on analyzing multinational corporation’s (MNC) strategies. Nevertheless, Prahalad (2005) saw the role of the local not only as consumers but also as producers and innovative entrepreneurs. However, previous research has analyzed and argued the roles of local people as MNCs partners (see Webb et al., 2009; Reficco and Márquez, 2009; Bais, 2008; Simanis and Hart, 2008) or producers in the value chain. For example, a common strategy for MNCs distribution model is to develop a local franchising model (Chikweche and Fletcher, 2008.). For the MNCs to succeed in the BOP, the engagement with local communities is seen a critical factor (eg. Beshouri, 2006). While these strategies do involve the local entrepreneurs view,

the role given is very narrow. For example, the common assumptions made that poor people at individual level are willing to be entrepreneurs, have been questioned (Karnaki 2009; Lee 2009; Naude, 2008). Although the entrepreneurial opportunities are recognized, the nature of entrepreneurship in BOP not well understood (Webb et al., 2009) hence meaning that perhaps suitable model of entrepreneurship is not yet developed. Torri (2009) argues that, the problem is that traditional concepts of entrepreneurship do not appear to capture the essential features of investing in depressed areas. So, if we are about to study entrepreneurship in settings where prevailing assumptions do not apply, we must develop new theories and models and frameworks (Torri, 2009.) In addition, understanding of entrepreneurship in diverse contexts becomes important in order to know if and how entrepreneurs matter for economic (Naude, 2008).

In this paper we will analyze two different community-level entrepreneurial activities in rural Kenya. In both cases, the aim is to improve livelihoods of the community members by using locally available resources and new forms of community engagement. The empirical data collection is still going on so in this paper, we present the preliminary findings focusing especially on the development process, aimed business activities of the community entrepreneurial efforts and methods of engaging local people. The more specific research questions are: What kind of community-level entrepreneurial activities have been developed? How is the development process? What challenges there are? How to engage local people and ensure local ownership?

The paper is organized as follows. In the next section we will discuss the BOP as an entrepreneurial environment and what kind of entrepreneurial types have been arisen. We especially focus on the community-level models. Following this we examine the two case studies by presenting them and then highlighting the key findings relating to the research questions. We conclude by proposing some implications for future research and practice.

2. Literature Review

2.1 BOP as an Entrepreneurial Environment – Opportunities and Challenges

Entrepreneurial environment is seen as a combination of factors that play a role in the development of entrepreneurship. This includes the overall economic, socio-cultural, and political factors that influence people's willingness and ability to undertake entrepreneurial activities and the availability of assistance and support services that facilitate the start-up process. (Gnyawali and Fogel, 1994.) In general, BOP as an entrepreneurial environment offers huge market and entrepreneurial opportunities. Four billion low-income people, a majority of the world's population, constitute the base of the economic pyramid. BOP includes four billion people living in relative poverty. These people are poorly served, markets dominated by the informal economy, and as a result, relatively inefficient and uncompetitive. (Hammond et al., 2007; Prahalad, 2004.) Mahajan and Banga (2006) have described BOP as "the biggest market opportunity of the 21st century". Consequently, the opportunity for entrepreneurship is pervasive.

Bruto et al., (2008) are saying that entrepreneurial actions can occur as opportunities are opened for those who can understand them and make most of them. Relating to BOP, concurring the entrepreneurial opportunities mean tackling the challenges as well. BOP markets are rather different from the developed markets and from the BOP producers' point of view, it is characterized having scarcity of resources; there might be options of entrepreneurship but with minimal access to potentially available resources (Bruton et al., 2008). Local BOP entrepreneurs are lacking access to, for instance to high-quality raw material production, to human capital, to financial resources, to technology and business skills (eg. Chandra and Neelankavil, 2008; Kandachar et al., 2009; London et al., 2010; Tybour, 2000). These constraints prevent them to get access to non-local markets (London et al. 2010).

In the poor rural communities, the bases for entrepreneurship are even more challenging. In the rural community context the lack of support services prevent entrepreneurs to grow their business skills and expand their social and institutional capabilities (Torri, 2009). Even more, only few communities have all the resources needed to initiate and maintain sustained development (Korsching and Allen, 2004). Hence, the challenge in many resource-poor communities is to find viable and diversified activities that preserve whatever natural resources are available (Peredo and Chrisman, 2004). At the individual level this means that it is very high cost for an individual and households at subsistence level to try to exploit opportunities which are subject to uncertainty may be unacceptable as the potential losses may outweigh the potential gains (Naude, 2008). Hence, it can be summarize that although entrepreneurship has great potential as a self-development strategy the nascent entrepreneurs often lack the knowledge necessary for starting a business and their communities often lack the physical and social infrastructure to support them (Korsching and Allen, 2004). Naturally, the challenging environment affects what kind of entrepreneurship is possible to practice. Therefore, due to the constraints it is necessary to consider how it is possible to gain access to external resources while retaining and building on local resources and advantages (Korsching and Allen, 2004). In addition, instead of material resources, the poor communities need to use other resources for instance Peredo and Crisman (2004) highlighted that social capital can be a critical resource in poor communities.

2.2 Arise of New Types of Entrepreneurship Among the Low-Income Communities

As stated earlier, much of the previous research on entrepreneurship has focused on developed countries. Nevertheless, the growing interest has began to arisen particularly toward developing and emerging countries which in turn has brought the question the dominant assumptions of entrepreneurship. For instance, Bruton et al. (2008) criticized that entrepreneurial theories today include assumptions such as profit maximization and self-interest maximization which may not be universally true. Indeed new business ventures with a clear social and/or environmental mission have been heralded as potential mechanism to address the challenges. While different forms and types of entrepreneurship in the academic literature are numerous (Burger-Helmchen, 2009) the problem is that traditional concepts of entrepreneurship do not appear to capture the essential features of investing in depressed areas (Torri, 2009; Korsching and Allen, 2004). During the last

decade new types of enterprises have arisen, for instance new-age enterprises, social enterprises, and community-based enterprise. These kinds of enterprises are more likely than conventional businesses to lead sustainable and inclusive innovations in low-income markets (Sachin, 2010). Especially social entrepreneurship has become a buzzword. Social entrepreneurship has been defined as a combination of “economic benefits of entrepreneurship with the delivery of social and environmental outcomes” and it perceived as holding “the potential to assist the economic and social development of individual and societies around the world” (Haugh, 2007). A successful social entrepreneur is able to change social dynamics and catalyze social transformation (Alvord et al., 2002). Social entrepreneurs do not focus on profits but aim for creatively “bridging profit and service” (Dorado, 2006) by discovering, evaluating and exploiting opportunities in the social fabric. Social entrepreneurs focus on social value creation whereas financial viability ideally is regarded as condition sine qua non (Mair and Marti, 2006). Besides social entrepreneurship, other types of entrepreneurship have arisen which are targeting inclusive business. For example, McMullen (2011) introduced a theory of “development entrepreneurship” which blends business entrepreneurship, social entrepreneurship and institutional entrepreneurship to accelerate the institutional change necessary to make economic growth more inclusive. Shepherd and Patzelt (2011) discussed about the concept of sustainable entrepreneurship emphasizing that entrepreneurs can substantially contribute to the development of non-economic gains to individuals; the economic gains may accrue to others and not necessarily to the entrepreneur. These new types of entrepreneurship and enterprises can be called as “hybrid-models” which encompass elements of both commercial and social activities.

Whereas the social entrepreneurship seems to handle more individual entrepreneurs there are only few studies concerning entrepreneurial processes at community level. Previous BOP literature has focused on MNCs strategies by highlighting the active involvement into the community. One popular practiced way of involving the local communities is the creation of various local-based franchising models in partnership with local actors. This serves the MNCs distribution challenges as formal distribution channels such as retail stores are often lacking in the poor, and especially rural communities. In fact, in BOP there has been emergence of franchises which are linked to social networks such as women’s community groups and buying clubs which operate as distribution agents for companies (Chikweche and Fletcher, 2008). For example, Unilever’s experience with the “Shakti Revolution” is well documented (see Djordjija et al., 2010; SustainAbility, 2008). The advantages for local people have been, besides delivering the products and services, providing employment and business ownership opportunities. In addition, MNCs and local companies have formed also other kind of partnership arrangements as local companies are often positioned to provide goods and services to the while at the same time helping MNCs to expand their business at the BOP.

In this study we are interested in those community-level entrepreneurial arrangements that are taking market-based solutions for poverty reduction and sustainable development in poor communities. Therefore, we would like raise question that

although, social entrepreneurs and MNCs involvement is beneficial for the local communities, are their still the most efficient way of local sustainable development. Previous experiences both from development projects and market-oriented initiatives, have proven that to be sustainable, business initiatives need to be owned and informed by the local stakeholders themselves (see Djordjija et al., 2001; Torri, 2009). Korsching and Allen (2004) are linking entrepreneurship with an economic development strategy and viewing it as embracing within the broader concept of community development. One way of strengthening the local level engagement is the creation of community-based enterprises or community entrepreneurship which means adopting more holistic approach both to local and entrepreneurship development.

In the previous academic business literature, community-based entrepreneurial activities among the BOP seem not to be so well studied. Peredo and Chrisman (2004) created a theoretical model for community-based enterprise (CBE). They defined CBE as “*a community acting corporately as both entrepreneur and enterprise in pursuit of the common good*”. According to them CBE is a result of a process in which the community acts entrepreneurially to create and operate a new enterprise embedded in its existing social structure. CBEs represent a promising strategy for fostering sustainable local development. Peredo’s and Chrisman’s research is focusing more on entrepreneurship among indigenous people, but have several similarities with the case studies in the paper. Torri (2009) has studied community entrepreneurship among lower casts in India. He defines community entrepreneurship as “the innovative recombination of pre-existing elements of activity by inhabitants with shared interests living in a small basic administrative or statistical area”. Torri reminds that the idea members acting “together” should be understood flexible; some members may be more active than others, but most or all will have some role in developing and implementing the entrepreneurial initiative.

Some previous studies have documented some other interesting practical cases of community-entrepreneurial activities in the different fields and markets. Stubbs and Cocklin (2007) presented an interesting case of an “collaborative commercial” model practiced by an Australian bank which wanted to expand its businesses among new customers and communities. This hybrid model combines both commercial principles and community development values and is based on revenue-sharing model between the bank and its local branches. In the BOP, different kind of cooperative arrangements have also became popular. For example Aron et. al. (2009) described a rural cooperative which is an enterprise at least partially owned and/or operated by a village.

The previous observations of community-level activities emphasized the roles of social capital, community spirit, participatory governance structure (Peredo and Chrisman, 2004; Torri, 2009; Pei, 1996) community entrepreneurs success of mobilizing resources to collective action (Selsky and Smith, 1994).

3.0 Data and Methodology

3.1 Selecting the Cases

The paper is based on two empirical cases from rural Kenya: I) Nyumba Kumi-initiative and II) Renewable Energy Kiosk – concept lead by UNIDO. The two cases were selected as we wanted to find an innovative community-level entrepreneurial initiative aiming to improve poverty related problem by a market-based approach. Hence, both of the cases are an alternative model of entrepreneurship in poor resource-scare environment where the possibilities for individual entrepreneurship are challenging. Both cases have elements of public-private partnership relating how the initiatives were established. In addition, both cases aim to be financially self-sustainable. Lastly, both initiatives have been created around local resources and the aim is to empower the local people by providing them access to basic services; to energy to access and to more modern farming methods, improve livelihood and have positive impact on local development. This contextual environment was chosen as there is little prior work on community-run entrepreneurship models although the previous literally emphasized the active role of local people in the market-based solution. Employing two cases provided a better opportunity for learning from the comparison between cases; the cases are varying from each other enough so that it is possible to compare and analyze the findings from different perspectives. In addition, both cases are still more or less at “start-up stage”, hence, we are not intending to draw any too far-reaching conclusions, rather we prefer to raising key observations and question.

3.2 Data Collection and Analysis

Data collection process started during the autumn 2010 and is still going on. Both cases has been visited several and data was gathered through semi-structured and unstructured interviews, observation, e-mail correspondence with key informants, free-form discussions. Altogether there were 15 informants. Respondents included community members, local government officials, and organization representatives. Interview length varied from half an hour up to two hours, but the data accumulated from many types of interaction with the informants. Both cases are still a very early stage so the aim is to do some follow-up visits at least for the next couple of years. In addition, some archival data such as websites, seminar presentations were used.

Following the cross-case tactics to compare the data within the cases (Eisenhardt, 1989), we search for common patterns and contrast across the cases during a focus upon following areas of interest: a) the initial development process: how the venture began, b) ways of engaging the community into the entrepreneurial activities, c) the entrepreneurial-model of those ventures, d) benefits for the local community.

3.2 Brief Case Histories

3.3.1 Case 1: Nyumba-Kumi-Initiative- Increasing Rural Farmers Livelihoods by Community-Level Entrepreneurial Activities

Agriculture remains as one of the leading economic and development drivers in Kenya. Despite efforts to improve socio-economic phenomenon by small-holder farmers, the scale of poverty remains higher. Farmers have always grappled with value chain problems which have seen them lose millions of shillings due to absence of modern collection centres, storage and processing methods that would increase the shelf life of the crops. In addition the farmers have also contended with price

manipulation by the middle-men, who determine the pricing of produce even in on-peak seasons where demand usually surpasses the supply. Stung by these realities of compounded problems and possible potential in agricultural sector, farmers are now training their sights on other new viable projects which have now forced them to shift to a multi-pronged approach in the hope that new agricultural ventures would salvage them from the current poverty situation.

This gave rise to new farmer-oriented initiatives aligned to Millennium Development Goals (MDGs). Aware of the foregoing events and sluggish growth in the fertile farms of the County, the United Nations Development Programme (UNDP) chipped in with myriad initiatives that led to the conception of Nyumba Kumi initiative, (a Swahili word for ten huts) which has encouraged many disintegrated farmers join a pool of ten-huts. The project started off after the Post-election violence that hit the country’s economy to the lows of 2 percent in 2008 from highs of 6 percent envisioned in the previous year. The initiative was meted out in the wake of persistent challenges that dent agriculture and the growing socio-economic problems that has left majority in dire poverty. The initiative consolidates farmers from diverse fields into a single run groups to engage themselves in agri-business activities in the area. The farmers are registered under the initiative before undergoing a capacity building on value addition.

3.3.2 Case 2. UNIDO’s Community Power Centers (CPC)/ Energy-Kiosk Concept

Energy supply is a basic requirement for sustainable development yet most of the rural populations in Kenya have no access to grid electricity (estimated at 63% by Kenyan Government rural electrification agency -Rural Electrification Authority- 2008) The population density in some rural areas is generally low and sparsely distributed making it extremely uneconomical for the expansion of electricity grid energy to these areas. UNIDO has implemented the concept of Community Power Centre (CPC) or “Energy Kiosk powered by renewable energy technologies which produce electricity from locally available RE resources like water, organic wastes, plant oil, solar and wind etc. These CPC are run and managed by community. The aim is to be financially self-sustainable after a certain period of the time; between 12 to 18 months of the installation.

The electricity is not use only to cover the basic electricity but also to in the community in productive activities that add value to the community’s lives and produce economic activities. Currently they operate seven CPCs in Kenya but the aims to scale up the concept country wide.

4.0 Analysis of Preliminary Findings: Key Lessons Learnt

4.1 The Initial Development Process

In both cases, there were several stakeholders involved in the beginning. The Nyumba-Kumi initiative has received funding from the government and United Nations Development Program (UNDP). In addition, UNDP provided technical support and capacity building. Nevertheless, the main partners are the Constituency Development Programme, Agrovets and the local community. The Gichugu Development Association (GDA) has focused on infrastructure which includes allocation of funds for buying coolers and establishment of bulking centres to the tune of Ksh 1 million-which is the core of value

chain for farm products. Also Polytechnics making bee-hives and land straw are offering subsidized courses in production of bee hives. As the initiative have continued, and the farmers have created more content, more service providers have been involved.

In the case the CPCs, the impetus for development came originally from “top-down”. The United Nations Industrial Development Organization (UNIDO) in partnership with the Government of Kenya through the Ministries of Energy, Industrialization, Trade and Industry together with institutions like Kenya Industrial Research and Development Institute (KIRDI) identified the need to harness and enhance the use of these off-the-grid renewable energy technologies to produce power that would be used in productive applications that generate income and contribute significantly to alleviation of poverty.

The project started by UNIDO surveying different areas to find suitable places for piloting. Following criteria was used: i) Availability of natural resources (solar, wind, bio-gas), ii) Need for electricity, for example availability of schools and hospitals in the area. In addition, it is essential to understand how the electricity is used for productive purposes, for example to run small agro-processing industries and supporting local workshops, iii) Population and households served by the electricity. UNIDO is providing technical assistance, capacity building and use of appropriate energy technologies. Hence, the communities are also trained in the operation and maintenance of the respective CPCs and all equipment used. Nevertheless, after the transition period, the whole management of the CPC is the community’s responsibility.

4.2 Community-Engagement into the Entrepreneurial Activities

In the Nyumba-Kumi initiative the whole purpose is to bring together small-holder farmers. The initiative incorporates farmers in diverse fields into single run groups. To ensure sustainability of the initiative, farmers in a pool have established a trust; Gichugu Development trust, which is unilaterally run by nominated persons by the farmers themselves. The trust was established to oversee the management and accountability of the project. It purely runs the affairs of the project in an autonomous rule. The financial output of the pool is always determined by farm produce which its end common activity is share trading where the benefits have been channeled towards value chain.

The farmers are registered under the initiative before undergoing a capacity building on value addition. In addition, the engagement is also been ensured by providing relevant services for the farmers. Hence, farmers have undergone several trainings on value chain which has seen them adopt new methods of farming.

The local community involvement in the CPC case is slightly different as the approach in the beginning was more externally oriented. The local community is responsible of the management of the CPC. Hence, the intention is to involve the community into the projects from the beginning to ensure future sustainability. This means that the common utility setup will depend on the location of the CPC, the people and the need of services and energy in the community. Once the CPC has

been launched, it starts to manage the activities. This means, for instance that the formal management and governance structure need to be created and employees hired. In on the centres, located in Olosho-Oibor’s, three people were recruited: the manager, assistant and security guard. The recruitments were carried out by the community board. Once the center has been established, it needs begin its business activities to cover the maintenance costs, but also to produce added value for the community. In addition, relating to community engagement, the community needs to get feeling of community ownership. In the cases, the feeling of community ownership was strengthened by community members investing little their own money and providing the land.

For the piloting, one the challenging part was to find the right community who was willing to take the ownership of the center. Hence, the challenge was not the technical solution itself as it usually works, rather more challenging is to gain community commitment to ensure ownership of the project and later on smooth maintenance of the energy center. This can be even called the community need to have the “right community spirit”. Ways to finding out the community spirit was UNIDO’s representatives regular visit in the community to get a picture what the community has done so far, what are they future plans, how is the governance structure among the community. In fact, it is essential that among the community there exist some kind of (hierarchical) management system so that when conflict arises, the community is able to resolve them.

4.3 Hybrid Entrepreneurial Model- Combing Commercial Activities and Community Development Purposes

Basically, the Nyumba Kumi-initiative provides farmers with requisite skills, indirectly forces them to reverse old methods with an aim of increasing profits for their produce and improves their position in the value chain. Income earning possibilities and the other benefits that the farmers receive are combined and offered by mix of different actors.

As mentioned earlier, the farmers are members of Gichugu Development trust that manages and runs the activities. The farmers are also shareholders of Akili Holdings which is an offshoot of Nyumba Kumi and plays a central role of co-ordination. The Akili originates from the existence of Nyumba Kumi concept where implementers of the initiative found the need to further ensure an all-circle value addition from the farm, collection, processing to marketing. It also facilitates provides technical input to farmers through training. More importantly, Akili Holdings offer for the farmers production common branding for products and tracking of products in the market. Being part of Akili Holdings have helped the farmers to get their products to broader markets which means that farmers products have become more competitive and well-know. In addition, the farmers sell their products through an association – Tropical Fresh which in turn provides requisite services to the farmer as well as offering adequate market information. These two associations - Akili Holding and Tropical Fresh – mean that farmers have now more direct access to the markets and they no longer need to sell their products through middle-men. Besides gaining better profit of their products, farmers can now access credit from the financial institutions and insurance to their crops.

The Energy Kiosk are designed to be a financially self sustainable. Thus the CPC should make at least enough money to cover the running and maintenance cost of the center. UNIDO gives freedom to the centers to choose and innovate their own business activities. Each Energy Kiosk is an income generation centre through various services it provides, very common local business activities are for instance, recharging of LED lamps and phones. In the Olosho-Oibor's case the business activities included charging services (mobile phones, batteries), hair cutting services, soap making. In addition, future plans included opening an artisan workshop and some dry-land farming. In addition, kiosk can earn money from the energy services or energy sales it makes or supports.

Besides income generating purpose, the idea of the Energy-Kiosk is to act as Community Power Centre in the village. This means that there can be, for example ICT Centre with computer printing, photocopying, internet and ICT training facilities, community recreation center with a Television, DVD, satellite connection etc. In addition, in industrial center can be run some light industrial activities like flour milling, carpentry workshops, poultry incubators, juice making preservation of produce in refrigerator/cold storage.

4.4. Benefits for the Local Community

It is currently estimated that over 5,000 households have benefited directly from the initiative. It encompasses bee-farming, a new approach that goes further than the usual keeping of bees for honey. Farmers have been able to access local and international markets with farm products such as French beans, honey and dairy products.

The farmers who could initially harvest a paltry 2 kilos from a single beehive can now harvest more than 5 times which also cuts the current demand gap for bee products. a single harvest of around 10-15 kilograms of honey is being realized following the value addition processes which has led to increase in quality as well as quantity. The bee products are majorly consumed in the local market but there are plans by the implementers of Nyumba Kumi initiative to market the products in foreign countries.

The poor families have also experienced a stable food security as a result of increased pollination activity by the bees in the area. With projected expansion harvest lying at 100,000 metric tons of honey and 10,000 tonnes of bees wax, according to the Ministry of Agriculture, farmers are now optimistic that poverty would be eradicated in the coming few years. According to the ministry of Agriculture there is a potential to harvest more than 100,000 metric tons from the apiculture and an estimated 10,000 metric tons of bees wax. Thus, the local communities in Kenya could see an economic turnaround from the returns of the bee products. The aim of the Energy-Kiosk is naturally offer electricity to the communities which have been lacking access to electricity. A typical CPC serves about 400 households with an average population of 2000 people. Besides providing electricity at an affordable cost, the aim is to improve the broader socio-economic development of the community by transforming the CPCs as catalyst for community development. It is expected that the CPC would, for instance empowering rural communities, using electricity for productive activities thus spurring employment through small enterprises (agro-processing - value addition to primary products). On other

word, the objective is that the electricity is used in productive activities that add value to the community's lives, produce and economic activities.

5.0 Discussion and Conclusion

Government and development agencies across the world are devoting substantial resources to encourage entrepreneurship (eg. Naude, 2008). However, majority of entrepreneurship models that are being promoted might not be suitable for the poor communities since most of entrepreneurial types have been developed for totally different entrepreneurial environment in developing countries.

Hence, the purpose of this paper was to contribute to the arising discussion on what precise types of entrepreneurship are suitable for the poor communities. Instead of focusing on individual level entrepreneurship, we analyzed the potential of community-level entrepreneurship as one possibility for economic advancement since individual entrepreneurship may be negligible.

Therefore, we suggest that community-entrepreneurship/community-level entrepreneurial models might be appropriate to changing community livelihoods at least in two-fold situations: i) For investment requiring high capital especially relating to providing access to essentials such as electricity and water delivery, by which it also need collaborative efforts of maintenance. These needs stand as the main constraints to the community-entrepreneurship especially in poor communities. While providing such needs would be a solution to business-oriented models in such environments, a corresponding economic element is also significant for community-level entrepreneurs. ii) Mobilizing local resources to increase "the voice of individual" person and benefits the "the volume of mass", for example getting access to market.

In a nutshell, a community-driven resource mobilization is an indirect way of empowering the community at different levels whose masses particularly in lean economies have underwent a stunted development. On one hand, the community makes its full commitment by the virtue of 'ownership' and on the other hand, by creating easy access to the markets, such community-level entrepreneurship would see a dynamic growth as a result of confidence created in the process. It is however critical to point out that a community-based entrepreneurship depend ideally on the capital investment which could be generated in two-way approaches; local mobilization of resources or partnership with different agencies.

Based on these studied cases, community-level entrepreneurship can bring significant benefits for the whole community in the fight against poverty. Therefore, community-level arrangements requires adoption of a holistic approach; not only focusing on economic returns but also thinking about what other kind of benefits the market-oriented approach can offer to the community members hence increasing the potential to thinking about how to make the overall process sustainable. In both case studies, the overall sustainability had been considered; The Energy-Kiosk concept provides energy and income generation opportunities simultaneously as provision of the electricity being used is converted into an income-generation activity for the community.

Community-level activities are not always an easy task to implement. Generally, the overall designing of the entrepreneurial models require thinking about the basic funding, setting up and creating suitable governance structure. Hence, community-entrepreneurship in poor environment also requires some external support especially in the start-up phase relating to question of initial investment, technical support and capacity building. Nevertheless, when external actors are involved in the initial process, the challenge can turn to be that the sense of local ownership is vanished. Past experiences have shown that without local ownership even the most innovative arrangements are in danger to fail.

The starting point should be the community's own willingness to take the commitment and responsibility, hence having the right community spirit which will then lead to common efforts and activities. Therefore, based on our research observation, we recommend for the outside development agencies promoting entrepreneurship at the community level, to use of participatory methods to facilitate community discussions with the local people, for instance to analyze the situation, plan actions and identify local resources, prioritize problems and diagnose their causes and identify options. This will increase the sense of ownership and commitment.

Our preliminary findings raise several questions for further studies. One of the main challenges of BOP ventures has been how to replicate the models into new geographies and adapt to different local context (eg. Arora and Romijn, 2009) Therefore, further studies are needed to analyze entrepreneurial activities in different countries and regions to be able to make more deeper analysis.

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