

## **THE MCHUMI DIAGRAM**

**Isaack Michael MchumiNguliki\***

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### **Abstract**

This paper presents “*the Mchumi Diagram*” being tool designed to help imparting entrepreneurship spirit and skills among youths. Further, the paper presents results of cross-sectional survey of 109 young students and microentrepreneurs on usefulness of the Mchumi Diagram in teaching entrepreneurship and intrapreneurship. *Ex-ante* questionnaire and *ex-post* questionnaire were administered among youths randomly selected from Fahari English Primary School, Kent High School, and Chamazi Microenterprises Cluster in Dar es Salaam. Accordingly, overwhelming majority confirm that *the Mchumi Diagram* is understandable, informative and it is an appropriate teaching aid.

**Keywords: The Mchumi Diagram, Entrepreneurship, and Intrapreneurship**

### **1. Introduction**

Entrepreneurship has garnered great attention globally in addressing poverty eradication. It is among feasible ways put forward in curbing unemployment among youths whose population is surging currently. According to UNFPA (2016) the total global population was estimated at 7349 million in 2015 with population aged between 0 and 14 years making 26.1 percent of world population. A report of UNFPA (2014) emphasizes that, in some countries, the growth of the youth population is outpacing the growth of the economy and outstripping the capacities of institutions charged with providing them basic services. The emergence of a large youth population of unprecedented size can have a profound effect on any country. Whether that effect is positive or negative depends largely on how well governments respond to young people's needs and enable them to engage fully and meaningfully in civic and economic affairs.

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\* **Isaack Michael MchumiNguliki, Ph.D. Candidate**

Governments can choose to see their growing numbers of young people as a liability, a cohort that will place demands on strained resources, or as an opportunity. With the right policies and investments and the engagement of young people in nurturing their own potential, the largest generation of young people in human history can become the problem-solving producers, creators, entrepreneurs, change agents and leaders of the coming decades.

Globally, unemployment stood at 5.9% in 2014 (WB, 2016). According to WB (2016) and ILO (2015) Poverty has declined rapidly in middle-income countries, but to a lesser extent in low-income countries. In 2012 Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of population) was 12.7 in the world. For example, Tanzania has her youth population rocketing and it is already posing youth unemployment. According to URT (2015), the number of unemployed persons aged 15 years and above in 2014 was about 2.3 million. The total youth population aged 15-35 years is comprised of 14.8 million persons of whom 84.5 percent are economically active and 15.5 percent are economically inactive. Out of the economically active youth population, 88.3 percent persons are employed and 11.7 percent are unemployed. The largest proportion of youths is employed in the informal sector.

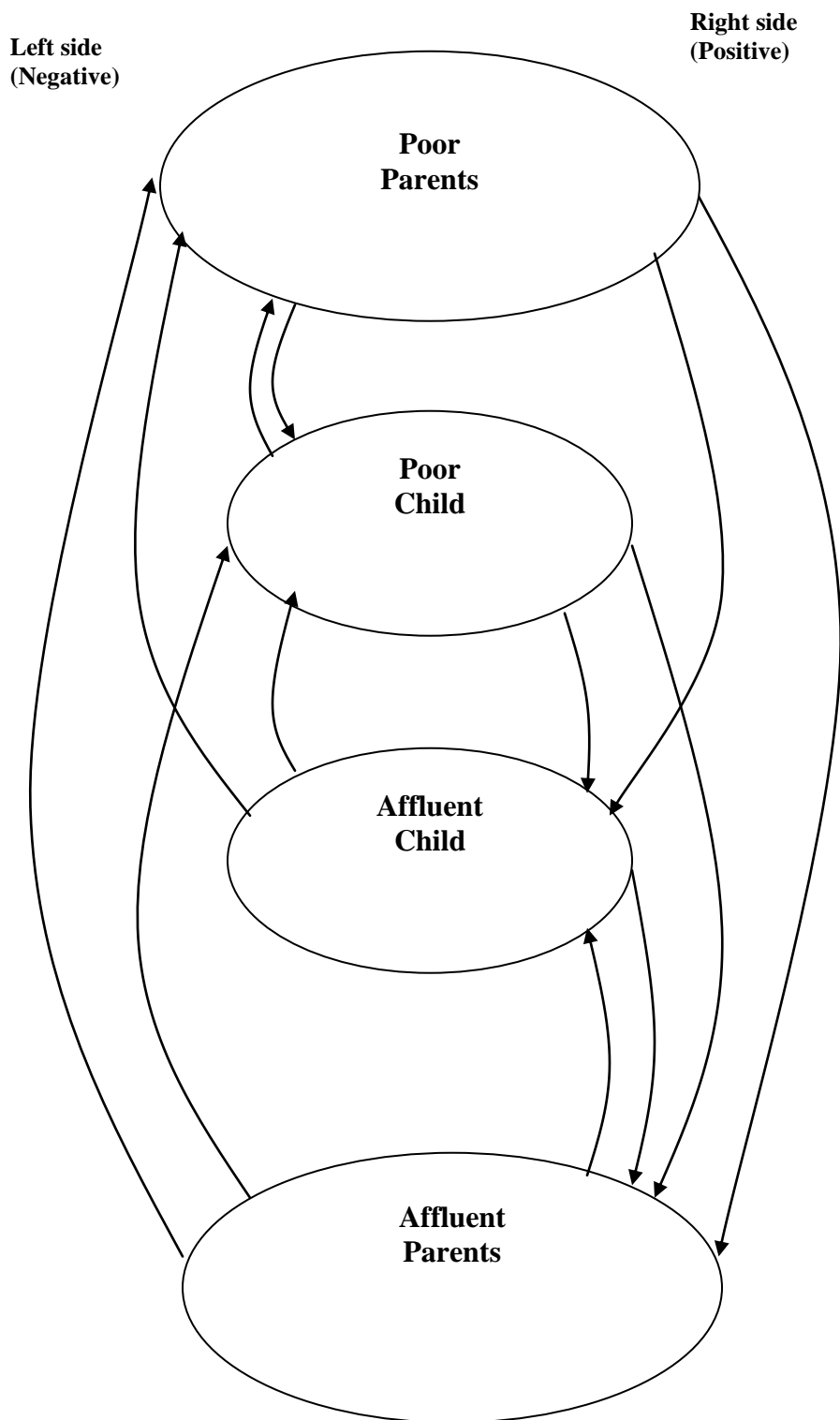
As part of global coalition building on the successes of the Millennium Development Goals (MDGs), in 2016 seventeen Sustainable Development Goals (SDGs) were developed with number one goal being the “No Poverty”- end poverty in all its forms everywhere by 2030 (UN, 2016). Whether it is merger of efforts at global, regional or sub-regional level, it is entrepreneurship spirit and skills best placed to help myriad individuals or households to move out of poverty. No matter what magnitude of wealthy practically there is no country which can ever absorb its entire population in public sector employment alone. Virtually, it is private sector which is expected to absorb lion share of population in the national economy (McConnel and Brue, 1996 and Stiglitz, 1993). Individuals or households with right entrepreneurship spirit and skills ought to tap opportunities through entire cycle of the economy i.e. boom, depression, recession and recovery. Similarly, in developed countries as well as in poor countries there are individuals or households with affluent life; further even in disaster situations like wars, refugees’ influx, famine, hurricanes, floods etc. still there are individuals and households who are better off compared with rest of the population. Mostly, it is entrepreneurship spirit and skills

that fosters tapping of opportunities around (Binks and Vale, 1990; Casson, 2005; Hisrich and Peters, 2002; Maria, 2002; and Hebert and Link, 1988). Interestingly, entrepreneurship spirit is an old phenomenon, it is also found in scriptures of the Holy Bible. For example the book of *Proverbs* chapter nineteen it is written: *Laziness casts into a deep sleep, and an idle man will suffer hunger*; other books in the Bible include *2 Thesalonians* chapter 3, and *Nehemiah* chapter 6.

All levels of entrepreneurship (micro, medium, large) have an important role to play in a particular economy e.g. poor countries are mostly characterized by micro and medium enterprises which are expected to grow into large scale. It means that with time entrepreneurs gain skills and may grow along growth of the economy. Although, entrepreneurship is becoming a popular subject taught from primary, secondary up to tertiary level but entrepreneurship spirit seems to be missing among school and college leavers. On one hand the students grasp well skills of entrepreneurship but on the other hand if entrepreneurship spirit is not nurtured it is hard for these students to venture or live entrepreneurship.

After four years experience as entrepreneurship trainer at the Premier Education Centre, a local vocational training centre in Dar es Salaam, author developed the *Mchumi Diagram* in order to inspire entrepreneurship spirit and skills among students. *Entrepreneurship* by definition is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. It entails setting up a business by taking on financial risks in the hope of profit. On the other hand *intrapreneurship* is acting like an entrepreneur at work though one is an employee within an organization. The *Mchumi diagram* complements narrative teaching of entrepreneurship as some students found it easier to learn through pictures or diagram to gain spirit of entrepreneurship. Entrepreneurship characteristics which are used by the *Mchumi Diagram* include: determination, dedication, perseverance, commitment, self-confidence, achievement oriented, moderate risk taker, courageous, creative and innovative, autonomous/independent, versatile / flexible, energetic, optimistic, team spirit, organized, and trustworthy. Therefore, this paper presents the *Mchumi Diagram*, graphs of income characteristics of employee and entrepreneur and survey results on usefulness of the *Mchumi Diagram* in teaching entrepreneurship.

## 2. The Mchumi Diagram



The *MchumiDiagram* presents static and dynamic characteristics of individual or/and household economic life status. The diagram shows individual or household economic status with possibility to switch off between two economic life statuses namely *poor life status* and *affluent life status*. The *MchumiDiagram* is designed to instill entrepreneurship spirit and skills through schematic presentation of movements of individual or/and household leaving one form of economic status to the other. The *MchumiDiagram* is named after name of the author.

**Description of the MchumiDiagram**, the diagram is made of four circles and twelve arrows which join the circles. The two circles on top represent poor life status (poverty life) while the other two circles at the bottom represent affluent life status (good life). However, the definition of poor life or good life is left with how one's community or society or a particular country would define or/and interpret who is poor and who is affluent. There are six arrows on each side (left and right), left side is dubbed negative since it shows movement to poor life status while right side is dubbed positive since it shows movement towards affluent life status. Except one arrow pointing downward all arrows on the left side point upward, it is vice versa on the right side.

**Left Side (Negative):** explaining the arrows from outside (i) the first arrow which connects affluent parents circle to poor parents circle means that affluent parents can become poor in life, they may have all wealthy gone if they lack entrepreneurship spirit and skills (ii) the second arrow connecting affluent parents circle to poor child circle means that affluent parents may have poor children as well, when children of affluent parents tend to lack entrepreneurship spirit and skills there is a possibility for these children to be poor (iii) the third arrow connecting affluent child circle with poor parents circle means that affluent children can grow and become poor parents, lack of entrepreneurship spirit and skills may render affluent children to lose wealthy and become poor in life (iv) the fourth arrow connecting poor child circle to poor parents circle means that poor children can remain poor in life, as long as children continue to lack entrepreneurship spirit and skills they can remain poor in life (v) the fifth arrow connecting affluent child circle to poor child circle means that affluent child may turn into poor before adulthood; and (vi) the sixth arrow connecting poor parents circle to poor child circle means that poor parents have their children poor as well, poor parents missing entrepreneurship opportunities remain poor thus reproducing poor children.

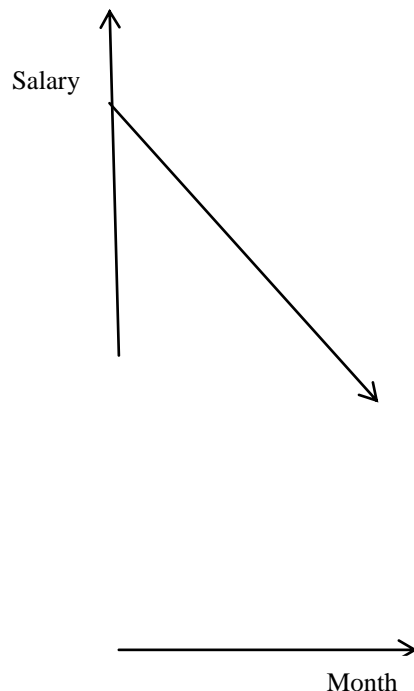
**Right Side (Positive):** explaining the arrows from outside (i) the first arrow which connects poor parents circle to affluent parents circle means that poor parents can become affluent parents in life, they may accumulate wealthy through opportunities via entrepreneurship spirit and skills (ii) the second arrow connecting poor parents circle to affluent child circle means that poor parents may have affluent children, when children of poor parents grab entrepreneurship spirit and skills there are opportunities for them to be affluent (iii) the third arrow connecting poor child circle with affluent parents circle means that poor children can become affluent parents in life, entrepreneurship spirit and skills may help poor children to gain wealthy and become affluent in life (iv) the fourth arrow connecting affluent child circle to affluent parents circle means that affluent children can remain affluent in life, as long as children remain with entrepreneurship spirit and skills they can remain affluent in life (v) the fifth arrow connecting poor child circle to affluent child circle means that poor child may turn into affluent child before their adulthood and (vi) the sixth arrow connecting affluent parents circle to affluent child circle means that affluent parents have affluent children, affluent parents firmly grabbing entrepreneurship opportunities remain affluent in life thus reproducing affluent children.

With the *Mchumi Diagram*, it can be said that there are both static and dynamic situations in life status of an individual or household. Poor life status could be static in the absence of entrepreneurship spirit and skills or turn into affluent life status when entrepreneurship spirit and skills are utilized. It means that one should not be worried of poverty status rather he or she should embark on entrepreneurship spirit and skills to change life status. Likewise affluent life status is not static in case individuals or household tend to ignore entrepreneurship spirit and skills. There are chances of affluent life status to change into poor life status as well (dynamic). As regard to pedagogy, teaching entrepreneurship spirit and skills using the *Mchumi Diagram* requires students to provide vivid examples for each arrow 'participatory'. This reinforces entrepreneurship spirit since students get opportunities to explore pragmatic examples around their community, society or country. Students are able to cite individuals and households that have remain static or dynamic in regard to their life statuses (poor or affluent). Further, characteristics of a successful entrepreneur are explained to the students which include: determination, dedication, perseverance, commitment, self-confidence, achievement oriented,

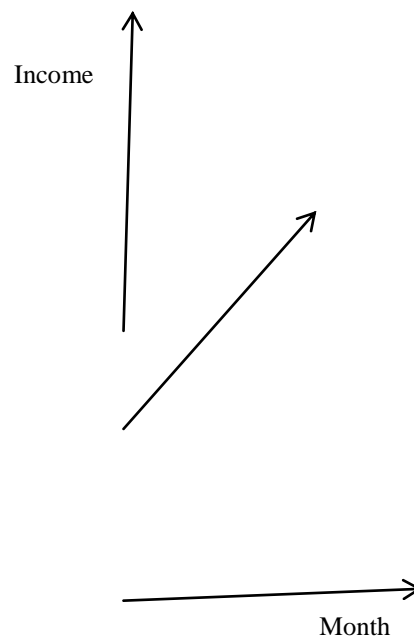
moderate risk taker, courageous, creative and innovative, autonomous/independent, versatile / flexible, energetic, optimistic, team spirit, organized, and trustworthy. It should be noted here that there are other factors besides entrepreneurship spirit and skills that could affect life status of an individual or household. However, when everything remains equal or under *Ceteris Paribus*, entrepreneurship or intrapreneurship spirit and skills continue to be key factor in changing life status of an individual or household. An employee with intrapreneurship spirit and skills will get positive reward (material or/ and immaterial) by his or her employer. The following are important skills which successful entrepreneur needs to have: marketing, management, planning, computer, reporting, communication, financial, procurement and technical skills related to the venture.

### Characteristics of entrepreneur income and employee income

(a) Employee income



(b) Entrepreneur income



Income graphs of employee and entrepreneur are presented together with the Mchumi Diagram. The first graph (a) presents decreasing characteristic of employee income, employee income is usually a fixed salary or wage received after working for a certain period of time normally a month. Employee would consume income or salary earned which then decreases until next salary (income replenishment). The second graph (b) presents increasing characteristics of entrepreneur income, entrepreneur's venture generates income continuously resulting into increasing income, a steady increase of entrepreneur income will help the entrepreneur to move up from lower category to higher category e.g. from microentrepreneur to small entrepreneur to medium entrepreneur to large entrepreneur or from local entrepreneur to national entrepreneur to regional entrepreneur to international entrepreneur. The two graphs help students to understand the differences between incomes of entrepreneur from that of employee thus instilling entrepreneurship spirit. Likewise students should give examples of entrepreneur income and employee income from their community.

### **3. Methodology and Results**

A cross sectional survey using *ex-ante* questionnaire and *ex-post* questionnaire (before and after) was administered to 109 youths aged between 8 and 27 years. The respondents were selected randomly from Fahari English Primary School, Kent High School, and Chamazi Microenterprises Cluster in Dar es Salaam. There was gender balance to ensure equal participation of both male gender and female gender. As for the primary school, 40 students were selected from grade four, grade five, grade six and grade seven. As for the secondary school, 63 students were selected from form one, form three, form four, form five and form six. The *ex-ante* questionnaire was administered prior presentation the Mchumi Diagram to the respondents whereas the *ex-post* questionnaire was administered after presentation of the Mchumi Diagram with entire session lasting in thirty minutes time. The two questionnaires had similar questions except a question on evaluation of the *Mchumi Diagram* was added on the *ex-post* questionnaire. The author administered all questionnaires in person with data collection done from 16 - 21 September 2016. Data analysis (descriptive statistics) was done using computer program 'SPSS' (Statistical Package for Social Sciences).



Overall, response rate is very high (99.6 percent) which means that the study is understandable and interesting to the respondents. The study reveals that a number of respondents had non-entrepreneurship belief (i) children who are born poor can never attain affluent life status; (ii) children born rich can never be poor; (iii) poor parents can never achieve affluent life status; and (iv) affluent parents can never be poor in life. Further results show that students are not conversant with key characteristics of a successful entrepreneur. Students evaluate the Mchumi Diagram as understandable tool; the tool is informative and stimulating. Therefore, respondents say the tool provides knowledge of entrepreneurship seamlessly. Further, respondents say the Mchumi Diagram is an appropriate tool which can help to impart entrepreneurship spirit and skills. Table 3.1 presents survey data results from both ex-ante and ex-post survey questionnaires.

Description	Ex-ante results /before training (%)	Ex-post results / after training (%)
A poor child will never be affluent in life	1.8	0.9
It is difficult for a poor child to become affluent	14.7	3.7
There are opportunities for a poor child to become affluent	83.5	93.6
Affluent child will never be poor in life	1.8	1.8
It is difficult for affluent child to become poor	21.1	11
It is possible for affluent child to become poor in life	76.1	85.3
Poor parents can never be affluent in life	3.7	5.5
It is difficult for poor parents to become affluent	16.5	3.7
It is possible for poor parents to be affluent	78.9	88.1
Affluent parents can never be poor in life	11.9	6.4
It is difficult for affluent parents to be poor	28.4	4.6
It is possible for affluent parents to be poor	58.7	87.2
Knowledge of sixteen characteristics of a successful entrepreneur	88.81	

The MchumiDiagram is easy to understand		92.2
The Mchumi Diagram is informative		97.2
The Mchumi Diagram is a useful entrepreneurship teaching aid		96.3

Source: Survey data

#### 4. Conclusion

Generally, based on the findings, conclusion is hereby drawn that the *Mchumi Diagram* is a useful tool in teaching entrepreneurship. It helps to impart entrepreneurship spirit and skills especially among youths. As young people embrace entrepreneurship it will help to address unemployment for sustainable poverty eradication. Though entrepreneurship is taught in schools, colleges, and universities, most students however seem to grab skills without the spirit to practice entrepreneurship. Therefore, it can be argued here that it is spirit that really can influence (push or pull) individuals in the entrepreneurship ventures. The *MchumiDiagram* demystifies the wrong believe by some youths that life status is static and can never change i.e. once a person is poor remains poor forever or once a person is rich remains rich forever. When students understand the *MchumiDiagram* it is expected that the wrong notions conceived will vanish too. Therefore, for positive results with youth uptaking entrepreneurship and intrapreneurship after schooling, the *MchumiDiagram* is hereby recommended as teaching aid in schools, colleges and universities.

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### **Abbreviations and Acronyms**

ILO	International Labour Organisation
NBS	National Bureau of Statistics of the United Republic of Tanzania
PPP	Purchase Power Parity
UNFPA	United Nations Population Fund
URT	United Republic of Tanzania
WB	The World Bank

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