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PROMOTING THE ENTREPRENEURIAL ECONOMIC ENGINE TO STABILIZE THE HORN OF AFRICA

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Introduction

The Horn of Africa (HoA) is one of the most geo-politically important regions of the world. Unfortunately, the region has been notorious for its crises and instability. This was due to the internal and external destabilizing factors related to ethnicity, tribalism, resource sharing, poverty, superpower rivalry, porous borders, and hegemonic desires. Let us keep Kenya and Uganda aside as they are more stable and affluent, and narrow the directly affected countries in the Horn into six: Djibouti, Eritrea, Ethiopia, Somalia, the Republic of Sudan and the Republic of South Sudan. This means we are talking about a region of well over 145 million people (est. 2010).

The nations in the HoA share many common socio-cultural and linguistic heritages. This solid bondage could be used as a foundation for creating a common ground for sustainable peace and economic progress in the region and avoid the continuous suffering. Indeed the region has suffered for so long as a battle ground for internally and externally instigated political, cultural and linguistic dominance as well as lust for power. This created unhealthy and zero-sum relationships shrouded with mistrust, collective ambitions and rivalries for economic, cultural and political dominance. The detrimental result has just triggered continuous tensions among nations, different nationalities and ethnic groups. It has also created a fertile ground for drifting further into abject poverty, humiliating famine and drought, environmental degradation, poor governance and squandering and mismanagement of the very meagre available economic resources.

To mention some, the 1977-78 Ethio-Somalia war instigated by territorial claims and nationality issues and the 1998-2000 Ethio-Eritrean disastrous war for reason that can be solved and settled with political maturation and grassroots' active participation. The fierce Sudanese civil war that decimated more than 2 million people and tragically ended up in splitting one a might country in to two nations. Even the smallest nation in the region, Djibouti has had its own internal conflict and instability, where tensions flared up between the two dominant tribes of the country, the Afar and the Issa, which led to a civil war in the early 1990s.

It is very regrettable that all these unnecessary inter and intra country wars and crises were flared up in the region due to the dominance of collective obstinate political culture that values absolute victory and winner-loser game calculations over the wisdom of compromises leading to joint gains.

Paradoxically, the region is located in one of the strategically and geo-politically important and potentially notably resourceful parts of the world. It represents a bridge between Africa and the Middle East, as well as a gateway to the rich oilfields of the Persian Gulf. The Region is endowed with rivers, lakes, forests, livestock, and high agricultural potential. On top of that it has untapped potential reserves of petroleum, gold, salt, Potash, hydro-power, and natural gas. The narrow strips of the Red Sea and the Gulf of Aden coupled with a large swath of the Indian Ocean waters are some of the busiest shipping corridors of the world. Every day, more than a 1000 commercial cargo ships, oil tankers, and other multipurpose vessels pass through the strips to reach to the vast markets of Europe, Asia, and across the Atlantic.

The existence of all-season perennial rivers and natural drainage areas are recognized as possible inputs for the development of vast potential agricultural areas of the region. Approximately 85 percent of the water content of the Nile River with its alluvial soil originates from this region, and principally from Ethiopia. Prominent researchers in agricultural sciences have continued to underline in their research findings that this region has all the required endowments for making itself as one of the bread baskets of Africa.

The HoA is also blessed with climatologically diversified zones. For example, we can mention among others: the cool temperate zones in the highlands of both Ethiopia and Eritrea; the resource rich untapped equatorial territory of the South Sudan; the vast coastal areas of Somalia; and the hot sub-tropical and arid deserts, including unique below sea level depressions in the Danakil regions of Ethiopia and Eritrea. There are also abundant places for national parks and safari reserves in the region, particularly in Ethiopia and Somalia. The vast Nile River basins in the Republic of Sudan and the Ras Doumeira mountain range, with panoramic view of the critical Red Sea shipping lanes, are also points of attraction for investment and tourism.

The region is the cradle of humanity and endowed with ancient obelisks and some of the earliest archaeological sites. One of the world's earliest traces of the human race was found in this region. This ancient archaeological and anthropological heritage is the foundation of the unique socio-cultural values of the region (Harris, 2003). All these elements can serve as means of promoting tourism and hospitality as the main sources of hard currency and foreign and local direct investment opportunities. The population of the HoA is also known for its hospitality and compassion. Except some petty issues and external impacts, the two major religions, Christianity and Islam, have continued co-existing peacefully since the 7th century. This benevolent and admirable legacy can be a strong side of the populace in the region and can serve as a push factor for stability and sustainable socio-economic development. The potential reserves of important

mineral resources, including gold, oil, iron, copper, zinc, silica, marble, and others enhance the attractiveness of the region for foreign direct investment and promote private-sector driven economic development (Habtu, 2003). With all these potential endowments, the region deserves to be better than its current position.

The Necessity of Breaking the Vicious Cycle

In the current global trend of integration and interdependence, the HoA nations cannot afford to continue to be plagued with the recurrent gloomy situation. Their people deserve peace and progress in the current dynamic world overwhelmed with the abundance of scientific and technological knowledge stock. Due to the continued mushrooming of extraordinary innovations and progress in the information technology, our world is becoming more reachable at higher speed and it is the same scenario in all parts of Africa. Numerous ground breaking technologies, new inventions and discoveries are spreading all over. Several African nations have started benefiting from this vast sea of valuable knowledge for enhancing their developmental continuum.

It is essential that African nations redouble their efforts in enriching their ability to fully benefit from the current global stock of knowledge and technology using various means including learning from one another's experience. The HoA nations need not continue in their unpleasant and destructive path. They ought to search for an alternative gem for promoting sustainable solutions, long lasting peace and progress. Above all, they need to negate the genesis of the destructive path and create a favorable condition for their people to live in productive, creative, and reflective life with dignity. The most important issue here are their willingness to do their homework to make themselves ready for earnest dialogue persistently demanded by their grassroots who possess the wisdom and realism for achieving sustainable solution.

Creating Suitable Climate for Economic Cooperation and Integration

Like in other parts of Africa, the people of the HoA have deep rooted and civilized tradition of local democracy and mechanisms of conflict resolution based on deep rooted collective communal sacrifices and cultural wisdom. They don't deserve humiliation and should not be condemned to live in the midst of a region mired with rampant socially-wasteful rent-seeking activities, massive brain drain, ubiquitous environmental degradation, abject poverty. All stakeholders should make concerted efforts to change the unwanted arduous situation and achieve sustainable peace, socioeconomic development, and good governance. Above all, let the people get the chance to come out with their wisdom, proven ability and prudence to actively engage in solving the acute and chronic socio-economic and political problems of the region.

We believe that the economic factors have a pivotal role to play towards achieving political stability, good governance, and sustainable economic development in the HoA. For example, establishing a solid and functioning infrastructure for promoting regional economic integration can be the viable potential recipe for achieving sustainable solution. We noticed that this roadmap has a successful track record as witnessed in several regional economic groupings around the globe. Of course, establishing an effective regional economic integration is a daunting task. It demands longer time, huge resources, persistent work and collaborative efforts by all

citizens who will be the primary beneficiaries and bearers of its best consequential impacts and outcomes.

This option can be a foundational framework for the HoA nations to mobilize their joint resourcefulness and ingenuity for promoting a viable regional economic integration. Undoubtedly, this is the mandatory precondition in the 21st century global economic interactions. Above all, they are the owners of their destiny and they have the ultimate mandate of formulating and implementing strategic options that can help taking appropriate actions to pave the way leading to a successful regional economic integration process.

Yes, concerned nations should take strategic actions to overcome their weaknesses and further exploit their perceived potential strengths in order to play a cardinal role in the regional economic integration process. They should also skillfully capitalize anticipated opportunities and empower themselves to surmount those challenges having the impacts on shaping the destiny of the region in the current complex continental and global economic orders.

HoA nations should be aware that economic integration is the result of combined efforts and contributions of all internal and external stakeholders and partners at all levels of the socio-economic development roadmap. In their comprehensive format, strategic options should focus, among other things, on the following: creating a suitable economic environment; improving vital institutional and infrastructural capacities; establishing a sound governance system; ensuring the efficiency and effectiveness of productive economic sectors; and integrating vital national economic policies and strategies for best possible performance.

As has been expressed many times, higher incidences of war and instability in Africa in the past were not solely due to the ethno-linguistic fragmentation of countries alone, rather due to the combination of other factors including high levels of poverty, weak political institutions, poor governance, very low engagement at the grassroots' level and excessive economic dependence on natural resources which are deliberately deprived from creating higher values. With this rationality in mind, HoA nations should seriously go through this benevolent path and find stability and sustainable development in the region. Many fellow African nations are rising and let the HoA nations join them now to minimize the regret later.

Some Attributes of Economic Integration in the HoA

As we mentioned earlier, the people of the HoA have a lot in common in both cultural and customary aspects. They share a common destiny and a yearning for a better future. If nothing else, their common suffering from all elements of developmental malaises must form the basis of imperative socio-economic unity that would allow them to reap the benefits of economies of scale in resources, markets and capital. These essential ties can create convenient preconditions for establishing stronger regional economic integration. However, we need to realize that economic integration is an integrative process. It should function in the light of internal and external influencing forces representing economic, socio-cultural, technological, infrastructural, historical, political, institutional, and legal contexts. Proper management of these influencing forces can help facilitating regional economic integration aspirations. Above all, the key is primarily in their hands, and the people and governments of the region have the mandate to seriously seek the sustainable solution in a complete holistic framework containing vital elements of the desired comprehensive objectives.

The conventional wisdom attests that conflict resolution through peaceful dialog and negotiations is a step-by-step process comprising a series of modalities, activities, actions and episodic milestones. Serious and strategic conflict resolution process deals with: the nature and characteristics of the conflict; the characteristics and background of the conflicting parties; and the objectivity and capability of the executors (mediators) handling the conflict resolution process. Therefore, all parties involved in conflict mediation and its eventual resolution should take the initiative to conduct an in-depth study in line with these factors.

For example, there are two major avenues for national and international disputes and conflict resolution. The first one is the commonly recognized traditional route of official government-to-government diplomacy among instructed representatives of sovereign nations. The second alternative is diplomacy through people-to-people actions outside the formal governmental power structures. We believe that the people-to-people alternative is more effective at least in creating more trust and confidence among the citizens of the nations in conflict. Notable representatives of the public and the elderly can take the initiative when governmental involvement is either tentative or awaiting more agreeable conditions for reaching an agreement (even if such agreement merely amounts to a refusal to negotiate). These efforts have been quite successful in laying the groundwork for successful conflict resolution. It can also systematically force those in power to follow the trend and bring the conflict resolution agreement to its logical conclusion. Progress made with regard to conflict resolution should complement the existence of able, visionary, and transparent political leadership and good governance.

Economic integration does not function well unless governments create conducive environment for good governance and sound national macroeconomic management system to thrive and develop. Above all, the technocratic capabilities of governments in the region should be amenable to continuous improvement. This can be possible through the establishment of streamlined, highly qualified technocratic and lean governance structures. This means, governments should endeavor to staff vital departments with appropriately qualified personnel in order to manage the economy in the way to contribute to the desired regional economic integration. The internal economic strength of the concerned nations themselves is a solid foundation for the formation of successful regional economic integration.

Enhancing economic strength of nations, among others, emanates from disseminating the culture of innovation and entrepreneurial initiatives for economic development and productivity. This would enable HoA nations to increase their economic competitiveness and create a healthy environment for national economic development with the capacity to attract local and foreign investors and entrepreneurs. Countries can attain innovative entrepreneurial economic development if the private sector develops the capability and competitiveness to carry out business activities efficiently and skillfully. Towards this goal, governments and the private sector have a clear mandate of building and reshaping the structure of national economic dynamics.

In our view, governments should concentrate on conducting the ground work for building, improving, and developing vital components of basic economic infrastructures such as education, health, financial institutions, transport and communications, technology transfer and diffusion, etc. Accomplishing these are essential for the development of a dynamic, successful, and competitive economy and society in the HoA nations. Taking combined initiatives at both public and private sectors can undoubtedly accelerate the strength of national economies in the region. It is necessary that home-grown entrepreneurs and skilled business operators should be

able to flourish and participate in the regional economic integration of the region. They should also encourage the potentially vast cross-border business activities. In fact, cross border trade and investment activities are still widespread in this region even during active conflict times.

Conclusion

Effective regional economic integration is developmental in its content and form. It demands strategic fit, bold initiatives, and political and social willingness. Concerned nations should have a strong motivation and commitment for taking the ground breaking initiatives particularly in confidence-building and lay the foundations of successful partnerships. Therefore, they need to identify and elaborate the desired synergy of economic policies as mandatory preconditions for promoting regional economic integration. These preconditions should trigger the creation of supra-national institutions to lay the foundation of an integrated regional economy and the mechanisms for managing it.

Moreover, the nations should slowly build up a common base for macroeconomic and socio-cultural management structures as foundations for creating partnership in their socioeconomic strategic agendas. Individual national efforts are helpful in developing the foundations of a regional economic integration process. For example, promoting more cultural ties is quite helpful for improving regional infrastructural, institutional, and political capabilities. These are potentially worth noting inputs for expected win-win outcomes. HoA nations have seen and tested the consequence of abject poverty, war, political instability, and economic crises. Therefore, building the region from within is highly desired. Indeed with hard work, judicious attitude of change, and broad collaboration, the formation of viable regional economic integration could be a reality in the Horn of Africa in not too distant future.