“Employment Didn’t Give me Enough Security”
Why Entrepreneurship has Become an Opportunity and Security Measure for the Kenyan Middle Class

By Maike Voigt*

Abstract
This paper addresses the current appeal which entrepreneurship has among many better-off Kenyans. The paradoxical impression that Kenyans give up stable and secure employment to venture into their own business is resolved by looking at it from three different angles. First, the article looks into how employment is perceived today by Kenyans and shows that fixed employment has lost a lot of the attraction it used to hold both for those who are employed and those who left employment behind. Second, the concept of entrepreneurship is scrutinized by addressing the government’s changing stance towards small businesses and by questioning the common characteristic of the entrepreneur as a risk-taker. It is argued that against the background of widespread governmental support, entrepreneurship should instead be viewed as a security strategy in its own right. Third, the benefits of entrepreneurship, which employment cannot offer, are highlighted. The article thus explains Kenyan views on entrepreneurship and its desirability as a middle class career.

Keywords: Entrepreneurship, employment, middle class, security, Kenya

1. Introduction
The quote in the title of this article is taken from my notes on an interview with the owner of a small shop selling mobile phone accessories in one of Kisumu’s1 shopping malls. I noted down his exact words because the statement was so contradictory to my expectations. To my former understanding and coming from a European background, em-

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1 Kisumu is the third largest town in Kenya, located on the shores of Lake Victoria in the Western part of the country.
ployment provided several securities that entrepreneurship didn’t, like a fixed salary and social security benefits. Indeed, running a business, which often doesn’t comply to all rules and regulations and is dependent on a stable economic situation, seemed all the more insecure to me, as I thought it vulnerable to state prosecution, failing market demands or breaches of contract by clients or suppliers.

Over the course of my research, I was to find, however, that the remark made by the owner of the phone accessory shop is supported by the majority of Kenyans I spoke to. The aim of this article, therefore, is to understand why business ownership in the eyes of many Kenyans appears more attractive than an employed position, which would at first glance appear to offer much more stability. I want to unpack this apparent paradox in three steps, outlining what might be called the push and pull factors towards entrepreneurship. By doing so, I will answer the question why entrepreneurship has become an opportunity and security measure for the Kenyan middle class. The first step is to look into what it means to be employed in Kenya today, since this is the frame of reference against which to evaluate the conditions that entrepreneurship offers. In the second step, I will address the changing perception of entrepreneurship in Kenya both from the side of the state and that of the population. Third, I will turn to the advantages of entrepreneurship which cannot be found in employment.

To do this, I will first give an overview of my research setting, which clarifies why I use the term middle class to describe my sample of entrepreneurs. I will then proceed to show how the image of employment has worsened for many Kenyans. From both the perspective of current employees and former employees, now turned businessmen and women, I demonstrate why employment has lost many of the advantages it used to hold. In the third section, I look at the changing role of small-scale entrepreneurs in the Kenyan economy from independence up to the present day and how the government’s stance has changed from disregard to support of this occupational group. In the fourth section, I will look closer at the debate on entrepreneurship in Africa and point out that the foundation of an enterprise can actually be understood as a security strategy rather than as a risky undertaking. In the last section, I then turn towards the explicit pull factors of entrepreneurship, that is the monetary and non-monetary benefits it offers and which my informants were unable to find in employment.
2. Research Setting:
Middle Class Entrepreneurship in Kenya

The research that this chapter is based on forms part of my PhD project and was conducted in Kisumu between February 2015 and April 2017. During five research stays totalling ten months, I carried out participant observation and interviews with 60 people, 33 of them entrepreneurs and 27 employees. The interviews included both in-depth and shorter structured interviews as well as expert interviews on entrepreneurship support schemes. My research is situated within the Bayreuth Academy of Advanced African Studies’ subproject ‘Middle Classes on the Rise: Concepts of Future among Freedom, Consumption, Tradition, and Moral’.

As such, I started out with a focus on the Kenyan middle class, a section of the society comprising 44.89% of the population in 2008, according to a 2011 report by the African Development Bank.

During my first research stay, I soon came to realize that entrepreneurship plays a large role as a strategy for social upward mobility in the future plans of many Kenyans, as the quote above demonstrates, and thus, as a means to aspire to a better life, what might be called a middle class lifestyle. Though my point of departure is a research project on the Kenyan middle class, for the purpose of this article I want to use this term solely in a descriptive manner and not engage with the vast ongoing social science debate on the African middle classes.

Suffice it to say that to date, consumption and changing familial and societal values have been central topics in the social science debate around the middle class in the Global South. The underlying assumption is that what differentiates the middle class from their poorer counterparts is the ability to choose and to invest because they have more resources at their disposal than is necessary to cover basic needs. Thus, choices can be made with

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2 This project draws together anthropological and sociological research, studying visions of the future by members of the middle class in Kenya and other African countries. It is part of a broader project entitled “Future Africa – Visions in Time”, funded by the German Federal Ministry of Education and Research. Further, I thank my colleagues from the Schreibwerkstatt at the chair of social anthropology at the University of Bayreuth as well as my mentor Cati Coe for their valuable comments on different drafts of this chapter.

3 The widely-quoted report classifies as middle class anyone with 2–20$ per capita daily consumption (AfDB(2011: 2)). It has been criticized for failing to take into account factors other than purchasing power (for example, Neubert (2014)) but lacking other statistical data, it shall serve here to give a rough impression.

4 For the purpose of this text, I understand entrepreneurship as the activity of founding and running a business, leaving aside questions of the degree of innovation that is necessary to be called a true entrepreneur (Solimano 2014:19).
regards to education, housing, diet and leisure time. It seems reasonable to assume that similar thought is given to the choice of occupation, which should be able to sustain and perhaps advance this lifestyle, though the topic of work had long been neglected from an anthropological perspective (Lentz 2015: 29). In two of the most recent publications in the debate (Melber 2016, Southall 2016), however, work is addressed in several chapters, and my project aims to contribute to this the understanding of entrepreneurship as a career choice for middle class Kenyans.

So whereas economists define the middle class by means of income brackets or purchasing power (AfDB 2011) and social scientists bring investment choices (in education, consumer goods or insurances) into the picture (for example Neubert and Stoll 2015), I use this highly contested term here in a methodological manner, to delineate the more successful among Kisumu’s small business owners.

Hence, my sample is characterized by the fact that all of my respondents have at least one employee and they all have past experience with employment but at some point started their own businesses. Moreover, by their own assessment their business activity allowed them a social climb from what they called a poor background into a more comfortable living situation, referred to colloquially as a middle class status. Thus, when looking at a cross section of entrepreneurs in Kenya, my informants can be found in the middle, between the numerous self-employed for whom employment often is not an alternative due to lack of qualifications, and the few owners of large companies with hundreds of employees and their head offices located in the capital Nairobi.

Although they are small in scale, I argue that my informants and their businesses have made an important step in the development of the enterprise, namely generating sufficient profits over an extended period of time, which has allowed them to employ others and to afford what they perceive as a middle class lifestyle for themselves (Freeman 2014, Neubert 2016, Spronk 2014).

3. The Worsening Image of Public Sector Employment

During my research stays in Kenya there were two major public sector strikes, one by teachers in late 2015 and the other by medical doctors in early 2017. Both times employees demanded a hefty increase in

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5 Though they don’t fall within the bracket of the so-called ‘missing middle’, which comprises businesses with between 20 to 100 employees and of which there are notably few on the African continent (Kappel 2016: 2 ff.).
pay, 50% in case of teachers and 150% in case of doctors, and both strikes lasted for extensive time periods, five weeks in case of the teachers and three months in case of the doctors, during which the employees weren’t paid and the public education and health sectors, respectively, were paralyzed (BBC News 2017, Kiti 2015, Deutsche Welle 2017). Besides an increase in pay, the public servants also demanded better working conditions, since their work environments often lack basic equipment (Deutsche Welle 2017).

These large-scale strikes contribute to a worsening image of public sector employment among the general public. As one teacher tells me, up until the 1980s being a teacher automatically placed you within the middle class. Teachers were able to afford cars and other luxuries. But today they are perceived as struggling and barely able to make ends meet with their salaries, due to increased prices for basic and consumer goods. So my interlocutor doesn’t see himself as part of the middle class (Field notes, 03. 04. 2015). Public sector employment has lost a lot of the prestige it used to hold after independence and this is evident in the perception my interviewees have of employment in general. A number of them highlight the insecure employment conditions in Kenya today, such as Mrs. R., the owner of a metal welding workshop, who uses the example of the above-mentioned teachers strike:

’Self-employment with me I see it is okay. Because if you are employed, like now [October 2015] the teachers in Kenya, they are stressed. Sometimes they will take their children to school [and] they don’t have [the money to pay for the school] fee. Now the government has refused to pay them. Now you see, they are stressing. So if you are self-employed, you know how to plan your things.’ (Mrs. R., 15. 10. 15)

This quote demonstrates the dependency an employee experiences in relation to his or her employer. Using the case of teachers, Mrs. R. shows at the same time that positions once regarded as the most secure in terms of contract and payment don’t hold these benefits any longer.

In a more general fashion Mr. L., a self-employed electrician, highlights the temporary aspect of employment:

‘One is rich [Mr. L. says], if one has a good job, a well-paid employment. But he adds that employment is very insecure, it can end any day. One might just go into work one day and be told that the position has been cancelled and one has to leave the house and give back the car (if such were provided by the employer). This means that if one doesn’t make investments one can easily drop from riches into poverty.’ (Notes on interview with Mr. L., 26. 02. 2016)

Here again, the employee is painted as the dependent without any possibilities to fight such decisions and with little rights in the relationship with her/his employer. Following a global trend, permanent con-
tracts have become the exception, while temporary positions and contract based work are the norm in Kenya.

Furthermore, wages for employed positions are perceived as being quite low, so that it would be easier to raise the same (and additional) amounts of income from a business activity. Thus, it is often stressed in my interviews that entrepreneurs could make profit that equals the amount of a monthly salary in a week or even in one day. For example, when I ask Mrs. M, whose poultry business was destroyed in the course of post-election violence in Kenya in 2008, if at that stage, she didn’t consider looking for employment instead of restarting her business from scratch, she tells me:

‘No. In business, if you have already ventured into business you cannot go [back] again to [a] job because sometimes you get whatever somebody [who] is employed [gets] for a month, you get it within one day or two days.’ (Mrs. M., 01.03.2016)

At the same time, employment seems to hold many disadvantages on the level of personal skills and freedoms. A common complaint of my informants is that possibilities to make full use of one’s potential and skills are limited in employed positions, where someone always tells you what to do and what not to do and the pressure to perform according to certain expectations is very high. Mrs. P., a bank employee, explains why she wants to found her own business in the future:

‘Being employed is so hard. […] [There are] targets, pressure, too much pressure; you have to meet certain targets, numbers, bring business to the bank. So, being your own boss is actually more enjoyable than being bossed around.’ (Mrs. P., 31.03.2015)

Mr. A., a self-employed consultant and owner of a construction company, summarizes why he felt so frustrated by employment:

‘I realised there [were] a lot of frustrations in employment, in the formal employment as in low pay, low remunerations, you don’t get [a] reasonable salary that can keep the family going. It is like I spent my entire time working for the organization, I don’t do anything to benefit me, despite the fact that I would also get small meagre salaries.’ (Mr. A., 10.08.2015)

Mr. A. describes the twofold frustration of having to work long hours while also getting paid relatively little for the work, so that at the end of the month he would still struggle to cover his family’s needs and he would not have much free time, either. So, with stagnating salaries and increasing prices for basic goods, having fixed employment has lost a lot of the prestige it used to hold. Educated citizens that were in earlier times predestined for public sector jobs start looking for better opportunities and they often find them in entrepreneurship. I proceed to show
in the following section that entrepreneurship, contrary to employment, has improved its reputation and now receives more support and recognition as a career path.

4. Entrepreneurship in a Kenyan Capitalist Context

The earliest example of Kenyan capitalist entrepreneurship is given by Marris and Somerset (1971) of the trading relations between Kikuyu and Maasai, which they trace back to the 19th century. In their ethnography ‘African businessmen’, they proceed to show how the trading relationships of the Kikuyu were integrated into a wider Kenyan economy with the increasing penetration of Indian and European traders into what was to become central Kenya.

Similarly, Kenneth King in his study on small-scale businesses in Kenya, traces governmental investigations into their development back to the East African Royal Commission that operated from 1953–55. He cites the Commission’s perception ‘that the clusters of settlements just outside the boundaries of all the main towns were […] ‘important centres of African trade” (1996: 4). This observation points to the importance of the process of urbanization in the consolidation of African businesses and the permanent change towards a capitalist economy by the middle of the 20th century.

A corresponding development is shown by Parkin (1972), who traces economic change among the Giriama of the coastal hinterland. He argues that their initially exchange-based economy becomes increasingly reliant on capitalist accumulation. He also shows how the state initially encouraged individual small-scale entrepreneurship by giving out small loans through the government agricultural department as well as county councils (1972: 51). This measure, which started shortly after Kenyan independence in 1963, was aimed at replacing a largely Asian business elite with African shopkeepers and traders. Thus, Asians were denied business permits after 1963 while conditions to obtain a permit were eased for Africans (Marris and Somerset 1971: 171, Parkin 1972).

By the early 1970s, Kenyan small entrepreneurs received international attention on a wider scale, being the object of the International Labour Organization’s (ILO) pilot study on unemployment in Africa. The ILO in its report directs attention especially to Kenya’s ‘informal sector’. This is made up of small shopkeepers and manufacturing businesses as well as service providers, who operate without the required legal permits but nonetheless, the ILO stresses, make a positive contribution to the overall economy. The workers in this part of the economy, the report states, ‘offer] virtually the full range of basic skills needed to
provide goods and services for a large though often poor section of the population’ (International Labour Organization 1972: 5). Hence, the ILO advocates the need for governments to include informal activities in their planning to increase their benefit to the overall economy and not disregard them, as had been the case so far.

These recommendations were at first only taken on half-heartedly by the Kenyan government, such that ‘there were few specific programs of assistance for very small businesses and in many places police harassment continued’ (McCormick 1987: 168). Finally, in 1985, small businesses started to receive broad recognition through an initiative by President Moi, which led to the passing of a Sessional Paper in 1986 addressing the problems faced by small scale enterprises in Kenya and their link to the wider economy. It advocated support of the so-called informal economy, especially through the provision of infrastructure to the micro and small enterprises (Ronge et al. 2002: 23 ff.). This Sessional Paper also presented a first response to the initial Structural Adjustment Programs, which Kenya was required to implement as a condition for a loan from the World Bank. As Charles Hornsby notes, with this Sessional Paper ‘private enterprise was enshrined as the main engine of growth’ (2012: 422).

Kenneth King, in his ethnography of the Informal Economy from 1970 to 1995, makes the important point that around the same time, these informal business activities gained prominence under the Kiswahili term jua kali6, thereby ‘Kenyanizing’ (1996: 25) the informal sector concept and giving it a positive image that allowed for an upswing of the businesses due to heightened popularity and governmental support (ibid: 28).

In the late 1980s, Dorothy McCormick summarizes this shift as follows:

‘It seems clear, then, from both official documents and the experience of those concerned, that there has been a remarkable transformation in attitudes toward small-scale business in Nairobi: bulldozers and harassment have given way to favourable policies and at least some tangible evidence of support’ (1987: 169).

Around the same time7, the Kenyan Government was forced to initiate a number of structural adjustment measures, these being a condi-

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6 Literally translated as ‘hot sun’, referring to the fact that the entrepreneurs pursued their activities out in the open without protection from the fierce sunlight.

7 Charles Hornsby shows how, though the first loan was taken out by the Kenyan government already in 1980, the structural adjustment measures were only really implemented in 1988 and hit the country the hardest during the 1990s (2012: 421 ff., 638 f.).
tion for loans received by the World Bank and International Monetary Fund. These included cutting back employment in the public sector and cutting the wages of those employees that remained while raising taxes and opening food prices, previously controlled by marketing boards, to the free market. As a result, many were forced to start small businesses in order to make a living. This is when, as Hornsby (2012: 647) puts it, ‘virtually every Kenyan now engaged in multiple occupations, whether as a civil servant with his own business, a factory worker doing evening work, or a farmer selling his labour: [...] Policy-makers continued to stress the vibrancy of the informal sector, but for most it remained a last resort’. Thus, if unable to support the small business sector at this point in time, the Kenyan government had taken to tolerating it.

This changed again with national devolution and the adoption of a long-term development strategy in the early 2010s. Business development came to the fore of national attention and is currently accorded great importance as a tool for economic development of the country. Though this is part of a larger African trend, it must be noted that Kenya seems to be faring somewhat better than other countries, both economically and in terms of its policy design. Recent studies on entrepreneurship education in African countries found Kenya to have the advantage over its fellow African countries with respect to access to financial resources, which is cited as a major problem affecting (prospective) entrepreneurs (Omidyar Network 2012: 4). Other positive developments recorded for Kenya include ‘an education system that produces adequate skills for entrepreneurial ventures, limited administrative burdens’ (ibid.: 28) as well as a good communication infrastructure ‘improv[ing] the way business is conducted and payments are processed’ (ibid.: 11).

Likewise, in a recent World Bank study on entrepreneurship education and training, Kenya’s good economic prospects and the increasingly enabling environment created for business operation are stressed (Robb et al. 2014). Here, the Vision 2030 project is especially alluded to as a strategy to promote business creation and thereby multiply the opportunities for job creation (among other goals to be attained by 2030) (ibid.: 21). This long-term plan for the development of the country was passed in 2008 and aims to ‘transform Kenya into a newly-industrialized, middle-income country providing high quality of life to all its citizens in a clean and secure environment’ (Micro and Small Enterprises Authority 2012: 6). To achieve this, it builds on an economic, a social and a political pillar, with their goals being 10% growth of GDP per annum, building ‘a just and cohesive society with social equity in a clean and secure environment’, and realising ‘a democratic political
system founded on issue-based politics that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society’ (Government of Kenya 2007), respectively.

In 2012, the Kenyan Micro and Small Enterprise Authority (MSEA) was created to support the founding of enterprises and facilitate entrepreneurship through training programmes, credit schemes, the facilitation of marketing their produce and the provision of infrastructure to the businesses (Interview MSEA, 03.03.2016). The Authority’s Strategic Plan states that

‘although MSEA activities fall under the Economic pillar, it greatly contributes to the Political and Social pillars. The Authority, through its strategic plan will play a significant role in the implementation of the Vision [2030]’ (Micro and Small Enterprises Authority 2012: 6).

Thus, it is envisioned that the foundation of new businesses contributes majorly to the projected 10% annual growth in GDP, through self-employment⁸ but also through the creation of employment opportunities in growing enterprises. Since the public and private sectors are unable to provide sufficient job opportunities for the growing workforce (Robb et al. 2014: 19) entrepreneurship is seen as a means to fight (especially youth) unemployment.

Whether the various entrepreneurship schemes are indeed the proposed solution to so many developmental problems or merely signify the passing on of the responsibility to create jobs from the state to its citizens under the auspices of a neoliberal world order (Trnka and Trundle 2014: 140) remains contested. However, it is clear that the overall perception of entrepreneurship has changed for the better. Against this background, the aim of the following two sections is to show, from the perspective of the entrepreneurs themselves, why Kenyans choose to pursue this career option.

5. Business Creation as Opportunity and Security

To start with, I want to go back to one of the first anthropological studies concerning itself with small businesses in Africa, with the objective of understanding what appeared to be a very high percentage of unemployment in Accra, Ghana (Hart 1973: 62). I refer to Keith Hart’s study entitled ‘Informal Income Opportunities and Urban Employment in Ghana’, which introduced the term ‘informal sector’ into the scholar-

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⁸ I understand self-employment as a sub-category of entrepreneurship, describing businesses run by their owner alone without further employees.
ly debate. On the differences between formal and informal work, he writes:

‘The distinction between formal and informal income opportunities is based essentially on that between wage-earning and self-employment. The key variable is the degree of rationalization of work – that is to say, whether or not labour is recruited on a permanent and regular basis for a fixed reward’ (1973: 68).

Hart, thus, differentiates between employment, perceived as a stable source of income, and entrepreneurship (or self-employment), which does not provide such stability because it is always dependent on the initiative of the entrepreneur. Despite its volatility, Hart shows that entrepreneurship also has its advantages in the eyes of those pursuing it. He thereby frames the informal sector not merely as a last resort but also as a realm of opportunity for some by observing that ‘we need not think that all of those who enter informal occupations [i.e. entrepreneurs] do so as a result of failure to obtain a wage job’ (1973: 88). Thus, he points out that self-employment doesn’t only serve as a stop-gap while searching for an employed position but can have its very own benefits. The business owners he encounters in urban Accra can thus be differentiated according to their motivation to start their business.

This motivational argument is taken up in more recent studies on economic development in the Global South, concerning themselves with the role of the entrepreneur in the economy and her/his importance for economic growth (for example Ayadi and Ben Aissa 2015, Fox and Sohnesen 2012). From a social science point of view this argument has been addressed in Latin American societies (Fields 2014, Maloney 2004). The distinction highlights that for some, self-employment provides a means of subsistence because they have no other options for income generation. This is mostly the case for the poor or lower class of a society in the Global South (Solimano 2014: 26), who at the same time don’t have many financial or human resources at their disposal to invest in the business. On the other hand, emphasis is put on the fact that self-employment can also be an active and rational choice. With reference to this distinction, William Maloney, in a study on the positive aspects of the informal sector in Latin America, observes that ‘workers voluntarily transiting into self-employment from formal salaried work earned substantially more than those who entered involuntarily’ (2004: 1161). This distinction, he further points out, ‘does not, of course, imply that they are not living in poverty, only that they would not obviously be better off in the formal jobs for which they are qualified’ (ibid.: 1160). He thus argues against the common perception that formal jobs are generally more advantageous than informal entrepreneurial activities.
To clarify the distinction between motives to start a business, different terms are in use in the literature. For the Kenyan case, King (1996: 195 f.) refers to *subsistence self-employment* and *entrepreneurial self-employment*, while the most common opposition used seems to be that of *opportunity* and *necessity entrepreneurship*. It remains unclear, however, which percentage of entrepreneurs is of the opportunity category and thus, has better chances for economic development, and which criteria differentiate them from necessity entrepreneurs (Fields 2014: 8 f.). Further, the categories don’t seem to be mutually exclusive but rather can be observed to merge into each other. This is suggested by a number of studies pointing out the change of motives over time and the graduation of business owners from necessity to opportunity entrepreneurs (Williams and Nadin 2010: 368, Valerio et al. 2014: 19). King, who followed the development of Kenya’s small scale *jua kali* enterprises from 1970 to 1995, describes this change of motives as he observed it upon returning to his former interviewees 20 years after his initial study:

‘The evidence from many of the life histories of our jua kali sample would point to the co-existence of survival/subsistence as well as entrepreneurial activities at different stages. Many of our sample who now have established themselves would have looked very much more like subsistence self-employed in the 1970s when they were often engaged in casual (kibarua) work. Thus subsistence can often be a stage towards a more enterprise-oriented modality’ (1996: 196).

My interlocutors underwent similar changes of mind, as the case of Mrs. V, a tailor specialized in making curtains and bedcovers, illustrates: she worked as a secretary for a law firm and started tailoring curtains in addition, her first clients being lawyers from the firm. When she experienced problems with her employer, she left the employment and set up her tailoring business:

‘When her boss went abroad for four months in 2006 and on returning refused to pay Mrs. V’s outstanding salaries (but rather “told stories”), V. decided to quit employment for good. During the four months without pay she had sustained herself with her tailoring and with support from her husband. Thus, she says, the transition into full-time self-employed tailoring was not [a] great [change]. […] In retrospect, she says she wasted a lot of time in employment, her own business could be much more advanced by now, but she tries not to regret it.’ (Notes on interview with Mrs. V., 13.08.2015)

For Mrs. V. the transition into self-employment was necessity-driven because of her worsening employment conditions. However, looking back at the incident now, it appears as though the transition into self-employment and later entrepreneurship, as her business picked up and she was able to hire other seamstresses, was planned for the long
term anyway. Thus, her case could also be an example of setting up a smooth transition from employment into self-employment by running both activities simultaneously for some time in order to test the viability of the business venture. At the same time, her employment facilitated the transition into self-employment because she could draw her first clients from the job. It was them who also encouraged her to leave her employment behind and focus on tailoring completely when she was still doubtful, she admits (Interview with Mrs. V., 13.08.2015).

This example also calls into doubt an assumption that is often made about entrepreneurs in the literature, namely that they are more inclined to take risks than their employed counterparts. For example, Ute Röschenthaler and Dorothea Schulz in their definition of entrepreneurship state that the ‘entrepreneurs whom we present in this volume […] all share a readiness for risk-taking’ (2016: 6). They find this to be characteristic following the observation that entrepreneurs act in the face of uncertainty, not knowing whether their business venture will be successful. Thus, one central personal trait they ascribe to entrepreneurs is the ability to make use of opportunities for their benefit in uncertain or adverse situations (ibid.:7). The case of Mrs. V demonstrates, however, that she had the possibility to test the success of her business while still being employed, up to a point where it actually got riskier to keep the job than to invest all of her time into the growing tailoring business because she didn’t know when she would next receive her salary.

Some critique towards the entrepreneur’s readiness to assume risk is given by Raymond Smilor in his reflections on entrepreneurship. He argues that

‘a better analogy [than the risk taker] would be the chess player, who may make a bold move, but also understands the parameters of the game and anticipates the possible counter moves. In this sense the entrepreneur takes calculated risks, preferring the odds to be stacked in his or her favor’ (1997: 342).

The designation as a chess player might be problematic, however, when taking into account that an entrepreneur often has limited access to information (Aldrich and Zimmer 1986: 6), especially in a developing country’s context, where the information required for an informed decision is often not as readily available. I would argue that the truth lies somewhere in between, since I do agree that the entrepreneur doesn’t make her/his decisions unprepared. Similarly, it is clear that business owners face increased risks when it comes to illness or economic downturns affecting their profits, as they oftentimes fall outside of public security provisions. For such cases, however, a number of strategies used by small-scale entrepreneurs have been identified. For instance,
Steen Seierup (1996: 85) drawing on findings from a research project on private economic initiatives in small Kenyan towns (namely, Webuye and Karatina), highlights four types of strategies business owners follow to secure their future:

‘1. Strategies using money as a means to gain or secure control over rural land in the local community of origin, or alternatively either to buy back such land or purchase new parcels;

2. Strategies using money as a means to enable the education of children;

3. Strategies using money as a means to further investment in business, as an expansion that might either be horizontal (into new activities) or vertical (in an existing business);

4. Strategies using money as a means to enable a political career.’

He continues to record the fact that in most of the literature on entrepreneurship only the third strategy is taken into account (ibid.) and that different strategies can be employed by different types of entrepreneurs, such that ‘it becomes clear that 1 and 2 are related to an economy of necessity, i.e. actions based on absence of alternatives, while 3 and 4 enable a broad spectrum of strategies’ (1996: 86). Thus, while all of these strategies are future-oriented, 1 and 2 from Seierup’s point of view provide the basic security mechanisms followed by the majority of entrepreneurs, whereas 3 and 4 can only be undertaken with larger amounts of disposable capital.

All of these strategies were also employed by entrepreneurs in my research field. What is notable here, however, is that all these strategies are today also used by employees to create security.9 This leads me to deduce a worsening of employment conditions concerning social security provisions since 1985, the time of Seierup’s writing, though he does not explicitly compare entrepreneurship with employment.

A good example of spreading one’s risks by investing in a business while simultaneously holding on to employment is given by Mr. A., describing the strategy of his business partner and co-owner of the construction company Mr. O., a trained medical doctor:

‘A. tells me that [O.] has changed his job to a different [medical] organization and due to that travels a lot lately, even to the US. So he is not into [the construction company] so much anymore?, I ask. That is business, A. says, the other [i.e. O.’s medical career] is his professional work. You can’t put all your eggs into one basket, employment being always insecure and not able to sustain a family.’ (Notes on interview with Mr. A., 29.09.2016)

9 On the social security mix employed by the Kenyan middle class, see Lena Kroeker’s work (for example Kroeker 2016).
Based on this account, Mr. O. could either be described as an employee with business interests or as an entrepreneur with one foot still in the door of formal employment. The question regarding which of the two activities he regards as his safety net in case the other fails him remains open. However, from recurring conversations I had with Mr. O. on the topic, it became clear to me that he sees his future in construction rather than the medical profession. For instance, when I ask him about his medical work he tells me: “That is not my future, I see it as a stop gap. [...] Something [I] do temporarily, in the interim, yes. Because when I look at the end result, [the construction company] has more opportunities than where I’m currently based.” This shows that he values the new avenues his company can offer him more than the stability of a job as a medical doctor, characterized by a familiar work routine.

6. The Immaterial Benefits of Entrepreneurship

I have so far shown how employment is perceived by small business owners and why opening a business might in fact be a security strategy used by employees until it develops into an independent and profitable opportunity, inciting employees to quit their jobs in favour of full-time business management. These can be considered push factors insofar as they push employees out of their employment. However, there are also a number of pull factors inherent to entrepreneurship, such as higher monetary rewards, which were mentioned in section 3. I will now turn to the non-monetary advantages that self-employment holds in the opinion of my interlocutors.

Mr. A., the consultant and co-owner of a construction company, who described how frustrated he felt by his employment’s long working hours and meagre pay, draws the following conclusion:

‘So I felt like it was necessary for me to do something where I have at least some free time to do something that can benefit me apart from the salary or the remuneration that I’m able to get. And I can say I have been able to do much since I ventured into private practice.’ (Mr. A., 10.08.2015)

Mr. A. points explicitly to immaterial benefits he had been lacking during his employment and that he felt self-employment could offer him, such as sufficient free time. In my interviews these immaterial advantages of entrepreneurship are often highlighted, such as personal freedoms to manage and plan the work, change direction and innovate, if need be. This is summarized as follows by Mr. J., who owns a business that promotes the use of renewable energy:

‘You know with self-employ[ment] it’s you to make things move, it’s you, you know it’s your passion, it’s your desire that brings the difference. You know,
there are people who want to be employed, they are interested in the salary but for me it is not the issue of the salary, the issue is how do I keep this organization afloat, how do I keep on ... what are the different innovations that are coming in and also to look at what does the market want? Because for me to be afloat, for me to survive I’ve got to look at what do the people need? So that I can satisfy that need.’ (Mr. J., 13. 08. 2015)

Mr. J. highlights the need to innovate if one wants to keep the business at a successful level. This means that work patterns must constantly be scrutinized and optimized and stands in stark contrast to often immobile work routines in other work places. The high regard that is accorded to immaterial benefits like personal freedoms and self-determination, in my opinion, is characteristic of middle class entrepreneurship. Moreover, working in one’s own business also offers a special kind of satisfaction which employment cannot give to the same degree, as Mr. C., a manufacturer of agricultural equipment, explains: “I think business has a lot to do with satisfaction, you’re doing what you [love], because you actually can’t start a business you don’t like” (Interview with Mr. C., 10. 03. 2016). This satisfaction is thus inherent to the business, because the founder will be active in an area tailored to her/his expertise and succeeding in this will give more satisfaction than succeeding in an employed position, which is not influenced as strongly by the individual person.

It becomes clear that the ability to design one’s lifestyle according to personal preferences is a key advantage that entrepreneurship holds over employment. Indeed, in a recent study of attitudes towards entrepreneurship in six African countries, the Omidyar Network finds that:

‘There is a strong culture of entrepreneurship in Kenya, and survey responses suggest that entrepreneurs are accorded a higher level of status and respect than mid-level and senior managers in medium-sized companies. Entrepreneurship is increasingly being viewed as a desirable career option’ (2012: 30).

Thus, the positive view my interlocutors have of their occupational choice is reflected in the wider society. In the long term, white collar jobs might cede their position as the most desirable career choice for the middle class to that of becoming an entrepreneur and the freedom of being one’s own boss.

7. Conclusion

Looking back at the quote at the beginning of this article, I have made it clear why employment might indeed be perceived as bearing more insecurity than running one’s own business in Kenya’s current economic context. I have shown why business creation is so attractive
for many Kenyans today and why it is valued as a way to make a better living. To do this, I have looked at the question of why to choose entrepreneurship over employment from three different angles.

First, I demonstrated how employment is perceived by employees and entrepreneurs alike, namely as characterized by low pay, long working hours and little opportunities for personal development. The image of employment has changed for the worse since independence, when holding a white collar position was tantamount to the ability to lead a comfortable middle class life.

Second, I looked at the development of the Kenyan government’s stance toward entrepreneurship. This started out supportive of African businesses with independence but turned against the very small businesses perceived as ‘informal’. This negative attitude only slowly changed by the late 1980s. At that time, due to the cutbacks of structural adjustment programs, this ‘informal sector’ increased exponentially, as former employees were forced to make a living as small scale businessmen and women. This tide turned again in the late 2000s when business creation was included in the national development agenda and since, a lot of hope and resources are directed toward encouraging small businesses to grow and thereby uplift the economy as a whole.

Against this favourable climate, I evaluated some of the core assumptions included in the concept of entrepreneurship. I showed that categories differentiating entrepreneurs according to motivation in fact merge and businesses started out of necessity can become successful and growing ventures answering to market opportunities. I further argued for the rethinking of the entrepreneur as a risk taker by looking at the security measures undertaken by entrepreneurs. Here, I suggest that entrepreneurship can be considered as a security strategy in itself – for employees, that is.

Last, I turned to the positive aspects of entrepreneurship. Not only does a business offer higher profit margins but it comes with certain immaterial benefits which employment cannot offer. Running a business thus offers a satisfaction that goes beyond that of a job well done. I show that this positive opinion has spread among the wider Kenyan population leading to the growing prestige of entrepreneurship as a career.

The question why entrepreneurship should be seen as an opportunity and security for middle class Kenyans, then, can be answered as follows: running one’s own business presents an opportunity for those who feel constrained in an employed position. Moreover, it is a security for those who don’t want to rely entirely on employment because they cannot be sure of keeping it indefinitely. For most of the cases I presented,
both factors played a role in their decision to open a business and, in some cases, to leave employment in favour of it. Even those who still hold on to employment see their future in entrepreneurship.

I have not dealt conceptually with the aspect of the middle class in this article. I have, however, opened up a few avenues for further research combining the topics of entrepreneurship and African middle classes. How do employees in the middle class use entrepreneurship as a strategy for personal and family security, for example? And does the observation that the prestige accorded to running one’s own business now outbids the status accorded to senior managers mean that entrepreneurship can become a fully-fledged middle class career in the near future?

Based on my findings I suggest that entrepreneurs should be seen as an important part of African middle classes, incorporating many of the values that middle classes hold dear, such as personal and creative liberties on the job and the freedom to plan one’s own time schedules.

References


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