

Entrepreneurship and Development in Ethiopia*

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Part 1

The Definition and Concept of Entrepreneurship and Entrepreneurs

1.1 Entrepreneurship-theories and interpretations

“100% is such an important percentage in commitment. The whole world would work if you were committed to 100% excellence in everything you do.”

Jack Canfield

The major sources of wealth and development for human being are land, manpower, capital and entrepreneurship. The first three can be easily seen, measured and acknowledge. Entrepreneurship, however, is something that can not be easily identified, measured and recognized. There is no consensus in defining the word entrepreneurship. In different studies and by different scholars, it is defined in different ways.

The terminology is derived in the 17 century from the French word “enterprandship” meaning taking risk for doing something and also doing it in a different way than it has been done before. It is also interpreted as taking the initiative of doing what others cannot do. Since the 17th century the word Entrepreneurship has been associated with taking the responsibility to perform some task

that others cannot do in different and new ways.

Here are some of the definitions given to the term which are more relevant to the Ethiopian context. Some scholars say Entrepreneurship is a dynamic process of creating incremental wealth. According to this definition firstly, the process of creating wealth is continuous. Secondly this process of creating wealth is performed in different ways than the usual one. Mostly people tend to see simple tasks. People with the skill of Entrepreneurship, however, tend to perform activities that require a different skill of creating wealth rather than what others are accustomed to.

Entrepreneurship is a process. It is a continuous process which is related to the development and continuity of business. Other tasks or responsibilities are accomplished by people who are accountable and responsible. But tasks that are done under entrepreneurship are accomplished by entrepreneurs who take full responsibility and who effect change. This is because Entrepreneurship is related to starting a new business to produce new products and give new services. What makes entrepreneurship what it is, is the unique way that creates the new products and services.

The second explanation also helps to strengthen what we have said earlier. The Austrian-American economist Joseph Schumpeter differently describes the term Entrepreneurship as the “process of creative destruction.” This means the process of improving the factors such as transport, Medical service, Bank, Health service, and residence has changed the former process of agriculture to its present way. This better way of doing things was considered as the real concept of Entrepreneurship in the teaching of Joseph Schumpeter. According to him, the activity of creating a new way/ thing or upgrading the existing thing or way was Entrepreneurship.

Some others say that Entrepreneurship is the act of taking the risk to individually perform an activity and become successful. This definition of Entrepreneurship as the process of taking risk independently and individually is an important concept. This is because to bring a change, live a better life by taking the responsibility of doing it individually is the main thing. It is an important lesson for us to bear the challenges in our task, and achieve a better life through individual effort. Our agricultural practice is very backward. The business activities are not also modern.

*A talk prepared for the Vision 2020 Ethiopia series organized by the EEA, September 30, 2005.

When many employees perform their duties tirelessly they create wealth for their country. They can create better wealth when they perform their activities in a creative manner. The creative work of employees enables a country to acquire wealth through creating opportunities for many others. This triggers the desire to live a better life and that in turn facilitates the action of creativity. From the added value in such creativity, a country can obtain money for other activities by collecting tax.

The owner of the business also trains himself/herself to set a better living condition. The society in a better condition also has a high purchasing power. As a result of this, producers would get a chance to supply more products for consumption. As the sales of the products continues that will create wealth in the country. Therefore, many writers claim that entrepreneurship is a continuous process of creating wealth. This continuous creativity of job and wealth facilitate better working conditions when combined with new technology, new thinking and new way of life.

Entrepreneurship is a guarantee for creating new jobs, wealth and technology. When the need to get a better life is followed by hard work to achieve it facilitates the entrepreneurial activities.

It is possible to produce growing wealth from growing aspiration. Entrepreneurship eases the problems of backwardness, poverty, disease, and shortage of educational and medical institutions. This is because many active entrepreneurs are created from such situations. As

stated earlier Joseph Schumpeter said that Entrepreneurship is the process of creative destruction. When activities are modern, many problems can be solved. For example, Agriculture is quite modern in developed nations. From the place of production until the product reaches the customers there are many chain of works. The Agricultural products are processed in companies and distributed for consumption. From retailers some of the products go to individual households for use, while others go to the service giving organizations which process them and deliver them to their customers (hotels, bars,...) The creativities along this process can cause the opening of new job opportunities and become new sources of wealth.

It is important to note here that the major source of wealth is not land. Rather more wealth is created through continuous additional work. The major source of wealth in the previous example is not the one who produced the grain but the one who processed it and supplied it for consumption. Because the supply of the service for consumption requires new technology, skill and process that add more value in it.

The computer technology united the world as a family. Internet, fax, e-mail, mobile phone, telephone are some of the activities that facilitate communication. This is regarded as facilitating work, saving time and enable to accomplish market affairs through telephone, e-mail and fax. Information technology enabled the people to use new products and services. As a result, the information technology is being the major source of wealth.

The process involved millions of people. The creation of Microsoft and its sale brought significant benefit for people. In addition to the software, the production of consumable goods for repairing the items enabled millions of companies to accomplish their day to day tasks.

Today rather than a famous agricultural specialist, the technology entrepreneurs are better off in creating new knowledge and wealth. People in the field of information technology are found to be developed much more than the people in agriculture.

Entrepreneurs in the field of technology are in a better stage of competition than those in agriculture because the modern technology produced other millions of products. This field of creativity, however, is not limited to a few people. The development of the technology involved millions of others.

Therefore, we can say that entrepreneurship is the process of creating new jobs and additional values. Entrepreneurship is the wise and efficient use of resources. One hectare of land can be made much more productive than cultivating more hectares of land through entrepreneurship. The use of modern technology for farming and developing productivity is the result of entrepreneurship.

It is possible to make man productive through entrepreneurship. Therefore, the existence of entrepreneurship as a process is quite important. When the number of entrepreneurs increases the way of life also changes. The challenge in life can make one think of a better

way to solve the challenge. For example, a better life in European countries is possible when one is able to devise a method of living in a cold season. For this, constructing a conducive house with electric heater is needed. However, one should also think of the expense for electric power. To afford this expense, securing a better job may be the first choice. But this is acquired when one can be creative on job, developing skills saving time, using money and power wisely and safeguarding the health.

Entrepreneurship can help for successful implementation of all the economic resources. More specifically, human being can be better off, educated and modernized through entrepreneurship. Government and individuals need to know that money can also be created when there is entrepreneurial activity. This also makes money worth much. Therefore Entrepreneurship is a raw material for development owning property.

1.2 Entrepreneurship and Its Development

“Change is the law of life. And those who look only to the past or present are certain to miss the future”

John F. Kennedy.

According to some sources it has been about two hundred years since Entrepreneurship as a concept has been taken as one type of resource. This is related to the theories of Adam Smith (1734) and other economists who came later. The question whether entrepreneurship is a natural skill or a skill that could be learnt has been unanswered for the same number of years. Some claim that it is innate while others

say it can be acquired through training.

Although it is accepted that the concept of entrepreneurship has lasted for about two hundred years, still one question whether all the activities that brought change in the world before that are not entrepreneurial activities. If not what are they? This takes us back to the fourteenth century to see how activities were being performed. The 14th century was the time in which agricultural activities were primitive. In France for example, there was poor means of communication and transport. As a result the government could not move around and collect tax. This situation gave risk to that some farmers who could be regarded as entrepreneurs started to collect the tax from the farmers. This kind of activity was called the Entrepreneurship in collecting the tax from the farmer.

In this activity of collecting farmers' tax, some farmers who could produce more first pay the government tax from their own product. Then they start to collect the tax from the farmers having license for it. This is an important activity that demands the farmers (tax collection) decision to take the risk. If the amount of tax paid for the government is greater than the collection, there will definitely be bankruptcy. If the amount of tax paid for the government is less than the tax collected from farmers, the collector makes profit.

The following entrepreneurial activity of the fifteenth and sixteenth century was related to these farmers and their activities. Having made a profit from their tax

collection; some started to feel that they do not have enough land to make more money. As a result, they started to feel the vision to cultivate more land by employing more people by the money they could generate. While searching for new land, they faced challenges from other people and fought war. They also faced challenges from nature itself. Resisting all these problems, the entrepreneurs of these times were the ones who could cultivate more land and extract minerals.

Some books express the entrepreneurs of the 15th and 16th centuries as military expedition entrepreneurs. Due to this movement from one place to another and forming a village life structure and other related events were the main phenomenon at this time.

More attention in the seventeenth century was given to the construction activities. The entrepreneurship activities at this time were mostly on construction. The construction of roads, schools, residential houses, offices, bridges etc were the main construction activities that took place. As permanent residence in one place became apparent, this has facilitated the different parts of the society to be supplied with different services such as education, health, bridge construction and other different basic infrastructure development.

Pottery, weaving, leather craft and other creative works were started. Therefore, the seventeenth century entrepreneurial movement laid a ground for civil engineering. The builder entrepreneurs or construction entrepreneurs were the results of this time.

The eighteenth century was the time for industrial entrepreneurship. This is a period of transition from the activity of building and other related activities to better new industrial activities more importantly the industrial revolution in Great Britain witnessed the production of new findings and industrial development.

The eighteenth century industrial entrepreneurship is different from other activities in its concentration on industrial production and industrial creativity. This shows that it is the time in which industrial entrepreneurs emerged. The present situation is a clear indicator that the industrial revolution has changed the world. The founding base of the present information technology is the eighteenth century industrial revolution. The development of individual countries and the advancement of peoples' ways of life can also be seen together with this.

From the practical situation of Ethiopia we can see that 85% of the people are farmers who work with traditional equipment. Due to the lack of money, technology and industrial innovations, the people live a subsistent life.

The eighteenth century entrepreneurship put us at our today's status. The following nineteenth and twentieth centuries were the periods in which the service giving business was covering the large share of the activities. Distributions of products, expanding business within and outside the country were the main activities. The more emphasized areas were bank and insurance, health and education. The service-giving sector was the main source

of wealth throughout the world. The developed nations are benefiting more from the service giving economy than the industrial economy.

The twenty first century is the age of information technology. The result of the information technology is the one that can make big wealth and change the life of the people radically. This has become an era of software development and investigation and research on other planets.

The theory of entrepreneurship has got wide acceptance since the 1970s for two main reasons. First, until this time corporations and big businesses were regarded as unique sources of job and wealth. However, when the role of small and medium size industries is seen in creating job opportunities and supply of production, it is significantly high. This is due to the role of entrepreneurs at this level who create limitless opportunities in the given areas of economy. Due to this, the entrepreneurship activities since the 1970s are regarded as a big source of wealth which changed the world. Second, this time people are inclined to self-employment and creativity.

Unique kinds of studies were conducted in the 1980s. The studies show that there are the entrepreneurs in any system and any kind of economic set up. The countries where these people of worldwide skill are found in high number proved to have high entrepreneurial resource. In contrast, the countries where the number of entrepreneurs is quite limited remained undeveloped. In the countries where the entrepreneurial activity is low, the development of agriculture,

construction, industry, service sector and the information technology development is highly retarded. The number of people in this business of creating job opportunity is very limited.

In relation to the above stated facts we are now in the age when political leaders highly perceived that development and backwardness are related to the existence of the entrepreneurial resource. Developed countries are now committed to give training for their citizens so as to enable them acquire standard skills of creating and working on business successfully.

1.3 What People Want From Self-employment

"There is a difference between interest and commitment. When you're interested in doing something, you do it only when it's convenient. When you are committed to something, you accept no excuses, only results."

Ken Blanchard

We can classify the reasons why people seek self-employment into two groups:

1.3.1 Goals

1. Economic goals
2. Personal goals
3. Retirement goals

1.3.2 Other group

1. Fortune
2. Fame
3. Family security
4. Freedom
5. Fun

1.4 Credo of World Entrepreneurs

"If we did all the things we are capable of doing, we would really astound ourselves."

Thomas A. Edison

The world today is looking for:

- Entrepreneurs who are honest to themselves and the nature
- Entrepreneurs who are innovative
- Entrepreneurs who will stand for justice
- Entrepreneurs who care for the society
- Entrepreneurs who stand for values
- Entrepreneurs who have the freedom of conscience
- Entrepreneurs who neither brag nor flinch
- Entrepreneurs who know their place and fill in
- Entrepreneurs who know their business and attend to it
- Entrepreneurs who are not too crazy
- Entrepreneurs who are not lazy to work
- Entrepreneurs who will prosper with society
- Entrepreneurs who lead and motivate
- Entrepreneurs who always dream for change
- Entrepreneurs who live for their principles

1.5 Official Credo of the American Entrepreneurs Association

“Life is like a combination lock; your job is to find the right numbers, in the right order, so you can have anything you want.”

Brain Tracy

- I do not choose to be a common man.
- It is my right to be uncommon- if I can. I seek opportunity – not security; I do not wish to be a kept citizen, humbled and bullied by having the state look after me.

- I want to take the calculated risk, to dream and to build; to fail and to succeed.
- I refuse to barter incentive for a dole; I prefer the changes of life to the guaranteed existence; the thrill of fulfillment to the stale claim of utopia.
- I will not trade my freedom for beneficence or my dignity for a handout. I will never vow before any master nor bend to any heart.
- It is my heritage to stand erect, proud and unafraid; to think and act for my self, to enjoy the benefit of my creations, and to face the world boldly and say, “This, with God’s help, I have done.”

All this is what it means to be an entrepreneur

1.7 Entrepreneurial Competencies

“Ninety nine percent of all failures come from people who have a habit of making excuses.”

George Washington (Chemist who discovered over 325 uses for the peanut)

A study conducted by the United Nation for five years in many countries reveals that entrepreneurs have ten common characteristics which are clustered in three ways.

These are:

1. Achievement motivation cluster has 5 main personal entrepreneurial competencies, namely:
 - Opportunity seeking
 - Risk taking
 - Persistence
 - Commitment to the work contract, and
 - Demand for efficiency and quality

2. Planning cluster has 3 personal entrepreneurial competencies that include:
 - Goal setting
 - Information seeking
 - Systematic planning and monitoring
3. Power cluster contains two personal entrepreneurial competencies:
 - Persuasion and networking
 - Independence and self-confidence

1.8 Entrepreneurship and Entrepreneurs

“You will never become successful as long as you continue to blame someone or something else for your lack of success.”

Jack Canfield

Entrepreneurship is a concept that emerged from the theory of entrepreneurship during the last two hundred years. Entrepreneurship is an act of showing better creativity and development being employee in government or private corporation. This is a process of seeking opportunities and integrating the existing resources in an efficient way to contribute in the productivity and development of an institution.

Entrepreneurs are professional employees who have acquired the skills of entrepreneurs but work under bosses.

This include those dedicated, reliable and productive employees of private, governmental or corporation institutions. Increasing the number of entrepreneurs significantly contributes for governmental, non-governmental and more importantly for the private institutes in bringing economic progress.

1.9 Entrepreneurship and Development

“Decide upon your major definite purpose in life and then organize all your activities around it.” (Brain Tracy)

The development of countries has direct relation with education, skill, creating wealth, technological progress, and significant change in the state of life of the people. Development is more about the existence of perception of the society that is enriched in knowledge and practice. This enriched knowledge and skill of people can create new creative works and continuous wealth development. From many creative works, income of a country increases through taxation.

The development of social and economic infrastructure such as communication, education, health, electric power, telephone, water supply, radio, television etc services are widely distributed through the development in a countries income.

Countries with fast developmental activities have people of self-confidence and understanding. Entrepreneurs are the sources for fast developmental activities, thinking and creative works. There are no under developed countries with a large number of entrepreneurs and developed countries with a few number of entrepreneurs.

Therefore, skilled people are needed to develop a country. For this, development entrepreneurs and entrapreneurs play the leading role.

Part II

Promoters and Hindrances for Entrepreneurship

“All blame is a waste of time. No matter how many faults you find with another, and regardless of how much you blame him, it will not change you’.

Wayne Oyer

The four resources of production: land, manpower, capital and enterpreneurs are not out of the influence of man-made and natural phenomena. Human being has positive or negative influence on the development of the resources.

The following conditions, however, can be considered as the activities of people that can promote or hinder the development of enterpreneurs.

2.1 Tradition Belief and Practice of Job

“If you keep on doing what you have always done you will keep on getting what you’ve always get.”

Jack Canfield.

- Encouraging/discouraging work, /encouraging/ discouraging the working party.
- Ineffective/effective use of product of work practices/pushes
- Working hard/not, initiated/not initiated
- Resistance to reach success/fail to succeed or complain on lack
- Preparing oneself for higher position/not, belief and experience
- Improving working/ life/self confidence/independence/not
- Interest and effort to change traditional activity in modern way/not
- Share of tasks, basing duties and responsibilities wider/not

- Culture of positive and rational competition in job/not
- Existences of cultural and traditional conditions that effect job progress/not

In the society where the above positive sides of the culture, beliefs and practices are dominant the entrepreneurial resource will also be facilitated. In the society where the opposite is practiced, the resources will not be developed successfully.

2.2 Education, training and skill

“Create your future from your future, not your past.”

Werner Erhard

In the countries where the society’s knowledge and skills are developed, the base for enterpreneurs is also strong. The development in science and technology enables to paretic modern activities and to start activities that have not been practiced before. When there is a society that is interested to use better developments in production and service the development of enterpreneurs is also activated. In the countries where there is low level of education, training and development of science and technology, there is a low level of enterpreneurs resource.

There is a continuous competition between the firms in the civilized society. This is because the society has enormous needs. It also requires those who can supply for its needs and those who can be creative to bring new products and services. Continuous competition and creativity are means for better wealth and prosperity. Hence, the countries where such people are

found, show remarkable progress every year.

2.3 The Economic and Social Infrastructures Development

“You weren’t an ancient. You weren’t mass produce, you aren’t an assembly line product. You were deliberately planned, specifically gifted and lovingly positioned on the earth by the master craft’s man.”

Max Lucado

Under achieved economic infrastructures like health, education, bank and insurance, means of communication, and social infrastructures such as telephone, electric power water supply, mass media have bearing influence on the successful practice of entrepreneurship. While the above types of infrastructures are well achieved numerous private jobs are created. Backward economic sectors are replaced by new activities. New job creativity opportunities are also created in base of competition. Because unique products overwhelm the market creativity will be further aggravated. Activities, which can attract many customers, will lay a wide ground of prosperity. The entrepreneurs in a growing economy grow together.

The development of entrepreneurs will be limited in the countries where the above conditions are not facilitated.

2.4 The Economic Policy and Efficiency of Implementers

The development of entrepreneurship mostly relies on factors such as explicit economic policy, free and fair market competition, securing patent right

for creativity, incentive for further capacity development, incentive for modern economic sector, good condition for investment, equipped and well enlightened policy implementers; etc.

Countries which adopt economic policies that facilitate better work and creative and efficient implementers, pave the way for the development of new entrepreneurs and strengthen the existing entrepreneurs. The opposite is true in the countries that have not initiating economic policies.

2.5 Political Administration and Good Governance

“The same level of thinking that created them cannot solve the significant problems we face.”

Albert Einstein

A political system that guarantees the right to get benefit from creativity and productivity also enables the emergence of creative and competent workers. It also initiates the people for better wealth.

When the main political system safeguard the human right, when everyone is able to involve in his/her area of interest to work and get benefit from it there will be a strong initiative that will enable to create big wealth.

Good governance is a better means of administering a country in legal, equality, free competition, living in one’s own effort without discriminating in ethnic, color, religion and political ideology. Good governance is the ability of effective use of resources in the areas that could bring better achievement in social and economic

activities. Good governance brings peace in the mind of the people, as it is a source of peace. It motivates people to work. It protects wastage in the country’s resources.

Good governance can create self-confident and resourceful people who can solve their problems independently.

Good governance is free from corruption and revenge. It rather aspires for the bright future.

Good governance safeguards the nation’s interest and sovereignty as well as the people’s interest.

The priority question for good governance is resolving countries’ problems and increasing the benefit of the society.

Good governance is a system with leaders who are positive, hardworking, and patriotic, respectful for people, truthful and visionary in their leadership.

Good governance is a system that increases the number of citizens who are hardworking & resourceful. It creates a country with strong economic and social bases for the coming generation and makes the future promising.

Good governance has properly functioning legal and judiciary activities.

In the countries where these and other characteristic features of good governance are practiced, entrepreneurship is highly promoted. The number of job creators increases. It invites investors from abroad. Due to the existence of national and international competitions and share

experiences, the development of entrepreneurship becomes evident. In countries where there is a lack of good governance, the development of entrepreneurship is quite slow.

2.6 Population

“If you want to be happy set a goal that commands your thoughts, liberate your energy and inspire your hope.”

(Andrew Carnegie - The richest man in USA in the early 1900s)

The existence of large number of educated, knowledgeable and skilled people, economically independent workers business people and customers in a country contribute a lot for the development of entrepreneurship.

In the countries where there are consumers who are not productive, economically dependent, not educated and skilled and people who are not doing an appropriate job in their interest and expertise, the development of entrepreneurship is not widely observed.

People who add value on the existing situation/resource of the country can create a better country.

Americans claim that “ Our children are not better because they are incredibly different from us. It’s just because they had a better ground settled by us and our parents”

2.7 The Area of Emphasis of Mass Media & Mass Communications

“Talent is cheaper than table salt. What differentiates the talented individual from the successful one is a lot of hard work.”

Stephen King

Mass communication in television, radio, newspapers, books, journals are sources of knowledge and skills for the society. These are relevant for one’s life.

The public and private mass media in different countries have a big role in the distribution of information and transfer of knowledge and skills.

There are electronic media that function for twenty-four hours a day in the developed world. These have the role of distributing relevant information. They also have regular printing media that function in the same role.

The world needs more media that advertise and introduce creativity in art, literature, technology, and creativity in industry. Wealth is also developed many times more when these movements smoothly proceed.

The field of mass media helps others acquire better life through its educating and informative transmission in addition to being the source of job, creativity and income. The development of the field also helps in the development of entrepreneurship and emergence of new area of creativity.

The use of different mass media indicated the level of economic performance. It also indicates the level of civilization and prosperity. Media can produce programs that show the success and challenges and individual that may create opportunities for others to share from the experience of these courageous people.

As a result of this, countries with big electronic and printing media have better ground for entrepreneurship. Countries, which couldn’t develop these opportunities, let alone creating job and creativity opportunities for their citizens, they cannot safeguard the rights of their citizens. The role of entrepreneurship in these countries is low. The sector cannot show progress because there is weak competition.

2.8 The level of Development of the Private Sector

“It is not the will to win those matters every one has that. It is the will to prepare to win those matters.”

Paul “Bear” Bryant

The base for the development of entrepreneurship can be expanded when there are high number of people in a country who are active in job and creating income opportunities. Make more/much sustainable profit, pay high amount of tax and contribute in the development of social and economic benefit of a country.

More specifically if there are entrepreneurs in the field of business who meet standard qualities, the developments in the economy will be sustainable.

The culture of hard working is developed if there are business people who are independent and competent in free and fair market. Good culture of work also facilitates the development of different business owners.

Making business is an art. It needs an individual to be skillful in many directions. Making business, like

any other fields of work, demands continuous education, training, reading, and exchange experiences and information

Trade chambers, research centers, credit and information centers can be good sources of consultation for such people.

Putting emphasis on modern economic sectors such as industry, science and technologically advanced services is another source of development. There is a wider opportunity for business people if they develop disciplinary management to keep job, their profit and loss. Unless they have very narrow opportunity for development people with bright hope for future can also be good entrepreneurs.

Part III Entrepreneurship and Development in Ethiopia Vision 2020

“The greatest damage for most of us is not that our aims is too high and are missing it, but that it is too low and we are reaching it.”

Michael Angelo.

By 2020 Ethiopia can be out of underdeveloped nations’ category through its entrepreneurship resource, its peoples’ effort and creativity.

By 2020, 2% of the employees will be trained entrepreneurs. The country will also achieve better economic development due to the job opportunities created by the trained entrepreneurs and continuous activity in creating wealth by people who follow the footsteps of these. It will be a

country that can supply social services, like education health, and feed its people. We Ethiopians with the sacrifices will make surplus product that can also be passed to the next generation through our hard work.

The list of the visions are presented in details in part five.

Part IV Entrepreneurship in Ethiopia

“If you are bored with life, if you don’t get up in the morning with a burning desire to do things you don’t have enough goals.”

Loo HoHz

The entrepreneurship resource in Ethiopia is at low level. According to the points listed in 1.7 above the number of entrepreneurs that meet the criteria is very few. The backwardness of the country has a direct relationship with traditional practices of the agricultural economy. The practices are more traditional. The industry, commerce and service giving sectors are not well exploited. Due to the discouraging effects that happen during government change in the 1960’s and transfer of individual properties to public ownership in the 1960s beginning and end modern agriculture, hand manufacturing, the interest for work and creativity were affected.

In the present system due to the lack of effort to strengthen and create fair competitive atmosphere, the private sector is not showing the expected level of development. The business sector that the government monopolized can not create a fair

competitive atmosphere for creativity.

4.1 The Peoples’ Concerning Perception of the Public Towards Work

Work is the source for development. And many Ethiopians are engaged in the agricultural sector. But the agricultural activities are performed traditionally; they are inherited from the previous generations. Mostly the activity was to supply daily requirements and not to add value. As a result of this the sector could not show progress for long. It is related to the natural phenomena. The producers are not well nourished, These people are found unbelievably in a low level of life.

The number of job creators from those who live in the towns is very small. From these most of them are leading a subsistent life with very small open market business. But other creative and productive institutions are quite few. Unemployment is a more serious problem in towns than in rural areas.

According to the record of the mainstay of revenue of Ethiopia there are about 330, 000 registered business organizations in the country. The ratio of the organization to the people is 1:2. Whereas this ratio in the United States is 1:13 excluding bigger corporations in the country.

The other source for job opportunity in Ethiopia is the public institutions. And many of the citizens aspire to be employees of such organizations.

Non-governmental organizations that are local or international

created insignificant job opportunity compared to the number of the population.

Most of the educated parties are interested to be government employees. Parents both in urban and rural areas send their children to school so as to help them get employment. As a result of this the dominant public interest is to get employment not creating personal productive work.

4.2 Basis for Business in Ethiopia

“Everything you want is just outside your comfort zone.”

Robert Allen

The bases for business activities in Ethiopia are agricultural products. These are base for domestic and export trade. Due to the low level of development in other sectors, it forces the business and industry sector to be practice in backward and traditional activities. Because of the lack of balance in the import and export trade, we buy more than what we sell. As a result of this, we always remain with meager income for development activities. The sectors outside agriculture create very few jobs compared to the number of the people. The businesses that exist are mostly engaged in the same area; as a result of this most of them get weak or collapse.

The business activity in Ethiopia is not supplemented by modern education and training. Therefore, the businesses fail to be competent. In the face of globalization, it is necessary to be competitive in terms of quality land quantity goods and services.

4.3 The Activities of Ethiopians Entrepreneurs

“Most people give up just when they are about to achieve success. They quit on the one-yard line. They give up at the last minute of the game one-foot from a winning touchdown.”

H. Rost Perot

Entrepreneurs in Ethiopia in sectors of agriculture, industry, commerce and service giving sectors are quite few in number. The entrepreneurial development training that won priority in the word are not given attention in Ethiopia. Resources for entrepreneurial development training in the country were very limited.

In the 1st entrepreneurial training at the Ethiopian Chamber of Commerce about 122 people took part in the training. After its discontinuity for some years the training has been restarted by Enterprise Ethiopia. However, it was not reaching the far corners of the country. Although few of the trainees of the Ethiopian Chamber of Commerce and Enterprise Ethiopia are in the business of giving the training, it is hardly to say that it has been started. Empertec Ethiopia, the Association of Ethiopian Entrepreneurs, beyond creating awareness among the society couldn't perform productive activities. The association is organized to be a center for training, consultancy and credit for entrepreneurs. But, it couldn't achieve as much as it has expected so far.

4.4 The Conditions of Ethiopian Entrepreneurs

“He who stops being better stops being good.”

Oliver Cromwell

Entrepreneurs are people of entrepreneurial skill who are working as private or government employees. These are people who have positive attitude and are successful. They produce ideas, widely keep resources, free from corruption and favoritism and effectively lead production activities.

The number of these type of people in our country is very small. In contrast there are many others who waste resources, favoring to people, waste time, disrespect customers, rigid and claim that they are all rounded. These people use their positions to facilitate their benefit. They also forget that they are employees of the customers or the society at large. The number of non-visionary and unskilled employees, coordinators and leaders of work is large. They do not question to legitimacy of the salary they get simply by operating at the work place. As a result of these the base of enterpruenship in Ethiopia is narrow.

4.5 The Politicians

“If you are willing to do more than what you are paid for eventually you will be paid to do more than you”

(Source unknown)

In Ethiopia, politicians promise to work for the people. They do not want to understand that the people are creator of wealth, jobs and develop their country. They think that they are the one who can bring development to the country. They are not reliable partner for the private sector. Generally, Politicians with entrepreneurial and entrepreneurial concept are very few in numbers in the country.

4.6 Things that Motivate Entrepreneurial Activities.

“History has demonstrated that the most notable miner usually encountered heart-breaking obstacles before they triumphed. They were because they refused to become discouraged by their defeats.”

B.C Forbes

Now is the time that policy makers recognized the creation of creative individuals is the only option to meet national and international requirements. It is the means to eradicate poverty and backwardness.

The public is also aware that unless new jobs are created in rural and urban areas unemployment could be an acute problem.

The course on entrepreneurship is being given in private higher education and government vocational training centers. As a result of this, the chance to create entrepreneurs is becoming evident.

Organizing small and micro business organizations and providing training can create a fertile ground for producing entrepreneurs.

Books in the area of entrepreneurship and translations being done are also other areas of development.

Associations and private consultants also contribute to the development of entrepreneurship.

4.7 Hindrances in the Development of Entrepreneurship in Ethiopia.

“A man is literally what he thinks you are today where your thoughts have brought you; you will be tomorrow where your thoughts take you.”

James Allen

There are some hindrances for the development of entrepreneurship in our country: The major ones are:

1. People have wrong perception on job creativity.
2. People are not determined to live life free from traditional way
3. Wasting one's own and others' resources
4. Lack of transparency and breaking promises.
5. Lack of adequate education and training programs
6. Lack of perception of free and fair competition between people.
7. No trust worthy and collaboration to grow together.
8. Lack of self-confidence and independent economic background.
9. Large numbers of people who insist in short-term satisfaction rather than long term development.
10. Poor level of expansion in economic and social sector
11. Few number of politicians, policy makers and implementers who are enlightened in entrepreneurship.
12. Weak and inconsistent support of partner countries and foreign organization.

4.8 The Resource that the Country can use

“Learn more to learn more”

Jack Canfield

Ethiopia has resources that are not used effectively and that have to be developed. The major resource. The major resources the country endowed are:

- Land and manpower; the manpower resources include those in the country as well as in the diaspora.
- There is the young generation that can bring a change and become source of entrepreneurship.
- There are tourist attractions that are not recognized worldwide yet
- There are large population size under poverty. If they are motivated and stand for change they can change the face of the country.

Part V Entrepreneurship and Development in Ethiopia, Vision 2020

Ideas, Duties and Responsibilities

“Commit to life long self-improvement and learning improving your mind, increasing your skills, and boosting your ability to assimilate and apply what you learn”

Jack Canfield

Problems stated in Section 4.1-4.7 can be changed into good opportunities. Ethiopia can have an entrepreneurial army that can face these problems and bring changes. In 2020 the number of such people will reach 2%. By 2020, the country will be categorized in developing countries group. Ethiopians can be creative enough to free the country from backwardness. We can be change agent employees and change promoters. We are indebted of the

country that bears as. We have to pay back for what our country did for us and change its image.

For this to happen, the citizen should bring about attitudinal change and be creative so as to produce to their personal satisfaction.

Wilson Harel in his book “Only for Entrepreneurs” stated that until 2004 from about twenty million business owners the entrepreneurs were only one million (5%).

In her book “The usual entrepreneurs” Indian Doctor Aroona showed that India has set an Entrepreneurial training foundation so as to train one percent of the population believing that they can bring a solution to its backwardness.

To make Vision 2020 a reality, the following sectors of the society have got the following responsibilities.

- 5.1 All nationals in the country or the Diaspora
- 5.2 All rural residents (male, female, youth)
- 5.3 All urban residents (male, female, youth)
- 5.4 The business community and entrepreneurs
- 5.5 All professionals and academicians
- 5.6 Professional associations
- 5.7 Civic societies public associations
- 5.8 Local or foreign governmental and non-governmental organizations
- 5.9 All religious institutions
- 5.10 All banks and micro finance institutions
- 5.11 All government bodies (politicians, policy makers, policy implementers, mass-

media, governmental production and business institutions)

- 5.12 Schools and higher educational institutions
- 5.13 Health centers
- 5.14 Infrastructural organizations
- 5.15 Foreign partner organizations (United Nations, business and development agencies, donor countries, creditor international organizations and others which are concerned in the development of Ethiopia are expected to participate fully and heartily)

Here is the list of duties and responsibilities expected from each party.

5.1 All the Nationals

“Nothing great was ever achieved without enthusiasm.”

Ralph Waldo Emerson

- Prepare and initiate themselves for better success
- Get independence in their own effort and create opportunity for economic development of others and be competent
- Bring continuous improvement through learning, taking training, reading and developing their own quality
- Create wealth beyond their consumption
- They need to follow the principles of honesty in their work, loving their country, loving their job, hardworking, independent, personal freedom and saving
- Giving priority in using local products
- Show commitment to vision 2020 and decide to live a better life.

These activities need to be publicly announced through different policies and strategies.

The Diaspora

- Invest their knowledge, experience and money in their country
- Visiting their country continuously and encourage others to come.
- Organize a unit under the ministry of foreign affairs and embassies to facilitate the above.

5.2 Rural Residents

A. All of them

- Try to live a better life and get potable water, shelter, school, road, clinic, market centers etc.
- Protect the environment and acquire benefit from it through different methods
- Produce more than personal consumption and deliver for the market
- Attend illiteracy programs in their free time
- Prepare themselves to live a longer life by caring for their health
- Plan their family and preparing additional value if they are in need of more family member.

B. Illiterate young Farmers

- They can participate in other undertakings such as production of handicrafts and agricultural materials
- Create income opportunity by participating in different commercial activities
- Establish better rural villages

C. Women Rural Residents

- They can create income more than their consumption through their creativity
- Advance their life through increased participation in education and training
- These obligations need to be included in rural policies and the rural society needs to discuss these issues for implementation

5.3 Urban Residents

“Success follows doing what you want to do. There is no other way to be successful.”

Malcolm S: Forbes

- They safeguard the security and health of their own and their surroundings
- They create different sources of income through education and training
- They wisely use their time, resources, power, knowledge, experience for better development of creativity
- They will be motivated employees

Females

- Many of them will be educated, civilized, leaders & professionals to create income and wealth for themselves
- They will be assigned in leadership position and become causes for better development
- They will achieve higher position through their competition without unnecessary support

Youth

- They will engage in better research and creative activities
- They will be learners, trainees, leaders, participate in

discussion, debate determined to build a prosperous and inspiring country

- They create wealth, resource, fame and respect
- They will be proficient and competent in any aspect
- Demand their democratic rights to build a prosperous country
- They participate in continuous and fair competition
- These responsibilities and duties will be included in urban development policies. In the cities, different centers of youth training, credit and counseling will be established.

5.4 The Business Community and Entrepreneurs

“Do what you love – the money will follow.”

Gree Garson

- Better productive, profitable, competent, tax payees and develop their entrepreneurial skill
- They will enter in to the culture of modern business
- They use their resources for creative and better investment
- They will collaborate to compete in the continental and international market
- They will have different programs of training, consultancy service, group development activities and provisions of increase for generating and motivating young entrepreneurs.
- Empertec Ethiopia Business Society, the entrepreneurs association of Ethiopia, will grow to a nation-wide entrepreneurial foundation to provide training, consultation and credit services

- These ideas will be included in the documents of business society, chambers of commerce, industrial and Inland Revenue authority as a policy and strategy.

5.5 Academicians

“The biggest mistake people make in life is not trying to make a living at doing what they must enjoy.”

Malcolm S. Forbes

- Educated citizen is a one who dependently fulfill his desire without impeding others right
- Many will create their own job or be employees and secure better wealth and freedom. They also develop their professional career.
- They service the society more in studies, researches, consultancy and education.
- They will take enterpreneurship courses to be profound entrepreneurs
- They will be pioneers in creating economic freedom and wealth
- They develop their income through developing themselves in professional career
- They will not remain abroad where they go for education and training
- They will use their time, knowledge, experience, gift for better jobs
- They will live a better life because they work harder. They can also be exemplary for others

5.6 Professional Associations

“Success is a sum of small efforts, repeated day in and day out.”

Robert Collier

- They will involve themselves in better income generating

- activities based on their own creativity
- They will work in collaboration with people in related economic activities
- They create job opportunity for others
- They will be productive
- They support people for the development of professions
- They create and entertain the emergence of young professionals
- These and points in 5.5 will be included in the principles of professionals associations to be implemented.

5.7 Public Associations

“There is no such thing as bad weathers only the wrong clothes.”

Billy Cemnolly

- They will participate more in development activities
- They will have major role in local health, poverty alleviation, sanitation
- They will teach and involve people to avoid backwardness
- They create jobs
- They encourage and award young entrepreneurs

5.8 Non-governmental organizations (NGOS)

“You have to believe in yourself when no one else does. That is what makes you a winner.”

Venus William

- Local and international aid agencies support the creativity of their recipients
- They support people who exert effort to help themselves
- They participate in activities that increase interest for work
- Lack of self confidence will be avoided

- They create jobs and help others to create
- They avoid reliance, expectation and feeling of inability
- They create opportunities for competition and award competitors
- They lead and coordinate entrepreneurial activities

5.9 Religious Institutions

“None of us can change our yesterdays, but all of us can change our tomorrows”
Collin Powel

- They will be places to learn love for work, initiation, hard work, creativity spirit
- They initiate people for work and economic freedom
- They create jobs for pigmies
- They condemn the feeling of begging, inferiority, disappointment and backward job practice
- They provide advice, training and credit for job creators
- They increase work and manage the working time

5.10 Banks and Micro finance Institutions

- They provide credit for long term return with minimum interest rate
- They support customers business in research, consultancy and training
- They provide credit without asking guarantee for people who have viable business idea.
- They form and strengthen credit and saving institutions

5.11 Government body

“Grow or die” Jack Canfield

1. Politicians

- They create fair competitive situation in the social and economic sphere
- They encourage job creation, they provide legal protection for property right.
- Construct economic and social infrastructure with the participants of the public.
- They listen to peoples interest and lead them towards progress
- Create situation for better life, peace, prosperity and unity
- Guarding human and democrat rights of citizens
- Create a system of leadership that is entrepreneurial
- They need to create condition of trustworthy, respect, listen, cooperation between parties
- Political leaders who have characteristics mentioned in Section 2.5 will lead the country and bring sustainable prosperity

2. Policy makers

“The voice inside your head is not the voice of god. It just sounds like it is”.

Chen Huber

- They produce clear policies that encourage the private sector participation in consultation with the public.
- They revise hindering and outdated policies
- They propose clear implementation strategy
- They resolve problems in the implementation of policies
- They produce entrepreneurial implantation guidelines

3. Policy Implementers

“We don’t see things as they are, but rather as we are”

Anise Nin

- They propose implementation strategies that save workers and peoples time, money, knowledge and property
- Free from racism, corruption and revenge
- They follow modern ways
- They encourage creativity

4. Mass-media

“Facts do not cease to exist because they are ignored”.

Aldour Huxley

- There will be private television channels that transmit programs for 24 hours. They will rationally announce job opportunities, income sources, and information distribution. In the coming five years the first stations will be practical.
- Many private radio program stations will be established. They will serve as the source for additional knowledge and information
- There will be enormous publications of newspapers and magazines. The first radio stations will be opened in the coming five years.

5. Governmental Companies

“It’s never crowded along the extra mile.”

Wayne Dyer

- They will function in accordance with business code.
- Those which are not successful will be privatized so as to create better job and income opportunities in the country.

5.12 Schools and Higher Education Institutions

“Success is a sum total of small efforts, repeated day in day out.”

Robert Collier

- In order to produce creative learners the course of entrepreneurship will be included in the curriculum
- A trainers’ training will be given for teachers
- National and regional entrepreneurship foundations will be established to provide training, counseling and credit
- As the establishment of entrepreneurship foundations, people in the country and Diaspora will contribute in their profession, knowledge, experience and money
- The private education sectors participate in the process

5.13 Health Institutions

You become like people you spend the most time with pay any price to stay in the presence of extraordinary people.

Mike Murdock

- The society will give the highest priority for their wellbeing and healthy
- Many private hospitals will be opened

5.14 Institutions of Infrastructure

“Listen a hundred times, ponder a thousand times speak once”

Unknown source

- Means of communication and infrastructure development will be fostered. These will be big source of job opportunities
- With active participation of social, political, economic actors 2% of the Ethiopian

people will be entrepreneurs until 2020

- These people with unlimited effort can bring out Ethiopia from the category of underdeveloped countries by 2020

It is possible to produce people skilled in the above ten international qualities in the first ten years by providing training.

5.15 Partner Countries and Development Agencies

“Doing more of what doesn’t work won’t make it work any better.”

Charles J, Givens

- They collaborate in the activities of training/consultation, credit services and strengthen entrepreneurial foundation
- They concentrate more on work/business exchange and development rather than on aid

Part VI Conclusion

“You have to believe in yourself when no one else does. That what makes you a winner”

Venus Williams

“Our lives improve only when we take chances and the first and the most difficult risk we can take is to be honest with ourselves”

Walton Anderson

“It’s always too soon to quit!”

Norman Vincent Peale

All the duties and responsibilities of the citizens start with changing personal behavior. This is about preparing and showing determination to contribute for the development of the country. We are created but we are not living. Our

backward way of life results in bad image of our country. When we are changed we will also create good opportunities for others to change.

Ethiopians do not want to see their country more than worth what it is in now. This is also the feeling of partners & supporters. We are living in a situation under the poverty line. This has to upset everyone. What the country left only with is to show prosperity in any available way with the dedication and interest of citizens. This is the age of entrepreneurs. This is time to show our heroic action.

Ethiopia will help others by 2020. It will repay back to the world donors. It will be the country where everyone will aspire to work and live. It will be a home for peace, love, collaboration, democracy, justice, equality, and prosperity.

By 2020 Ethiopians enumerated in 5.1-5.15 will develop extraordinary interest for the entrepreneurial creativity to bring change in the

country in the main economic and social sectors.

There will be policies that will facilitate development. There will be no place for a political administration that device policies that do not work or bring development. This is because the people have the only option of working and bringing a system that contributes to the development of the country.

In addition to this by 2020 for Ethiopia to achieve its intended objectives of growth and development, political leaders are obliged to be highly knowledgeable, skilled, experienced and enriched thinkers, propose visions that facilitate the prosperity of the country.

In all the parts stated in 5.1-5.15 it needs policy support and good governance to bring tangible change.

By 2020, 2 percent of the population will be trained

entrepreneurs who create new job opportunities and additional wealth. These entrepreneurs will be trained to follow what were stated in 1.4-1.6 as their guideline. Furthermore, they can use theory stated in Annex 3 as means of creating wealth. These will better serve in the effective use of manpower, knowledge, capital, and civic participants.

Until 2020 Ethiopia will have positive thinker politicians and creative works in new thought will be awarded as heroes. There will be exemplary, highly creative, accepted, qualifies leaders and coordinators, legal competitors and bring higher productivity for the country. The country will record the dids of these heroes so as to state them as role models for the coming generations. In the act of these change agents and others around them, the country will be prosperous and became the pride for its citizens.



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