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# Chamas as more than financial tools

Reframing Kenyan Savings Groups as institutions rich in grassroots knowledge and tacit learning opportunities



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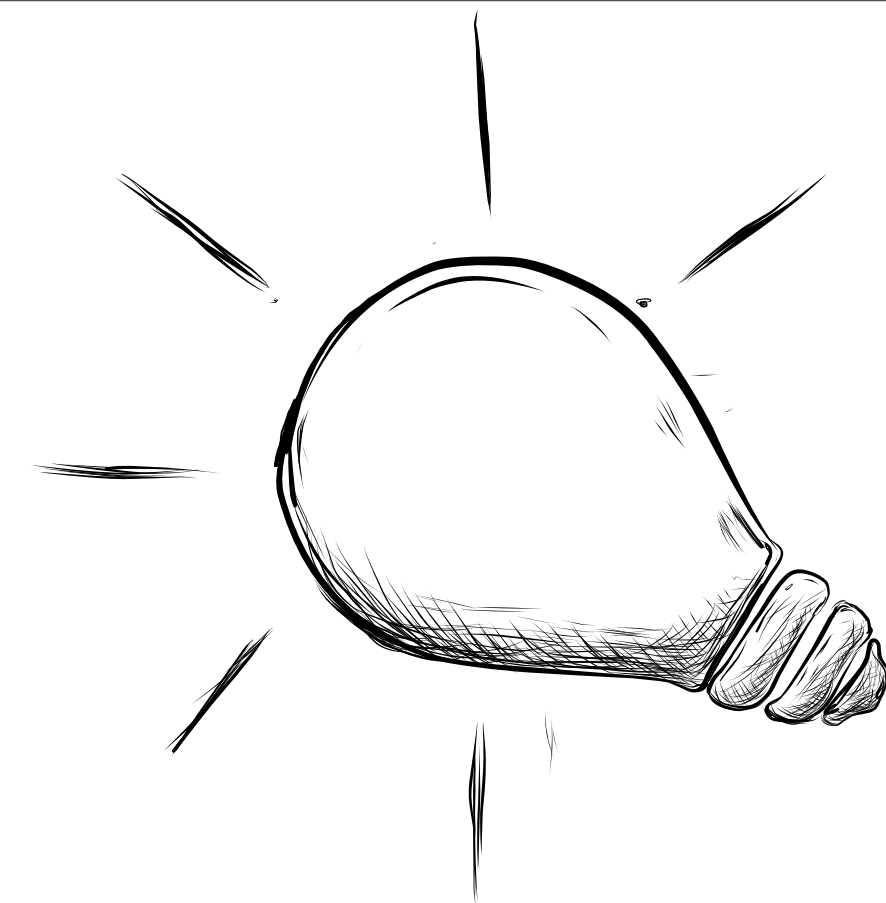
## Introduction

*Chamas* are small, informal savings groups in Kenya. This research explores them not only as financial institutions but also as communities where knowledge is created and shared organically. This paper draws a connection between elements of organisational culture which have proven knowledge exchange benefits and naturally occurring *chama* dynamics.

## What Does a Chama Look Like?

The basic model of a chama is very simple. Members get together on a regular basis and contribute a set amount to a communal pot.

- *Chamas* are usually started within close-knit communities between individuals with similar goals and situations.
- Trust is vital to the success of *chamas*.
- *Chamas* are deeply social, with community one of their most common draws beyond financial benefits.



## What is Tacit Knowledge

Also referred to as ‘know-how’, tacit knowledge refers to knowledge that we don’t consciously know we have.<sup>3</sup>

High rates of tacit knowledge development and exchange have been proven to have significant benefits in organisational settings, including in the areas of:<sup>2</sup>

- Innovation
- Decision making
- Employee development

Many companies try to actively generate dynamics which lead to increased tacit knowledge sharing. Characteristics of these include:

- Trust and community<sup>4</sup>
- Regular informal conversation<sup>1</sup>
- Alignment of goals or interests

## How does this link to Chamas

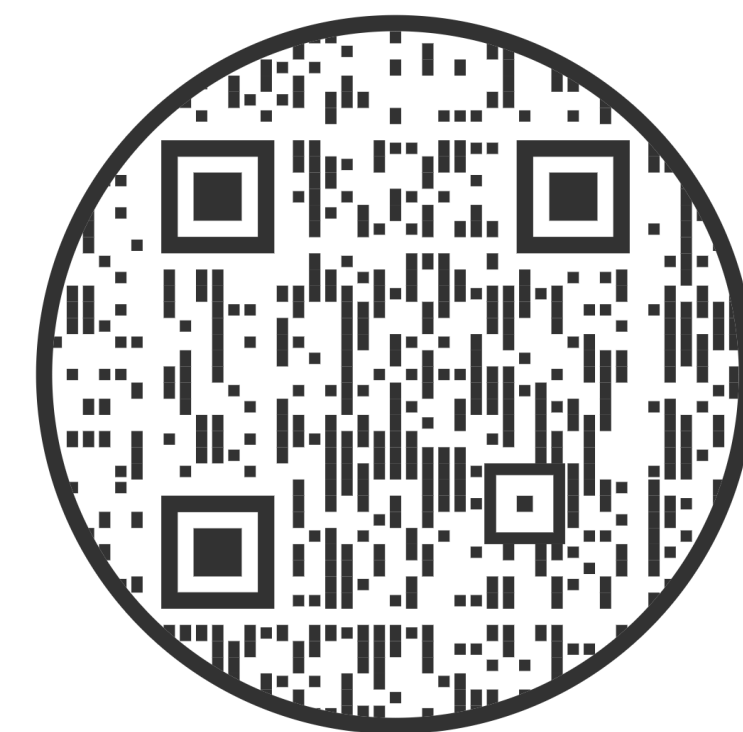
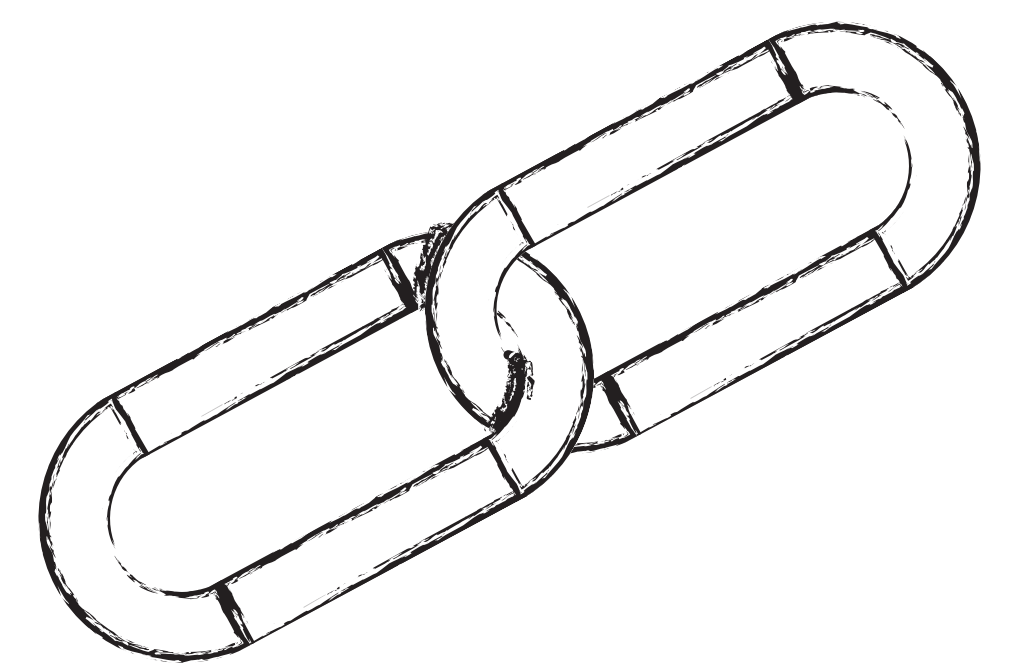
*Chamas* are communities of practice, the success of which is based on trust and community values. The Kenyan concept of *harambee* combined with historical tribal influences make community borrowing and lending practices commonplace.

*Chamas* provide not just financial services but community and support and often meetings are a social occasion. The combination of these factors: trust; regular casual conversation; and communities of practice create dynamics which are sought after in organisational culture. Their tacit knowledge benefits can improve innovation and decision making and lead to greater success among members.

Interviews during my fieldwork period in Kenya supported this, with anecdotal evidence of notably higher rates of loan repayment among those who had previously saved with a *chama*.

## Conclusion

In conclusion, the dynamics observed in *chamas* align closely with the conditions organisational theory identifies as necessary for the exchange of tacit knowledge: regular interaction, trust-based relationships, and the embedding of knowledge in shared practices. Because these features are consistently present, *chamas* can be understood as enjoying the benefits of strong tacit knowledge exchange, reinforcing their effectiveness as collective economic and social institutions.



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