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**The end of neoliberalism and the beginning of talking business: A value oriented  
approach to entrepreneurship in Kenya**

by  
**Dr. David J. Ndegwah<sup>1</sup> and Dr. Otto J. Kroesen<sup>2</sup>**

**Abstract**

The neoliberal approach dominating the globalization process is criticized in this contribution as not working for the promotion of entrepreneurship in the Kenyan situation. It is a shortcut of the Western social and economic heritage in the first place. It has a limited understanding of human beings as only consisting of needs which should be fulfilled by calculative consumers and producers on an open market with an equal level playing field for quite unequal (global) forces. It is detrimental when introduced in Africa, not only because of the lack of competitive capacity, but also because it collides with the traditional value system of communitarianism and respect etc. A case on entrepreneurship is analyzed in which these detrimental effects come to the fore. Another case is analyzed, which shows a more positive example, creating a bridge and installing a learning process between traditional African values of respect and communitarianism and modern civil society-like values such as equal access, egalitarianism, effective time management and more. The gist of this contribution is a plea for "talking business". A dialogue between the African heritage and modern managerial values should find the way forward for entrepreneurship in Africa. Traditional and modern values need to "talk" to each other. But we should talk business: the African entrepreneurial solution should be effective, competitive on the global market and it should express the African contribution towards a lasting unification of different traditions living together in one planetary and economic house.

*Key words:* 1. Globalization, 2. Development, 3. Entrepreneurship, 4. Industrialization, 5. Neoliberalism, 6. Vision 2030.

**Introduction**

Entrepreneurship in Kenya will not work if it is based on a neoliberal approach and if it is to take place within a neoliberal institutional framework. That is the contention of this contribution and it will be exemplified in the cases to be analyzed. The neoliberal economic and institutional approach reduces human beings to forces in space and it has no sense of history. Therefore, it doesn't have any sensibility for the historically grown capacities (in the sense of the ability to get things done (Balassanian 2006)) which are decisive for economic success. This is the main point this contribution wants to make. Thereby it also draws attention to a better and deeper understanding of the process of globalization. The process of globalization has deeper roots than the neoliberal shortcut understanding of it. It is important to understand the value set which has

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resulted from Western history and which is still the underlying driving force towards the unification of the planet. It is imperative to understand the “economic culture” in terms of values and capacities and institutions, which neoliberalism does not reflect upon, but draws upon unconsciously and which is even the secret behind its (temporary) success. Only in as much consumers and producers have already been socialized as citizens, and learned all the qualities belonging to a well-functioning civil society, can they – I that being settled – be successfully treated as self-sufficient egotistic consumers and producers by neoliberal economists, who are not aware of the training and education which formed their present consciousness. The authors will show how the old-time value set from the ethnic and tribal past of Kenya is both in tension and in dialogue with Western attitudes of values and capacities. They will present some case studies which illustrate the tensions and the dialogue. This will lead to the conclusion that there is a necessity to go beyond the neoliberal understanding of globalization in order to really talk business. *Talk business*: different value sets and different value priorities need to talk to each other. Thereby we mean that they should look at each other and respect each other and find trade-offs and ways of living together in one economic house. In a real dialogue, each has its turn. No values are good or bad, but their use is context and time dependent: a matter of circumstances and timing. If this point of view is well taken we also can start talking *business*. That means, timely use of different values and the capacities depending on them, is key to entrepreneurial success. All in all the authors propose an intercultural dialogue about the global common repertoire of values with a profitable economic value as its outcome. The cultural capital of a society on the long- term will prove to be the hard-core reality on which its economic capital rests.

### **The clash between (neoliberal) global and (traditional) local**

Presently an apparent clash is taking place between the neoliberal sociopolitical culture originating from the West (the rational (so-called) and individual “homo economicus”) and traditional value orientations (communalism, status and hierarchy), derived from a long history of ethnicity and communalism in Kenya. International development agencies and the NGO community by and large push Kenya into the direction of neoliberalism, towards open markets, and cut-throat competition in the name of globalization and a worldwide economic market, which presumably should benefit everyone. On the surface this seems to be effective and the economy is growing, measured in terms of physical variables like aggregate growth rates and the amount of money a few individuals have in the banks. This already leads to an optimistic vision for the future of Kenya from the side of the government in its blue print of Vision 2030 (Kenya Vision 2030). However, measured in social variables like job creation, elimination of

poverty, dispensation of justice and enhancement of human dignity, neoliberalism has failed to meet its promises. In the process of globalization there are winners and losers. On the other hand, however, ethnicity is still playing an important role, in combination with clientelism, patronage, and a mentality of closed in-groups (or positively communalism) and traditionalism. This is not an environment conducive for successful entrepreneurship and booming business. Many authors have already made the case that cultural issues, what Porter names the 'economic culture', are an obstacle for development (Porter 2000).

This situation can be interpreted as a clash between globalization and local culture, actually globalization dominating the scene more and more. Should the Kenyan people in reaction cling to their old values and practices and cultivate an attitude of victimization by the forces of globalization? One would be inclined to do so, having in mind the damage done by the neoliberal invasion of global economics which overrules traditional production practices by demanding and imposing an equal level playing field between quite unequal forces. However, it should also be admitted that Kenya, and Africa in general, as a matter of fact does not produce much. The existing productive forces and productive capacity simply are not able to compete on the international market. But why is this the case? Economists explain that this is a matter of productive capacity (Chang 2007) in combination with an enabling environment. By enabling environment, we mean cooperation between many stakeholders as part of an open civil society and on top of that conducive policies and a proper regulatory framework (including equal access and rule of law) from the side of the government (UNDP report Capacity Development 1997). It looks as if two ways of speaking and thinking, two discourses, are spoken along with each other, but apart from each other, not knowing of each other, at least not looking at each other and not talking business. On the one hand Africans who value their own cultural tradition do have a keen eye for the detrimental effects of the present neoliberal economic climate and they tend to oppose the forces of globalization, which to their experience equal exploitation. On the other hand, both African and Western analysts have to admit that productive forces in Africa are not well developed and that Africa cannot compete on the (neoliberal) global market. How to bridge this gap?

The process of globalization in its neoliberal fashion is only mirrored in actual practical cases. At face value, there may seem to be an open market with equal access on the basis of competition and achievement. The large amount of startup businesses in Kenya testifies to that fact (Daniels 1999). This can be interpreted as an adoption of the Western neoliberal discourse. On the other hand, the institutions of the country and the old habits still have their

course, causing obstacles for successful entrepreneurship (Field, Hitchins, & Bear 2000; Gibson, Hitchens, & Bear 2001; Lusby & Panlibuton 2002). This will be illustrated by a case in entrepreneurship in which traditional African ways are dominant. The authors will analyze this case as an internal conflict in the business culture of Kenya between old traditions and modern (neoliberal!) ways (De Vlieger, 2013).

### **Wanga Company**

Tom Alpha (the names of the company and people involved in this case have been anonymized) started a company in manufacturing canvas products. He learnt as much as he could about the business during his employment at a European manufacturer of canvas products. He took his knowledge and some of the other employees with him 15 years ago to start his own canvas business next to his house with an office in the living room, which is still used. Tom also offers training to new guys and girls that want to become canvas designers or tailors. They pay him KShs 50.000 (about 500 euro) for an education of 2 years, and after half a year of training they get a little salary. Tom says he breaks even doing it this way, he does not make a profit. He hopes that his students stay and work for him, but most of them start their own canvas company. Some even stole his customers away, because they were the ones building on the customer relations while Tom was out trying to find new ones.

There is one lady working in the office, who keeps track of all the work, appointments and finances of the firm. She also brings the workmen tea with milk and provides a listening ear when they have a problem. She is Tom's right hand and fulfills a mediating role between him and the employees. There is a strong hierarchical structure in the company; first comes the manager and his secretary, then are the tailors, the cutters and the bonders. The tailors, bonders and cutters come in this order because of the hardness of the skills. It turns out that there is yet another person on the pay role, Tom's wife, who also receives a full time salary because she is registered as a manager. In reality she runs a hair salon and is not involved in the company on a daily basis otherwise than that she lives in the house attached to the office and workshop. There are some fixed employees that come every day and some that Tom can call when they are wanted for a big assignment. One of the tailors is his nephew. He is often drunk and is paid per hour. Tom helps him out, because he is a relative. All the other employees are also from the same tribe, they are all Luo. This is because Tom finds his new employees via others he trusts.

The business is not very successful. They are very proud that they are able to make anything that is made of canvas, but it is hard to distinguish where they are good at because of the broad market they target. The main practice during the rainy season is fixing tents in safari camps and finding new customers. The company has a loan at the bank, which is there from the beginning and the company is still paying back. There is no capital buffer. When a customer places an order, he has to pay a down payment to make the company able to buy the materials. There are almost no materials in stock because of the lack of capital. When the client does not want to pay the deposit, Tom takes a loan from friends in order to collect the money. This goes for the same or sometimes even higher rate as a bank loan, but that is harder to get and would also take too much time, so he has no choice other than to do it this way. The lack of capital, according to him, is also the reason why he cannot expand, since it would take capital to invest. When Tom has a large assignment he sometimes asks former students to help with it. There is still a little bit of cooperation between them, but when they do not need each other there is no contact. One of Tom's employees also started a business on his own, but returned after the failure of his own firm. He could not manufacture canvas products himself, but used to be a salesman. His business idea was to start a briefcase shop where people could buy their canvas products and he would give the assignment to a manufacturer. He wanted to start for himself, because he was not satisfied at Wanga canvas. He thinks Tom could manage the place in a better way. He thought he could do it better and make more money when he would start for himself.

In this case the collectivism and community feeling (Trompenaars 1999, Hofstede 1997) is quite obvious. Tom takes care of people from his own tribe and is not making profit out of providing them training. He trusts people from his own community to come up with new employees, which are also from the same community. This way only Luo are taken up in the company. What Tom did, and most of his employees follow him in it, is copying the industry that he worked for when he started his own business. This is an example of uncertainty avoidance (Hofstede 1997) in the way that one will only meet problems that the company you copy also overcame, so no new paths need to be taken. Stealing the idea from the company and take your experience away from the company is not seen as a bad thing, but as a logical step. Here and in other examples we have seen that these spin offs do not always succeed, because the new starters had actually no idea about the work their bosses did. The reason why the employees take off to start their own company is up for discussion, but often the person feels undervalued because recognition and acknowledgement from the manager for the job of the employee seems to lack in the perception of the employee. This could be because managers

tend to boss their employees around and seem to forget to give positive feedback, as a result of the power distance (Hofstede 1997) that is present. When the employees feel so depreciated in their functions they can better try to start the same business for themselves than be bossed around by someone without any form of appreciation. Often a mutual interpenetration or alternation of power distance and egalitarianism – in the form of feedback or criticism from the bottom to the top – is problematic (Gauchet 1985). It is not beneficial for employee satisfaction that Tom has his wife on the pay role while she actually does not work for the company. She gets the ascribed status (Trompenaars 1997) as manager, without doing a thing to reach this status. This form of particularism (Trompenaars 1997) makes that the employees that work for a salary will become demotivated because someone else gets the same reward for doing nothing.

In the case of Tom his employees are able to start their own company and also seem to manage to steal his customers. This shows how important personal relations are. The interaction of the customer with the employees is worth more for the customer than their loyalty to the business they visit. The company also shows a synchronic way (Trompenaars 1997) of handling time. There is no tight schedule and no solid business model that provides the firm with a margin that can be saved and invested in growth of the company. This provides no realistic long term perspective and the situation seems like a never-ending story to the people involved. The attitude towards this is fatalistic (Trompenaars 1997); with no capital, no growth is possible. There is no plan to make capital. In their perspective, only when somebody from outside comes to donate money the company is able to grow. It is not possible to do anything about the situation from within the company. The company still shows also a strong masculine (Hofstede 1999) atmosphere. There is one female working and she has a function for the company that is similar to a mother role. She keeps track of the agenda and finances, and tries to keep the peace by mediating between Tom and the employees, which shows that power distance is too large between Tom and his employees to function properly without her.

We can conclude that on the surface of things neoliberalism has its way. The company operates on a market which is free for competition. It borrows money and tries to make a profit. If the employees are not satisfied they can start a company of their own. They wish to do so because the hierarchy and power distance are too strong. This appears to be a recurring feature in the African “economic culture”. Whatever the mechanisms were by means of which the old tribes counterbalanced the authoritarian patriarchal culture in the old days (Nyasani 2010), in many SMEs a well-functioning equilibrium between egalitarianism (stimulating

loyalty and cooperation, creating a feedback mechanism from the bottom to the top) appears to be difficult. This confirmation or mutual interpenetration of egalitarianism (and criticism from the bottom to the top) and hierarchy is the secret behind large-scale companies functioning in the West (Gauchet 1985, Rosenstock-Huussy 1993).

On the other hand, as well the traditionalism and copying behavior of existing practices is very strong, quite in line with old African traditions of respect, status and communalism (Nyasani 2010 12). Individual initiative, individual opinion and judgment, going against the group in a creative way and thereby opening new avenues, is not a self-evident part of the existing economic culture. But since on the surface an equal level playing field is present, everybody is allowed to start a new company. However, the general effect is that SMEs do not grow, that the market is saturated and there is no cooperation or critical mass to enlarge the market or find new products. In this respect the neoliberal worldview of competition and individual gain and on the other side the traditional compartmentalization of African society (closed we-groups opposed to one another) reinforce each other, producing the worst of all outcomes. Due to a one-sided value set the capacity for innovation as well as the capacity for larger scale cooperation is to a large extent lacking. The values of a culture appear to be at the core of the economic capacity of that culture. The neoliberal approach (open market, competition, everybody on his own) generally appears to be at loggerheads with old cultural habits and values (communalism, traditionalism, belongingness, status and authority). There seems to be no mediation possible.

### **Capacity growth and economic culture**

However, another way of dealing with these kind of problems is also possible, an alternative beyond the dead ends of neoliberalism and traditional African communalism. This is an alternative in which the problem of capacity and growth of capacity is put explicitly on the agenda. Capacity here needs to be understood as not only referring to skills and knowledge, and not only to an enabling environment, but also relating to values and attitudes (James & Hailey 2007, James and Wrigley 2007). Traditional ethnic group values and modern individualistic entrepreneurial values are in tension with each other, as Samli (2009) has pointed out, although the picture is more complicated than he portrays it (see the example above). Related to this is a different interpretation of the history of the West as well.

The West is not simply an individualistic society, but it also exhibits different forms of cooperation and sophisticated mechanisms for creating a public support base for effective policymaking. In this account of the Western economic system deeper layers of values than



neoliberalism can get hold of, are involved. Actually, neoliberal economics do not know what they are talking about in their abstract conceptualization of the mechanisms keeping Western societies together. It simply isn't true that if only everybody takes care of himself, the market takes care of the rest. The financial crisis plaguing the world shows that trust is indispensable and there will be no trust without trustworthy presence. Moreover, the Western history itself should be interpreted as a history which developed from tribal roots into the modern achievements of civil society during a long process of about 1000 years. This goal was not reached by means of any form of liberalism or neoliberalism, but by sustained societal struggles and often revolutionary upheavals in which new social relationships, values and capacities for getting things done were created (Fukuyama 2011, Gauchet 1985, Rosenstock- Huessy 1993).

Capacity growth and a tremendous change in value set are at the background of this development. In a long process the West learned to think and cooperate on a larger scale, learned to implement rule of law and equal treatment by law, to cooperate free from tribal bonds and limitations, and to bring competition and cooperation into a reasonable equilibrium all along the different sectors of society (Berman 1983, Rosenstock-Huessy 1993). In addition, the history of the West itself, by the outgrowths of imperialism and Nazism shows that these achievements are still very fragile, also in the West. From this perspective, it appears that globalization and the dominance of the West is not to be attributed to merely an advance in knowledge and other competitive economic advantages, and not the least to the self-interest of calculating consumers and producers, the abstract "homo economicus" of neoliberalism. On the contrary, the unification of the planet only came about due to a long-term development of growing capacities of very real and concrete human beings trying to survive, to live in peace with each other and create a just and sustainable society of equal citizens. Basic to this process is a range of new cultural values and human character traits (Kroesen 2010). We already mentioned many of these values that together constitute the true economic culture of the West, albeit in different kinds of mixtures depending on the national cultures and history.

However, the neoliberal agenda, being a shortcut of the Western heritage, appears to be detrimental to those capacities in the West as much as is the case in the rest of the world. Also in the West! Neoliberalism takes human beings (consumers, producers) as an end result, entering the market just as they are and making the most of it according to their strengths or whatever gives them a competitive advantage. This makes it impossible to invest for the longer-term in those capacities, which are basic to social progress, because direct economic gain has the

highest priority and is the only criterion for success. This leads to underdevelopment in Africa as much as to erosion of capacities and values and joblessness in the West. In Africa, these capacities are not built up, in Western societies they are not maintained. This is due to the fact that they are taken for granted, as just natural, as if they do not take any investment. Chang gives the example of his son who needs to go to school for a long time before he has the capacity to make a living for himself (Chang 2007). It looks like neoliberalism wants to force people on an open market of competition without investing in such capacities (Chang 2007). They are not looked upon as taking maintenance, having come into existence due to a long history and thanks to tremendous efforts and sacrifices (Rosenstock-Huessy 1993, Landes 1998, Fukuyama 2010).

There is need for a more mature approach to economic and social questions. The development and training of capacity should be the central issue in the economic and social field. In the development of such capacities, it is not direct economic gain on an equal level playing field (between unequal forces) that should be central, but capacity development in all its dimensions. It is not the shortcut of neoliberal individualistic and calculative values, aimed at short-term economic gain that presumably should be introduced in the African scene, but the traditional African capacities and values should enter into a conscious dialogue with those values and capacities on which the global economy is based. We will therefore put forward a case in which this dialogue between traditional and future oriented values is taking place in a much more fruitful way than is feasible within the neoliberal economic worldview.

### **Ecosandals Company**

Ecosandals started in 1995 as a Self-Help Group (De Vlieger 2013). A group of friends wanted to serve the community in the poor neighbourhood Kariobangi, a slum in the north of Nairobi. The group has developed into a company in 2007 when an American named Matthew Meijer passed by and decided to support the project. He gathered equity partners in the US that are not involved in the daily business, but have an interest to see the company grow. Matthew is the only one involved with the decisions and reports them to those partners. Now it has developed into a socially responsible and commercial company with the goal to employ people in order to empower them.

The company structure is not hierarchical. There is a coordinating team that consists of Michael, George, William and Rose. William is the supervisor of this coordinating team and leads the weekly meetings. The four of them have meetings to discuss the week targets for every one of them and together they feedback last week results. Then the coordinating team separates and

collects their team of manufacturers to discuss the new targets and to make a planning. All team members of the manufacturing team are allowed to give their input. This way every single person that works in the company is involved in the way the company operates. In this way, a new equilibrium is created between hierarchy and egalitarianism. Everybody takes part in the team. The goal is to share and learn from each other to improve the production process.

New employees are trained during a 6 months training program. During that time, they are paid a fixed salary per day. The timeslots for their education are very flexible. It is not obliged to be present a full-time week. The newcomers do not need any qualification, they only need to be interested to work in the company. The people are selected in the process of training; all interested people initially get a chance. After the training the participants are allowed to leave the company right away. It is part of the social responsibility of the firm to provide this education, sometimes the company does not benefit from it at all. Once employees are in they become part of the team and the ways of production are taught by the whole group of manufacturers.

The manufacturers are paid per product. This is a stimulant to work when they are around and not just sit in the work place and waste time. They can come whenever they want, because many of the employees like the work. Most of them will come in time and almost every day. Punctuality is desired, which is why it is sanctioned with a reprimand, if people do not show up. On the other hand, the level of production receives full emphasis, so that it is not very strict how long you are in the factory as long as you work hard enough. The permanent employees are paid on the last Friday of each month. The casual workers are paid per week for what they have done during that week. In this way, an equilibrium is created between long- term planning and the synchronic traditional attitude of the workers.

Team spirit is a key issue in the way the company works. The only restriction for the employees is that they cannot learn how to manufacture the sandals at Ecosandals and then steal the design to go produce and sell elsewhere. That is not allowed. To start a similar company to manufacture sandals is all right as long as the designs delivered are different. Every worker with a fixed contract is a business owner. This means when the business grows, he or she gets a larger income because the share is translated into income. When employees want to become a shareholder, they have to buy themselves into the company with money or by offering expertise and skills they own. In this way, an equilibrium is created between

communalism and individual initiative.

The company is subdivided in segments, the local market, the international market and the production department. All workers are allowed to come up with new designs, but the coordinating team has to approve them in the weekly meeting. Sometimes they try new designs by making a few and show the new model to some customers. The company is constantly improving the catalogue.

It is allowed to introduce relatives into the company, but the coordinating team makes sure that there is no complacency when one of the team leaders has his or her family member working in the same team. With putting relatives into different teams this difficulty is solved. There is no differentiation in tribes what so ever, no tribal language is allowed and there is no team formation according to tribe.

Via the website people around the world can find Ecosandals and audit the product. There is also a Facebook page with pictures of the products and information on developments in the company, like new products, new people, vacancies, and other news. Furthermore, people do find the company by mouth to mouth marketing, because others recommend Ecosandals. There are 30 different designs or SKUs (standard selling units), but every design a customer can think of and explain is possible to retrieve here.

When the company has to deliver an order the time span to produce the order is well planned and the technologies and capacity are taken into consideration before the customer is told when the delivery can take place. They even build in a margin of a week in the time allowance, because shipping can take longer sometimes. This is more efficient in costs and keeps the customer satisfied. Ecosandals does not have fixed partners for delivering, since the market is dynamic and the best option in price differs from time to time. Ecosandals has a few partners for materials and a few regular customers. The products are sold in different places in and around the city. There is an agreement on the price the businesses have to pay for the sandals, but they can resell them again for any price they want. It depends on the locations of the shops what they can ask.

The largest barrier for growth is according to William the lack of capacity, as well financial as in skills. Next to that the problem is that everybody targets the same market. This makes every segment highly competitive and makes finding the ideal market for the company very hard. Many businesses depend on the local market, not the international market, because

distribution of the products is another challenge. The roads in Kenya are bad and cannot handle the capacity of traffic. Especially Nairobi is completely jammed every morning and evening. This makes transport of products difficult.

One of the qualities of Ecosandals is the personalized service they offer. The quality of the products is good and this gives the customer confidence in the company and builds up trust to order more products. Ecosandals makes use of the feel-good aspect that comes when they follow up with their customers, and uses their feedback to improve the business process. William did a traineeship at Uchimi, a large supermarket chain. At this traineeship, he was taught that the customer has a right to shop in the place, and had to be treated with respect. There he learnt that it is good for a business to provide good customer service.

What is outstanding of Ecosandals is the fact that it is uppermost equal in power distance. There is as little hierarchy as possible without letting the organization adrift without any coordination at all. The team supervisors try to involve all the employees in decision making, which makes every single one strongly connected to the direction the company goes. This might be a result of the start of the firm when a group of friends established a self-help group, which was an entirely flat organization structure. Involvement leads to higher understanding of what a person adds to the organization, and therefore promotes mutual recognition. This is motivating for the performance of the employee in the function he or she has. This is visible when the employees take their responsibility and tell when a target is not feasible according to them. Responsible behaviour and good sequential planning is also recognizable in the way Ecosandals handles deliveries. What is feasible with the techniques and shipping is taken into consideration when promises are made.

The employees get paid at the end of the month and this works. There used to be a tendency not to come to work after salary was paid, since there was no need now that the person had some money. When the money was spent, the employees would to come back to work. This would take longer when a salary was paid per month, and the employee could get into trouble because of the lack of money for a longer period. That is why in most companies, payment was done weekly. That Ecosandals provides the salaries monthly witnesses improvement in sequential thinking of the Kenyan people. A transition to more sequential time perception can be beneficial for entrepreneurship, because the employees are more reliable, even when they just got their pay check, and with cooperation the communication is more effective when all parties tell immediately when they are able to do something or not. That the company puts focus on the

quality and calls the customers after the purchase to get feedback testifies the long-term view of the company. When they perform well now, it is possible to build up a future. The organization is more feminine because there are no separate roles for men and women. Ecosandals provides the trainings and a voice in the business to satisfy the employees. The firm is too small and therefore not able to promise all employees a career path in the company or pay all kinds of social securities.

Summarizing, Ecosandals is a company that serves the community. The firm takes care of many different kinds of people and makes no distinction in any way. When a family member comes into the business there are arrangements to make sure that the whole team is treated equally. The company holds the middle ground between a communitarian and individualistic type of behavior. The people are all different, but because of the team spirit that prevails there is still a kind of solidarity to one another that fits the Kenyan community culture. The way this company functions shows an initiative taking atmosphere to change things in society from within the people. The self-help group was established by a group of friends that wanted to educate more people. Now with the help of the American partner the group is able to educate, employ, and empower people. In this way, not only Western values are adopted, like individualism and initiative, equal treatment and planning, but in the same process traditional values like a community spirit and synchronic time management are translated to the new situation. Old and new values open up to each other, “talk” to each other, look each other into the face and find a middle way. This leads to the creation of true capacity.

### **Conclusion: capacity is key**

Capacity development, fostering of capacity appears to be a long-term process. It takes long term investments and learning processes to put capacity into place. How difficult it is, is shown by the two examples above. It can easily fail and it is difficult to turn it into a success. It is important to look at the different components of capacity. Of course, capacity consists of knowledge and skills and often this is what gets full emphasis in studies on technology transfer. In addition, but less often, proponents of capacity training point to the importance of an enabling environment. Government policies conducive to effective technology transfer should be in place (Kroesen 2012). Regulations should be conducive to technology development and should not depend on particularistic relationships/privileges, but provide equal access to people from different backgrounds, ethnic, politically, socially etc. The one dimension which mostly is forgotten or overlooked and which at the same time is most difficult to handle is: values.

Values and the related attitudes and beliefs/basic assumptions of a culture are most difficult to change (Hofstede 1999). The example of Ecosandals shows that it can only succeed in a safe environment, an environment in which people take responsibility for each other and care for each other. Again, it is a neoliberal mistake, that mere competition fosters capacity. It can, sometimes, when the initial change in attitude already took place. But if this initial path towards capacity building is not taken in a safe and responsible environment, the people involved would be taken too much out of their comfort zone. New and competitive types of behavior would be expected from them, while at the same time they need to be alert not to lose their job or their market share or their profit to a more flexible competitor. A high moral level of trust and an enabling environment of care and safety is more conducive to change than the harsh competition for survival on an unequal market. This should not be an excuse to protect old-fashioned industries and procedures from the global market, because governments that operate in this way will easily feel the detrimental effects of such an economic strategy. Indeed, it is throwing away money into a black hole. On the contrary, a strategy is necessary in which capacity growth takes place in a constant learning process, in a constant process of change and transition, directed towards future gains. But there is a neat line which should be followed between too much and too little protection and fostering of capacity.

It is imperative that the antagonism and deadlock between the neoliberal globalization and local traditionalism is overcome. The neoliberal economic approach has with its Marxist counterpart in common, that it is making use of an abstract idea of what it is to be human. Where in Marxism the totality of humans and the totality of needs goes before the individual and points the individual its place in the total calculation of economic forces and needs of society (Lenin: socialism is Soviets plus electrification–Rosenstock-Huessy 1993), neoliberalism makes use of the same understanding of being human, but now starting from the individual. By deploying one's competitive abilities in struggle and competition with others doing the same the end result also is a totality of economic forces, which in the end governs the success or failure of individual strivings: the war of all against all is as totalitarian as the oppression of all by one central power. Both options treat human beings as blind forces in space, without speaking and without looking each other into the face. Therefore, neoliberalism ends up as totalitarian as its counterpart, because in the end the individuals sum up to a totality by mutually restricting each other and pushing each other. The invisible hand which regulates unequal forces on an equal market as individuals competing with each other, is as cruel as the cold headed totalitarian calculation of Lenin's Bolshevism (Levinas 1961,

Rosenstock-Huessy 1993). The point is that in this abstract notion of humanity people do not talk to each other. They only benefit from each other and restrict each other mutually by benefiting from each other, benefiting the other as much as it serves their own needs. The way forward, however, consists of living speech! Instead of being blind forces, people have to look each other into the face and see who the other concretely is, which values and qualities he and she brings with him or her. Mutual understanding of different cultural values leads to change, leads to respect and adoption of each other's values. In this learning process, different values marry to each other and such marriages take history to the next level. That is what the authors mean by "*talking business*". *Talking*: different values and value sets have to understand each other and find an equilibrium and trade-off, the proper order, adapted to the spheres in which time and again such values have to function (spheres of jurisdiction, like Waltzers spheres of justice). Such talk implies also talking *business*. In the sphere of business, the right mix of different coordinating values needs to be found. The Ecosandals case is a beautiful example of how such a way forward may look like. This approach does not lead to globalization in the sense of totalization of blind forces pushing each other out of the market. It leads towards the unification of the planet by the differentiation of human beings and of being human. It leads to *planetarian* man. In former days, the planets in the sky were the only heavenly bodies which were not fixed for time and eternity. They moved in many unpredictable ways. Since mother earth appears to be made of star dust and in that sense, appears to belong to heaven, it is up to human beings to take over this role of unpredictability and move around in a planetarian way. In a process of mutual adoption of different cultural values, by "marrying" values from different cultural repertoires, the ever-changing human being is preparing a society in which many different values and capacities are fostered and may grow, by being coordinated with and towards each other. In this process representatives of different value traditions learn to talk business in that they arrange with each other how to compose working solutions from different repertoires which allow people living together in one worldwide house to live together and provide each other what they need.



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