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CULTURE AND ECONOMIC DEVELOPMENT

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Corrigenda

There are a few mistakes in Mr. Heikki Haili's article in this issue of Economic Focus that we wish to inform our readers about. This is an editorial mistake on our part and we apologize both to our readers and to the author of the article.

1. There is a disclaimer footnote missing right at the beginning of the article and we ask our readers to take this into account. The footnote reads:

"The opinions expressed in this article are exclusively those of the author and do not represent the views of either the Embassy of Finland, Addis Ababa, or the Ministry for Foreign Affairs of Finland in Helsinki."

2. There is a title missing in the figure on page 28. The title reads:

"Figure 2: A schematic Presentation of the Impediments to Development, Development Priorities and Instigation of Development in Sub-Saharan Africa."

3. Again there is a footnote (citation) missing on page 22, end of paragraph 3. It reads:

"For more on the relation between growth and democracy, see for example Robert J. Barro (1977), 'Determinants of Economic Growth: A Cross-Country Empirical Study,' MIT Press. See also Tiina Vasama (1997), 'Relation Between Democracy and Growth,' Helsinki School of Economics, Master's Thesis. Vasama's work offers a good summary of the results of nearly 30 years of empirical studies that include research done by economists as well as experts from other fields."

Again, we apologize for these omissions.

The Guest Editor for Economic Focus, Vol. 4 # 5.

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FROM THE EDITOR

When the EEA first started the initiative to organise round table discussions and publish *Economic Focus* some five years ago, the maiden topic it chose was "culture and economic development." It was a recognition by the then executive committee that culture matters and matters a lot to the economic development of the country. The import of considering matters of culture in understanding economic progress is now much more recognised even in mainstream economics. The problem has always been and still is the degree to which such an important and admittedly complex variable can be handled within the available tools of the economics trade.

On the other hand, narrowly focused mainstream prescriptions to the economic ills of developing countries are not working at all or at least not to a satisfactory level to effect fundamental transformations that these economies need. This failure has partly contributed towards a reassessment of the development paradigm to include key "non economic" factors such as institutional development, good governance...etc. as potential explanatory variables of the development process. Among these non-economic factors the issue that is gaining increasing currency among economists (particularly economic historians) is the degree to which culture affects economic development in general and the response of economic actors to economic incentives in particular.

In the first discussions on culture that the EEA organised, participants valued the need to have an ongoing dialogue on the topic and asked the association to organise discussion forums on the topic. Although a bit late, we have come back to the topic again hoping to also benefit from the growing literature on the topic. This issue of *Economic Focus* is therefore devoted to this crucial topic. Five papers were presented in the round table discussion organised on this theme at Semein Hotel on March 8, 2002. In this issue, we are presenting three of the papers presented by Professor Mesfin Woldemariam, Ato Bekele Abebaw and Mr. Heikki Haili. The other two papers by Dr. Alemayehu Seyum and Dr. Yeraswork Admassie will appear in the next issue of *Economic Focus*. We have also included Dr. Berhanu Nega's piece on the theme prepared for a lecture at Unity College in February because of its relevance to the topic.

As can be seen from the text, the two papers by Professor Mesfin and Ato Bekele are in Amharic while Mr. Haili's and Dr. Berhanu's papers are presented in English. Professor Mesfin essentially argues that what we

now call development in Ethiopia and other developing countries is nothing but the scientific culture that the West has developed through years of experience in solving problems of daily life. Western culture's respect or even love for work, using reason as a tool for problem solving and a commitment for truth are the stuff that fuelled progress in these societies. It is this culture that is named development when it reaches developing societies. Accordingly, he suggests that it is not possible to achieve the transformative development that we seek without a fundamental change in our attitudes or key cultural attributes. Ato Bekele talks about the relationship between culture and economic development in two specific contexts. He acknowledges the crucial importance of culture in influencing economic development through its effect on shaping the attitudes of economic agents towards savings, investment, expenditure habits and the like. On the other hand, he talks about the importance of the "culture industry" in attracting tourists and the tourism sector and thus generating much-needed foreign exchange. Berhanu's piece underscores the degree to which fatalism and hopelessness have permeated the Ethiopian psyche and argues for a need to open society-wide dialogue on key aspects of our culture that impede economic progress. Heikki takes the discussion further by broadening the discussion to the whole of Sub-Saharan Africa and suggesting the need to develop a new theoretical perspective to look at the developmental problems of the continent by incorporating culture in general and the difficulty of effectively operating formal institutions necessary for economic progress in the context of what he called a "personal" culture that prevails in much of Africa. Using this paradigm, he contends that policy prescriptions of neo-classical economics, based as it is in the assumption of rationality, which itself is based on a recognition of the existence of "impersonal" culture and formal institutions is certain not to succeed in bringing development to this region.

As you can see, there is much to chew on in this issue of *Economic Focus*. Still, as you are surely aware, this is not a topic that can be exhausted by a few articles. The topic is as sensitive to deal with as it is important. It needs to be tackled with care and sensitivity. But, it must be addressed if our aspirations for a better material life are to be realised. This is not a topic that can be left for experts. It is a topic that concerns all of us as citizens of this country. We therefore need your comments and suggestions either on the papers presented here or your own views on the matter. Enjoy your reading. ■

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ከመስፍን ወልደማርያም

ባህል ምን ማለት ነው? በአጠቃላይ ባህል የምንለው ማህበረሰቦች ለኑሮአቸው ሥርዓትን ለማስጀትና ኑሮአቸውን ለማሸነፍ የሚፈጥሩት ዘርፈ ብዙ ዘዴ ነው። ልማትስ ምን ማለት ነው? ልማት የሚባለው ደግሞ ለእኔ የሚገባኝ ከሌሎች ማህበረሰቦች ለየት ያለነገር ነው። የምዕራባውያን ማህበረሰቦች እያደጉና የሚያጋጥሙአቸውን ችግሮች እየፈቱ በመኖር የተደረሰበት ነው። ችግርን አይቶ አለማለፍ፣ ሥራን ማክበር ብቻ ሳይሆን መውደድ፣ በአእምሮ ጋደል መጠቀምና እውነትን መቀበል ለእነሱ ይህ ባህል ሆኖአል። በኑሮአቸው ሳይንሳዊ ባህልን ፈጥረዋል። ይህ ባህላቸው ወደ ሦስተኛውና ወደ አልሰለጠነው ዓለም ሲደርስ የሚሰጠው ስም ልማት ይባላል። እነሱ እያሰቡ የሠሩትን እኛ ሳናሰብ ልናገኘው እንመኛለን። እኛ ልማት የምንለው ለእነሱ የኑሮ ወይም አስቦ የመኖር ውጤት መሆኑን አልተገነዘብንም። ሳናሰብ፣ የቆየውን ችግራችንን ትተን አዲስ አዲስ ችግሮችን በመኖጠር፣ መሠረቱን ሳንገነባ ጣራ ለመሥራት ስንዳክር፣ በተውሶ አእምሮና በምጽዋት ገንዘብ ስናፈርስ ስንገነባ፣ ስንገነባ ስናፈርስ ሳንራመድ የምንተራመስበትን ልማት እንለዋለን። ቆም ብሎ ማሰብ ለቻለ ልማት የለም። መኖጠ ድህነታችን እየተባበሰ ሄደ እንጂ አልቀነስም። ችግራችን በምጽዋት ተሸፈነ እንጂ አልጠፋም። በሰውነት ሁኔታችን እንዳንጠቀም አግንንም በአፈር ሥር ነን። ልማት ግን እንፈልጋለን። ከሰማይ እንደመና የሚወርድ አይደለም። የነጻነት ውጤት ነው። የማሰብ ውጤት ነው። የልፋት ውጤት ነው።

አርቱጋ ኢ ጋሴት የሚባለው ስጋንያዊ ፈላስፋ ልማት የሚባለውን የቲክኖሎጂ እድገት ከምስራቅ አገሮች ፍልስፍና ጋር ያወዳድራል። በነዚህ አገሮች ፍልስፍና ትልቁ የሰው ልጅ ጥረት ሲሞቱ ነፍሳቸው ከእግዚአብሔር ጋር ተዋህዶ እንዲቀር ለማድረግ ነው። ለለዚያ ውሻም፣ አሁንም፣ ዝንብም ሆኖ መመለስ ይኖራል። ስለዚህም ከእግዚአብሔር ጋር ተዋህዶ ለመቅረት የፈለገ የሰው ልጅ ፍላጎቶችን ሁሉ ማሳካት አለበት። ነፍሱና ሥጋውን ለመጠበቅ ያህል ብቻ መብላት፣ ለፍረተ ሥጋውን ለመሸፈን ያህል ብቻ መልበስ፣ እግሩን አቆላልፎ ተቀምጦ ሳይንቀሳቀስ በተመስጦ ለብዙ ጊዜ መቆየት ዋና ዋና ተፈላጊ ነገሮች ናቸው። እንግዲህ አርቱጋ ኢ ጋሴት ከዚህ ይነግሩ በትንሹ መብላት የምግብ ኢንዱስትሪን አያስፋፋም። በደንብ አስመልኮቅ የጨርቃጨርቅ ኢንዱስትሪን አያስፋፋም። ሳይንቃነቁ ለብዙ ጊዜ መቀመጥ መኪና ኢንዱስትሪን አያስፋፋም ይላል። እውነቱን ነው። ወደ እኛ ዘንድ ስንመጣ ስለጻድቁ ገብረከርስቶስ እየሰማን ያደግን ሁሉ ደህነት የሚሸኩት ነገር ሳይሆን ከዚህ ዓለም ጣጣ የሚሸኩት

የመጨረሻ ምሽግ ነው። ምዕራባውያን አሁን ያሉበት ደረጃ ላይ የደረሱት ድህነትን ጠልተው እየሸኩት ነው። እኛ ያለነው ድህነትን የመጠኝ ብለን ነው። እንግዲህ በአጭሩ ልማት የሚባለው ነገር እኛ ፈልገን ሳይሆን ሌሎች ፈልገው ከድህነት ሊያለያዩን ያቀዱት ዘዴ ነው። እኛም ብንፈልግ ኖሮ ገና ቆይተን ግንላለንው ነበረ።

የዛሬ 36 ዓመት በዚህ ርዕስ ላይ ስጽፍ ልማት፣ ልማት እየተባለ እኛ እንደጥቁር ሰሌዳ ሆነን የልማት ስዎች ደግሞ እንደሆኑ ሆነው እንደፈለጉ ሊለቀሩን የሚጥሩበት ጄይ ነበር። ስለዚህም ግራ ተጋብቼ ነበር። በአንድ በኩል የራሳችን ባህል ጠፍሮ ይዞናል። ወንድ ልጅ እንደአባቱ፣ ሴት ልጅም እንደእናትዋ፣ ሥራም ሆነ ሙያ የጨዋና የባለጌ ተብሎ ተለይቶአል። ፈረንጅ ገንዘብ፣ ገንዘብ ይላል። የእኛ ባህል ደግሞ ባለጌን ገንዘብ አያኮራውም ይላል። ሁላችንም ስንት የጨዋ ልጆች ይሆንን ከምዕራብ ለምኔ ብበላ ይሻለኛል። ሲል የሰማን ይመስለኛል። ዛሬ ቀርቶ እንደሆነ አላውቅም። የጨዋ ልጅነት መለኪያው ኩራት እንጂ ሀብት አልነበረም። የፈረንሳይ ፈላስፋ ግን ፖል ሳርትር ኩራትን ደህና አድርጎ አፍታትቶታል። እንዲህ ይላል። ኩራት ሌሎች ያስጨነቁት አእምሮ ፍጹም ጥቸነትን ወደ ፍጹም ራስን መቻል የሚለውጥበት ዘዴ ነው። ኩራት ራት ነው ስንል የፍጹም ጥቸነት ሁኔታችንን በባዶ ሆድ ወደ ፍጹም ራስን መቻል መለወጣችን ነው። የገበሬውን የተንጋደደ ጎጆ ልብ ብላችሁ ብቃዩት አጥር አለው። ፍጹም ራስን ወደ መቻል የሚያመለክት ነው። በሌላ በኩል ስንመለከተው ደግሞ በነጠላ ለአንድ ሰውም ሆነ በአጠቃላይ ለማህበረሰብ ፍጹም ራስን መቻል ማለት ፍጹም ኋላቀርነት ነው። ባዶ ኩራት እንደባዶ ቅል ነው። ግጭት አይችልም። እንግዲህ ከባላችን ጋር የተያያዘው የልማት ደንቃራ ከሆነት ነገሮች ጠቅሞ እንዴ ይህ ከሥራና ከሰነቱ ኩራት ጋር የተያያዘው ነው።

አንድ አስተያየት ሰጪ ኩራት ራት ነው የምንለው እኛ ነን እንጂ የተራበው ሰውዬማ መራቡን ያውቀዋል። ብሎ ነበር። በእርግጥ ኩራት ራት ነው የሚለው የጠገብ ሰው አይደለም። እየራበው ጠሙን የሚያድረው ሰውዬ ነው። ሚዛን ላይ የሚቀመጠው በአንድ በኩል ክብርና ኩራት ሲሆን በሌላ በኩል ረሀብ ነው። ለጨዋ ሁልጊዜም ክብርና ኩራት ያመዝናል። ልቡ ሞልቶ ሆዱ ባዶውን በያድር ይሻለዋል። በእውነቱ ከሆነ ከረሀብ የሚቀበሉ ሁኔታም አለ። ለምሳሌ መስቀዩት፣ ወይም ሞት፣ ይህንን መግት ግራ ገባኝ በሚል ግጥም ውስጥ ገልጬዋለሁ።

አንበሳውን ልሁን፣ ጡንቻዬን ላፈርጥም፣
 እንዳይቅቀው በክርን ይህንም ያንንም፣
 እባብን ልሁነው፣ ልቤን ላርገው፣
 ስርስረ፣ መርዥ ደሙን እንድጠጣው፣
 ምስጥ ልሁንና ረግውን ልብላ፣
 የሞተው ሞልቶልኝ ካለው አልጣላ።
 እስከቲቱን ልሁን ከሁሉም ልዳራ፣
 መስሎ መብላት ሳለ ጠላት ለምን ላፍራ፣
 ጥንቸልዋን ልሁነው በፍርሃት ልሽቆጥቆጥ፣
 ሳገኝ እየበላሁ ሲመጡብኝ ልፍጥ።
 ውሻ ልሁንና ይቀላላ ጅራቱ፣
 ግብዙን ላስደስት ይጫወት በእምነቱ።
 አሀያውን ልሁን ልደድብ በትዕግስት፣
 ይነርቱኝ ይዘው ይጫኑብኝ ኩበት።
 እውቀት፣ እውነት እምነት፣ ቅንነት ግልጽነት፣
 ጥጋቸው ምን ይሆን? የሰውነቱ ሀብት፣
 እውነተኛ ልሁን? ወይስ ልሁን ታማኝ?
 የቱ ያኮራኛል? የቱ ነው እሚያበላኝ?
 ለምን ላስብ ቀድሞ? ምንስ ያስጋኛል?
 ለሆዴ እንደሆነ - ኅሊናዬ እእምሮን መሸጥ ይበቃኛል።
 ልብላ? ልበስብስ በቀሜ? ከብረ ልከበር?
 ወይስ ልሙትና ኮርቼ ልቀበር?
 ሆድ ሲያውቅ ዶር ማታ መሆኑን እውቃለሁ፣
 አልቀበር እንጂ እኔኮ ሞቻለሁ!
 ዓላማው ጠፋብኝ ፍጽም ግራ ገብኝ፣
 መልእክት ስማኝ ሰው መሆን ከብደብኝ!

ሁለተኛውና ምናልባትም በእኔ ግምት ዋናው ደንቃራ ለሕይወታችን፣ ለኑሮላችን ኃላፊነት ከመቀበልና ማስተካከል ያለብንን ሁሉ ከማስተካከል ይልቅ ወይ ለእግዚአብሔር፣ ወይ ለማርያም፣ ወይ ለአንድ መልአክ፣ ወይ ለአንድ ሰማዕት አስረክበን እጃችንን አጣጥፈን መጠበቃችን ነው። የኢትዮጵያ ሕዝብ የሚደርስበትን ጭቆናና በደል ሁሉ ከአምላክ እንደታዘዘበት አድርጎ ይቀበለዋል፤ እኔ ኃይለ ሰላሳ የገዙት በአምላክ ፈቃድ ነው፣ ከሎኔል መንግስቱ የገዙት በአምላክ ፈቃድ ነው፣ አቶ መለስ የሚገዙት በአምላክ ፈቃድ ነው። በእግዚአብሔር ላይ ያለው ጥልቅ እምነት በራሱ ላይ እምነት እንዳያሳድርብትና ላለበት የከፋ ሁኔታ ኃላፊነትን መቀበል እንዳይችል ካደረገው ግን ለእኔ የእግዚአብሔርን ጸጋ አልተቀበለም ማለት ነው። በአርአያ ሥላሴ መፈጠሩንም አላረጋገጠም ማለት ነው። አንድ ቀላል ምሳሌ ላቅርብ፣ ኃይሌ ገብረ ሥላሴም ሆነ ደራርቱ ቱሉ እንደሚጸልዩ እርግጠኛ ነኝ፤ ግን ጸሎታቸው ከባድ ልምምድ ማድረጋቸውን አይተካም፤ ጸሎታቸው ለከባድ ልምምዳቸውና ለመጨረሻውም ውጤት እንደሚረዳም ጥርጥር የለኝም። የራስን ኃላፊነት ተቀብሎና የራስን ድርሻ ተወጥቶ እግዚአብሔርን እርዳታ መጠየቅ እንድ ነገር ነው፤ እጅን አጣጥፎ አንተ እንዳይረገግ አድርገኝ ማለት ሌላ ነገር ነው። ዋናው የባህላችን ችግር ይህ ነው።

ሦስተኛው የባህል ችግር ከአገዛዝ ጋር የተያያዘ ነው፤ ሁሉንም ነገር ወደሰማይ የመወርወሩ የባህል ችግር የአገዛዝ ሥርዓቶችን ከመጠን በላይ አባልጓለቸዋል፤ የኢትዮጵያ ሕዝብ ልቦ ሙሉ እንዳይሆንና በራሱ እንዳይተማመን ሰንገው ከመሆኑም በአሸከርነት (ዛሬ

ካድራነት ተብሎአል) እየመለመሉ እንዳያስብና እንዳይሻሻል አድርገው ይገዙታል፤ የአገዛዙ ሥርዓት በአጠቃላይ የሚከተለው የሃይማኖቱን ሥርዓት ነው፤ ገዢዎቹን የእግዚአብሔር ወኪሎች ብታደርጓለቸው፤ አሸከሮቹ ወይም ካድራዎቹ ደግሞ እንደሰማዕታቱ መሆናቸው ነው። የምዕራባዊያን ባህል የሚበልጠውና ለእውቀት እድገትና ለብልጽግና የተመቸ የሆነበት ዋናው ምክንያት እነሱ ለእያንዳንዱ ሰው የሚሰጡት ክብርና ነጻነት ነው። በልቦ ሙሉነት ማስብን የሚያመጣውና የፈጠራ ችሎታንም የሚያዳብረው ይህ ነጻነትና በራስ መተማመን ነው። ልማት በጠፋት ብቻ አይመጣም፤ እኔ ኃይለ ሥላሴ መስኮብን ጎብኝተው የተመለሱ ጊዜ ለኢትዮጵያ ሕዝብ ያደረጉትን የጋለ የልማት ንግግር አስታውሳለሁ፤ ከሎኔል መንግስቱ አብዮት አደባባያቸው ኢትዮጵያ ኢንዱስትሪ የሚያጓራባት አገር ትሆናለች፤ ኢንዱስትሪ ስል ታላላቅ የመኪና ኢንዱስትሪ እንጂ የፍጅታ ኢንዱስትሪ ብቻ አይደለም! ብለው ነበር። ዛሬ ደግሞ መላኩ የጠፋው ገጠርን ማዕከል ስላደረገ የልማት እቅድ ስንሰማ ዓመታት አስቆጥረናል፤ የገጠራው ኑሮ ትንሽም አልተሻለም፤ ገበራውም ከችጋር አልተሻለም። ሕዝብ በራሱና በችጋር ሲቆላ የልማት ተስፋን መመገብ ለአገዛዎቹ ባህል ሆኖአል።

የአገዛዎቹ የአፈና ባህል በአንጻሩ ይህ ሆኖና ይህ መስሎ የመታየትን ባህል በተለይ በገበራዎች ፈጥሮአል፤ ተሻሽሎና ኑሮን አሸንፎ መታየት 'ጅብን ይጠራል' የሚባል ፈሊጥ አላቸው። ጅቦቹን ለማስተናገድ ፈቃደኛ ያልሆነ እንኳን በገጠርና አዲስ አበባም ቢሆን በሰበብ አስባቡ እስር ቤት ይገባና ፍዳውን ይበላል፤ ስለዚህ በግዳ ጎመን በጤና ማለትን ያስተምሩታል። ስለዚህም በአገዛዝ ስር የሚማትቀው የኢትዮጵያ ሕዝብ ከጥቃትና ከግፍ የሚያመልጥበት እንዳይሆን ይህ መሆን ይመስለዋል፤ ደህነት ኑሮን ያጫጫል፤ ጥቃት ደግሞ ነፍሰን። ለፍቶ ባፈራው ገንዘብ የሰራውን ቤት አገዛዎቹ ዘርፈው ሲሸጡት ስለውጡት ተመልካች የሆኑ ሰለባዎች ሁሉ የዚህ ባህል ተሽካሚዎች ናቸው የማይባልበት ምክንያት የለም። የልፋቱን ውጤት ኅሊና ለሌላቸው ዘራራዎች የሚያስረክብ ከሆነ ሠርቶ ማግኘት ትርጉም ያጣና ሳይለፉ ማግኘት የሚቻልበት መንገድ ይጣበባል፤ በአንድ በኩል ለማቸ በሌላ በኩል የአገዛዙ ቡቸሎች። ዓላማው የዕለት እንጀራን ለማግኘት ብቻ ከሆነ አሀያ ከሌለኝ ከጅብ አልጣላም እያለ ቀላሉን መንገድ ይመርጣል፤ ዳገቱን መቆጣጠሩን ለምን ብሎ ይመኝዋል? ስለዚህም በአጠቃላይ ለልማት ደንቃራ የሆኑት ባህሎች ከአገዛዝ የመነጨ ናቸው ለማለት የሚቻል ይመስለኛል።

ሌላ መሠረታዊ ጉዳይም አለ፤ አገዛዎች የሕዝቡን ኅብረት አይፈልጉም፤ ዓላማቸው ማለያየትና ማከራረፍ ነው። የልማት መሠረት የሆነው የኢንዱስትሪ ባህል ነው። በፖለቲካ እድገትም ቢሆን ይህ የመተባበር ባህል ግዴታ ነው። እንዲህ ያለው የመተባበር ባህል በሌለበት ብቻ ሳይሆን ተቃራኒው ባህል በአየለበት አገር ልማት እንዴትና በምን ዓይነት ሁኔታ ሊፈጠር ይችላል?

ልማት የሚባለውን ነገር በፈለገው ዓይነት መንገድ ብንመለከተው መነሻውም መድረሻውም ሰው ነው። የሰው አእምሮ ከአገዛዝና ከባህሪ አፈና ሲላቀቅና ሙሉ ነጻነቱን ሲያገኝ የችግሩ ባለቤት ራሱ ይሆናል፤ ለራሱ ችግር መፍትሄውን መፈለግ አያቅተውም፤ የኢትዮጵያ ሕዝብ ሌላ ቀርቶ ችግሩን ተቀምጥቶል፤ የዝግብ ችግሩ ባለቤት አይደለም ማለት ነው። ችግሩን የሚነግሩት ሞግዚቶችህ ነን የሚሉት ናቸው፤ ያውም ወይ ዕድሜ ወይ ትምህርት ያላበሰላቸው ልጆች! መፍትሄውንም የሚነግሩት እነሱው ናቸው። እኔ ወይይት ከብብ ገብቼ አላውቅም፤ ከነበረ ንደኛዬ የሰማሁትን እንደማስረጃ ላትርብ፤ አንዱ የዮኒቨርስቲ ካድሬ መሠረታዊ ፍላጎቶች ምን ምን እንደሆኑ የውይይት ከብብ ይባል በነበረው ውስጥ ያስተምራል፤ ሲጨርስ እንዲት የጽዳት ሠራተኛ የነበሩ ሴት 'አሁንስ ብላችሁ ብላችሁ ከእንሰሳቱም አሳሳችሁን፤ አሁን መብላትና መጠጣት እንዳለብን እንሁን እኛ ሰዎችና ውሻውም፤ ዝንብም፤ ወፍም ያውቀው የለም እንደ! እኛን የቸገረን የምንጠጣውና የምንበላው ማጣት! ያንን ከዬት እንደምናገኝ አትንግሩንም ይልቅ! በማለት የካድሬውን ድካም ዜሮ አደረጉበት።

ድህነት ከምግብ ዋስትና በታች ሊወርድ አይችልም፤ ለገበሬው የምግብ ዋስትናን ማረጋገጥ ያልቻለ የአገዛዝ ሥርዓት ዛሬ ስለድህነት ቅነሳ ያወራል፤ ምን ማለት ነው? ከድህነት ምኑ ነው የሚቀነሰው? በአሥር ዓመታት ውስጥ የዕለት እንጅራና ንጽሕ ውሃ ለእያንዳንዱ ኢትዮጵያዊ ማስገኘት ያቀተው አገዛዝ ዛሬ ድህነትን እቀንሳለሁ ብሎ ሽርጉድ የሚለው የትኛውን ከረሀብ የባሰ የድህነት መልክ ለመቀነስ ነው? ከሁሉም የሚደንቀው ደግሞ ድህነት ምንድን ነው? ደሆቹ ምን ይላሉ? ለሚሉ የይስሙላ ጥያቄዎች መልስ ለማግኘት የሚደረገው ዘመቻ ነው። ድህነት ከአካል፣ ከእለምሮና ከመንፈስ አፈናና መሰናከል የሚመነጭ የኑሮ ረመጥ ነው። ገጠናን ማዕከል ያደረገ ልማት የሚባለው ዓላማው ገበሬውን ከቁርጥራጭ መራቱ ጋር በግድ እቆራኝቶ በማስቀረት ዘጠና በመቶ የሚሆነውን ሕዝብ ከድህነት እንዳይወጣ ብቻ ሳይሆን ነጭ ደሀ ነጭ ማር ይከፍላል የሚለውን የአገዛዝ መመሪያ ለማጠናከር ነው። ከዚህ ጋር ተያይዞ ከኢጣልያ በቀር የራሳችን ተከታታይ የአገዛዝ ሥርዓቶች ያላሰቡበት ጉዳይ መኖሪያ ቤት ነው። ገጠሬው በተለይ የሚኖርበት ከከብቶቹና ከተባቶቹ ጋር መሆኑ እየታወቀ ይህንን ሁኔታ ለማሻሻል ምንም የተደረገ የለም፤ እንዲያውም መኖሪያ ቤት ምን ማለት እንደሆነ በትክክል አለመገንዘብን የሚያስረዳው በጭራሮ የተሠራና የተንጋደደ ጎጆ ሁሉ ትርፍ ቤት ተብሎ መወረሱ ነው።

የሰውን አእምሮና መንፈስ አደንገዞ ስለልማት በማውራት ከአለንበት ፈቀቅ ለማለት እንችልም። ልማት ከማሰብና ከመሥራት ጋር የተቆራኘ ነው። ማሰብና መሥራት ደግሞ ከነጻነትና ከራስ ከመተማመን ጋር የተቆራኘ ናቸው። በነጻነት ማሰብና በራስ መተማመን ደግሞ የአገዛዝ ሥርዓት በመብራት እያደነ የሚያጠፋቸው ናቸው። የምጽዋት አቆማዳን ለማግኘት የሚወጡ ሕጎች ተግባራዊነት እንደሌላቸው በየቀኑ እያየን ነው። አስፈላጊ ሆኖ ሲገኝም ትልቁን

ሕግ የሚጥስ ትንሽ ሕግ በቅጽበት ማውጣት ይቻላል።

ድህነት ብዙ ዓይነት ነው፤ ምዕራባዊያን የብዙ ነገር ደሀ ናቸው፤ አንዳንድ የእነሱው ሊቃውንት ስልጣኔአቸውን የመኪና እድገትና የሰው ልጅ ውድቀት ይሉታል፤ ያም ሆኖ ለሰው ልጅ ትልቁ የሀብት ምንጭ ማሰብ መሆኑን ከአወቁ ዘመናት አልፈዋል፤ እኛ ይህንን የመጀመሪያውን ነገር ሳናውቅ ስለልማት እናወራለን፤ እነሱም እንድናወራ ያበረታቱናል፤ የማናቸውም ዓይነት ልማት መነሻውም መድረሻውም የሰው ልጅ ነው ብያለሁ፤ እኛ ያለንበት ሁኔታ የሰው ልጅ የፖለቲካ መጫወቻ ብቻ እንዲሆን የሚፈለግበት፤ የፍርሃት ቆራን አካልን፤ እለምሮንና መንፈስን ስንጎ የያዘበት የካድሬዎች አገዛዝ ነው፤ እኛ ያለንበት ከአገር መሰደድ አዲስ ባህል በሆነበት አገር ነው፤ እኛ ያለንበት የተመቻቸ እናት ገና በሕግነቱ ልጅዋን ወደ ፈረንጅ አገር የምትልከበት፤ ካልተመቻቸውም የወለደችው ልጅ ወስዳ በፍራንክፈርት፤ በእምስተርዳምና በሎንዶን መንገዶች ላይ በምትጥልበት አገር ነው፤ እኛ ያለንበት ጥናው ሀብታችን የሆነውና እያንዳንዱ ትውልድ የሕይወት መስውዕትነት የከፈለበት መራት በግርዶቻችን ቁጥጥር ሥር የዋለበት፤ የመኖሪያ ቤትና የቦር ከፍተኛ ችግር እያለ ብዙ ቤቶች ታሸገው እየፈራረሱ የሚገኙበት ነው፤ እኛ ያለንበት ጠቅላይ ሚኒስትሩ ሲንቀሳቀሱ የብዙ ሰዎች የኑሮ እንቅስቃሴ ቀጥ ብሎ የሚቆምበት አገር ነው፤ እኛ ያለንበት በየመንገዱ ላይ ምኑንም እየሸጡ ኑሮአቸውን ለማሸነፍ የሚጥሩ ሰዎች በፖሊስ ፍዳቸውን የሚበሉበት አገር ነው፤ እኛ ያለንበት እውቀት በትምህርትና በልፍት ሳይሆን በሥልጣን መጠን የሚያድግበት አገር ነው፤ አረ ስንቱ! ታዲያ የመንፈስ ድህነትን አቅፎን ማን ነው ልማትን የሚያመጣው?

በኢትዮጵያ ውስጥ ሰው ሀብት ነው? ትምህርት ሀብት ነው? መራት ሀብት ነው? በአዲስ አበባ ውስጥ በብዙ ሥፍራዎች ታሸገው ለብዙ ዓመታት በመፈራረስ ላይ ያሉ ቤቶች ሀብት ናቸው? በየቦታው ተደርድረው ያልባለቤት ግር የበቀላቸው መኪናዎች ሁሉ ሀብት ናቸው? ሀብትን የማያውቅ እንዴት ያለማል?

ለልማት ደንታራ የሆነ ባህል ያለው ሕዝብ ብቻ ነው? የልማት አስተናጋጅ የሆኑት ባለሙያዎችስ የራሳቸው ባህል ያላቸውም? የልማት መሪዎች የሚባሉት አገራችሁ የራሳቸው የንግድ ባህል የላቸውም? የአገዛዝ ሥርዓቱስ የራሱ ጸረ ልማት ባህል የለውም ብለው ያምናሉ? የሕዝቡን ባህል መለወጥ በጣም ቀላል ነው፤ የኢትዮጵያ ሕዝብ የሚጠቅመውን ያውቃል፤ መለወጥ የሚያስቸግረው የአገዛዙን ባህል ነው። በየቀኑ አዳዲስ መመሪያ ይወጣል፤ አዲሱ ለኛ የሚበጀው መቅዳት ነው እንጂ መፍጠር አይደለም የሚል ነው! ፈረንጆች ሲተርቱ ትንሽ እውቀት አደገኛ ነው ይላሉ።

በእኔ በኩል ልማትን ወደኑሮ ለመለወጥ ከኑሮና ከችግሩ መነሻት ያስፈልጋል፤ ከዚያ ስንንግ መቅዳት እምብዛም አያገለግልም። አለዚያ ልማት እየተባለ መራውጡ ራስን ከማታለል አያልፍም። ■

ባህልና የኢኮኖሚ ልማት

ከበቀለ አበበው
የባህል መምሪያ ኃላፊ
የወጣቶች ስፖርትና ባህል ሚኒስቴር

መ ግ ቢ ያ

የዚህ አዋር ጽሑፍ ይዘት የሚያተኩረው፣ "ባህልና የኢኮኖሚ ልማት" (Culture and Economic Development) በሚለው ርዕስ ጉዳይ ላይ ይሆናል። በዚህ የውይይት መድረክ ከተሰጠው አዋር ጊዜና ባህል ስራ ዕንባሳ ላይ የሚሰጡትን የገንዘብ እንደ ኢትዮጵያ ከ80 በላይ የሚሆኑ የቦርካታ ቤሐር ብሔረሰቦችና ሌሎች ቀሳዊና ህሊናዊ ባህሎች በሚንገባረቁበት ሀገር ከኢኮኖሚ ልማት አንጻር የሁሉንም አዎንታዊና አሉታዊ ገጽታዎቻቸውን በዘርዘር ማትረብ ባይቻልም ለምሳሌ የህል ግን እንዳንደቹን ብቻ ለመጠቀስ እየተከራለሁ። በዚህ ርዕስ ጉዳይ ላይ ሀብረተሰቡ ስለ ባህል ያለው ግንዛቤና በዩኒቨርሲቲ የተሰጠውን የባህልን ዕንባሳ በትድሚያ ግልፅ አድርጎ በርዕስ ጉዳይ ላይ ዘርዘር ያሉ ነጥቦችን ለመተንተን ባህል በኢኮኖሚ ልማት የሚኖረውን አዎንታዊና አሉታዊ ገጽታዎች ከኢትዮጵያ ነገራዊ ሁኔታዎች አንጻር ጠቆሞ አድርጎ አልፏል። ቀጥሎም በዚህ ጉዳይ ላይ ፖሊሲ አውጪና አስፈጻሚው አካል በተለይም / የወጣቶች ስፖርትና ባህል ሚኒስቴር / ግን በሚኖረው ላይ እንደሚገኘው ወደፊት ስለተለያዩ የመንግሥትና የግል ተቋማት ግን መደራጃ እንዳለበት አቅጣጫ አመለካከት የሆኑ ሃሳቦችን አጠቁግቻለሁ።

1. ባህል ምንድነው?

ባህል ምንድነው? የሚለውን ግንዛቤ በጥቅሉ ስንመለከተው አብዛኛው የሀብረተሰቡ አካላት ባህል፣ ግን፣ ልማድ፣ የአኗኗር ደንብና ሥርዓት፣ አድርገው ይመለከቱታል። ጥሩ የባህል ምንጥል፣ የባህል ዘረንፍ ጭረራ፣ ባህላዊ የሰዓላት አከባቢ፣ ባህልን የሚያከብር ዜጋ/ ኢትዮጵያውያን ጥሩ የእንግዳ አቀባበል ባህል፣ ሰውን የማክበር ባህል ወዘተ.../ አላቸው እንላለን። የባህልን ምንነትና ዕንባሳ ከዚህ ጠለቅ ባለ መልኩ ስንመለከት ደግሞ ዩኒቨርሲቲ አ.አ.አ. በ1982 ሚኒስቴር ላይ ባካሄደው ስብሰባ ስለ ባህል ምንነት የተሰጠውን ትርጉምና የተደረሰበትን ስምምነት እንደሚከተለው አጠቅሳለሁ።

"ባህል የሰው ልጅ ሰብአዊና ምክንያታዊ ፍጡር

እንዲሆን ያስቻሉት ወይም ከሌሎች ፍጡራን ለመለየት ያበቁት ማንኛዎቹም ምዕራዊ፣ ሥነ ምግባራዊ፣ አካላዊ፣ ቴክኒካዊና ሌሎችም ሥራዎች ሁሉ፣ እንዲሁም የሰውን ልጅ የመግባር ፣ በሞራል፣ በቴክኒክና በእምነት አውቀት አራሱን የማሳወቅ ሁኔታዎችን የሚያጠቃልል ዕንባሳ ነው።

እንዲሁም እንደ ሀዘብ ከሌላው ተለይቶ የሚታወቅባቸውን ሁኔታዎች ማለትም የአኗኗር ዘይቤዎቹን፣ እምነቶቹን፣ ትውፊቶቹን፣ በአጠቃላይም ቀሳዊና ህሊናዊ ሀብቶቹን የሚያካትት ዕንባሳ ነው።"

ከዚህ የባህል ዕንባሳ ትንታኔ የምንረዳው ቁም ነገር በኖር ባህል የሰውን ልጅ ከሌሎች ፍጡራን የሚለየው ምዕራዊ፣ ሥነ ምግባራዊ፣ አካላዊና ቴክኒካዊ ሥራዎች፣ በቴክኒክና በእምነት አውቀት ራሱን የማሳወቅና ብቁ የሚኖረው ሁኔታዎች ስታዩ እንደ ባህል ከኢኮኖሚ ልማትና እድገት ጋር በቀጥታ የተሳሰረ መሆኑን ነው።

የሰውን ልጅ ከሌሎች ፍጡራን እንዲለይት ከስቻሉት ዋና ምክንያቶች አንደኛው የሰው ልጅ አምራች፣ የምርት ባለቤትና ተጠቃሚ መሆኑን ነው። ቀጥሎም የሰው ልጅ የምርት ዘይቤዎችን ባሻገሮ ወደ በለገጉ የቴክኖሎጂና የኢኮኖሚ እድገት ባሻገር ቁጥር በሙያ ብቃቱ ምዕራብ፣ ሥነ ምግባራዊ ሰብአዊና ዲሞክራሲያዊ፣ በአካላዊ ብቃቱ ደግሞ ጠንካራና አምራች ዜጋ እየሆነና በዚህም ቀጣይ ሂደት ራሱን ወደተሻሻለ ደረጃ በማድረስ የኢኮኖሚ፣ የምግባራዊና የፖለቲካዊ ብቃቱን እያሳደገ መሄዱን ያመለክታል። እንግዲህ በአጭሩ ባህል ከኢኮኖሚ ልማትና እድገት ጋር ያለውን ትስስር በዚህ መልኩ ማየትና ማገናዘብ ይቻላል።

2. ባህል ለኢኮኖሚ ልማትና ግንባታ የሚኖረው አዎንታዊ ድርሻ

ባህል የሰው ልጅ አስተሳሰቦች፣ እምነቶች፣ ማህበራዊ ክብራታዎችና የፈጠራ ሥራ መግለጫዎች በመሆኑ ከኢኮኖሚ ልማትና ግንባታ ጋር የተሳሰረ ነው።

በተለይም ባህል ለማንኛውም የፈጠራ ውጤቶች ሁሉ መሠረት ስለሆነ ከአካላዊ ልማትና ትብብር ጋር የሚኖረውን ግንኙነት ይበልጥ ያጠናክራል። ዛሬ በዓለማችን ባህልን ሳያገናኝ የሚወጠን ማንኛውም የልማት ሥራ ፍሬ አልባ እንደሚሆን ግንዛቤ እያገኘ የመጣበት ወቅት ነው። የሰው ልጅ በጥንታዊ ዘመን መሠረታዊ ፍላጎቱን ለማሙላት በተሰጠው በሽል ድንጋዮች አማካይነት የጀመረው የሥራ የማምረት ተግባር፣ ዛሬ ዘመናዊ ቲክኖሎጂ ባፈራቸው መሣሪያዎችና ጥበባት መጠቀም መቻሉ የባህል ከፍተኛ እድገት መሆኑን ያመላክታል።

ስለሆነም ባህል ለአካላዊ ልማትና ግንባታ ከሚኖረው አዎንታዊ ድርጅቶች እንዳንደቸን እንደ ምሳሌ መጥቀስ ይቻላል። ሀገራችን ኢትዮጵያ የበርካታ ብሔር ብሔረሰቦችና ህዝቦች ሀገር እንደመሆኗ መጠን የዚያኑ የባህል በርካታ ተቀባይ ህሊናዋ ባህሎች አሉን። እነዚህ ተቀባይ ህሊናዋ ባህሎች በሀገሪቱ የአካላዊ ልማትና ግንባታ የየሰኩላቸው ድርሻ አላቸው። ለምሳሌ፣ ደቡብ ወይም ማንኛውም ግለሰቦች በብቸኝነት ሊያከናውኑት የማይችሉትን የሥራ መጠንና ጫና በተሳሳሉ እንዲከናወኑ በሚደረግ በልማት እድገት ላይ አዎንታዊ ሚና ሲጫወት ቆይቷል። እንደ ምሳሌ እነዚህን ጠቀሰኩ እንጂ ከሰማንያ በላይ በሚሆኑ የብሔር ብሔረሰቦች ባህል በእርሻና በማምረት ተግባር ለአካላዊ ልማትና ግንባታ አጋዥ የሆኑትን ሁሉ በዚህ መድረክ ለመጥቀስ መጥከር አባይን በጭልፋ ይሆናል።

ሀሊናዊ ባህሎቻችን ከሚንገባረቁባቸው ሥነ-ቃሎችና ትውፊታዊ አነጋገርዎቻችን መካከል ለሥራና ለእድገት የሚያበረታቱ ሥነ-ቃሎች / ተረትና ምሳሌዎች/ በግብርናና በሌሎችም የምርት ክንፍዎች ላይ የሚሰሙ አፋዊ ሥነ-ቃሎች ለአካላዊ ልማትና እድገት ከሀሊናዊ የባህል ክንፍ አገላለጽ አንጻር የራሳቸው የሆነ አስተዋጽኦ አላቸው።

ለምሳሌ፣

- ሰነፍ በዓል ያበዛል፣
- በሰኔ ካልዘፋ፣ በጥቅምት ካለቀሙ፣ አሁን አይገኝም ከድንበር ቢቆሙ፣
- ሰነፍ ይወድቃል ወይ ቢለው ገለባ ይበትላል ወይ አለው።

እነዚህ ምሳሌያዊ አባባሎች ሥንፍናን ያጣጥላሉ። ለሥራ ያበረታታሉ። የዚህ ዓይነቶቹ የብሔር ብሔረሰቦች ምሳሌያዊ አባባሎች ለሥራ፣ ለልማትና ለብልፅግና አጋዥ ስለሆኑ በአስተማሪነታቸው ተንከባክበን ከትውልድ ትውልድ ልናስተላልፋቸውና እንዳይጠፉም ልንጠብቃቸውና ልንከብካቸው ይገባል። በበጎ ጎናቸው ለአካላዊ ልማትና ግንባታ አጋዥ ስለሆኑ።

3. ባህል በራሱ እንደ አንድ የአካላዊ ልማት ዘርፍ፣

ባህል በራሱ እንደ አንድ የአካላዊ ልማት ዘርፍ ለልማትና

ግንባታ የራሱ የሆነ ድርሻ አለው።

በሀገራችን እያንዳንዱ ብሔር፣ ብሔረሰብና ህዝብ ከተለያዩ ቁሳቁሶች ማለትም /ከቆያ፣ ከእንጨት፣ ከብረት፣ ከነሐስ፣ ከብር፣ ከመዳብ፣ ከቃጫ ወዘተ.../ የሚያመርታቸው የእደ ጥበባት ውጤቶች ልዩ ትኩረት ተሰጥቷቸው በጎጆ እንዲስትረ መልክ እንዲደራጁና እንዲስፋፋ ቢደረግ እነዚህ የባህል ውጤቶች በራሳቸው የአካላዊ ልማትና ግንባታን ያፋጥናሉ። ለበርካታ ሥራ አጣጥቻ የሥራ እድል ያስገኛሉ። በቲሪዝም እንዲስትረ የራሳቸው የሆነ ጉልህ የሥራ ድርሻ ይኖራቸዋል።

የራሉም እንዲስትረ መስፋፋት፣ የቲኦሎጂ ቤቶችና የሲኒማ ቤቶች ግንባታ፣ የባህላዊ እደ ጥበባት መስፋፋት፣ ታሪካዊ ቅርሶችን በመንከባከብ ለቲሪዝም እንዲስትረ ማመቻቸት፣ የመጸሀፍት ህትመት ማደግና መስፋፋት፣ እነዚህን እነዚህን የመሳሰሉ የባህል ግንባታ እንቅስቃሴዎች ለአካላዊ እድገት በራሳቸው ከፍተኛ ጥጋ አላቸው። ስለዚህ በባህል ዘርፍ የሚደረገው ግንባታ ለአንድ ሀገር የአካላዊ እድገት ከፍተኛ ጠቅሚያ ይኖራቸዋል።

4. ባህል ለአካላዊ ልማትና ግንባታ የሚኖረው አሉታዊ ተፅዕኖ

ቀደም ሲል ባህል ለአካላዊ ልማትና ግንባታ አዎንታዊ ገፅታዎች እንዳሉት ሁሉ የሥራ ተነሳሽነትን የሚያደባዝቡ፣ የሥራ ክብርነትን የሚያንግብቁ፣ በሀይነትና ጥልቀትን የሚጋቡ፣ ለአካላዊ እድገት መሰናክል የሆኑ እምነቶችን፣ ማህበራዊ አስተሳሰቦችንና ጎሳ ቀር አመለካከቶችን እናገኛለን። እስቲ ሁለት ምሳሌዎችን እንጥቀስ።

- ከመሆን ፋቂ ይሻላል ነባቂ፣
- የጨዋ ልጅ ከከተማ የድሀ ልጅ ከውድማ፣ ይላል።

እነዚህ ምሳሌያዊ አባባሎች ደግሞ ለሥራ ክብርነት ጥጋ አይሰጡም። ከመሥራት ይልቅ መዘረፍን ወይም ካለ ሥራ መኮራሽን ያበረታታሉ። ባለሙያን ያናንቃሉ ጥልቀትን ያጥካሻሉ።

የብሔር ብሔረሰቦችና ህዝቦች ባህላዊ የእደ ጥበባት ውጤቶች እንደ ባህል ውጤቶች በራሳቸው ለአካላዊ ልማት እድገት መሠረት መሆናቸው ቀደም ተብሎ እንደተጠቀሰው ሁሉ ህብረተሰቡ ለእነዚህ የእደ ጥበባት ባለሙያዎች ካለው ጎሳቀር አመለካከት የተነሳ በእደ ጥበባቱ እድገት ላይ የራሱ የሆነ አሉታዊ ተፅዕኖ አስከትሏል።

በዚህም ምክንያት እደ ጥበባት ለሀገራችን የጎጆ እንዲስትረ ከሚኖራቸው ልማትና ብሉም ከመሆናዊ ቲክኖሎጂና የአካላዊ እድገት አንጻር ብዙም ውጤታማ አልሆኑም ማለት ይቻላል። በተለይም ሴቶች በሚሰማሩባቸው የተለያዩ የእደ ጥበብ ሥራዎች ላይ፣ ለምሳሌ እንደ ጥልፍ፣ ሰፊት፣ ገጣጤ ሥራና

ሌሎችም የመሳሰሉት ላይ ከፍተኛ ትኩረትና እገባ ቢደረግ ሴቶች የባሎቻቸው የኢኮኖሚ ጥገኞች ከመሆን ተላቀው በልማቱ መስክ የራሳቸው የጎሳ ድርሻ ይኖራቸዋል። ከራሳቸውም አልፎ ተርፈው ቀስቀስ ለብሔራዊ ኢኮኖሚ ግንባታ እስተዋጽኦቻቸው እያደገ መሄድ ይችላሉ።

ለሀገራችን የኢኮኖሚ እድገት ኋላቀር ባህላዊና ልማዳዊ ድርጊቶችና ክንፍኔዎች የራሳቸው የሆነ አፍራሽ ተፅእኖ አላቸው። በመርገ፣ በለቅሶ፣ በተዝካርና በተለያዩ ሃይማኖታዊ በዓላት ሰበብ የሚጠፋው ጊዜ፣ የሰው ጉልበትና ገንዘብ፣ የኢኮኖሚ ልማታችንንና እድገታችንን በእጅጉ ወደ ኋላ ጎትቶታል።

የልመና ባህል ዜጎች በሥራ ላይ ተሰማራተው አምራች ዜጋ እንዲሆኑ ከማድረግ ይልቅ ወደ ባዘነገትና ጥልቀት የሚጋብዝ በመሆን የተመዘገቡትን ባህል እየዳበረ፣ የመሥራት ባህል እየደበዘዘ፣ ለኢኮኖሚ እድገትና ልማት እንቅፋት ሊሆን ይችላል።

5. የኢትዮጵያ የባህል ፖሊሲ ከኢኮኖሚ ልማት አንጻር

በ1990 ዓ.ም በድቆ በወጣው የባህል ፖሊሲ ዓላማዎች ላይ የኢትዮጵያ ብሔር ብሔረሰቦችና ህዝቦች ማንነት የሚገለፁባቸው ባህሎች፣ የሥነ ጥበብና የእደገባት ውጤቶች፣ በሃይንሳዊ ዘዴ እየተጠኑ ለልማት ጠቀሜታ እንዲውሉ፣ ባህል ከመኑ ትምህርት፣ ሃይንስና ቴክኖሎጂ ጋር እንዲጣጣም፣ ጎጂ ልማዳዊ ድርጊቶች ደረጃ በደረጃ እንዲወገዱ፣ የባህል አውታሮች ሀገሪቱ በምትከተለው የልማት፣ የሰላምና የዲሞክራሲ ግንባታ ሂደት የግል ኢኮኖሚው ተሳትፎ ከፍተኛ ሚና እንዲኖራቸው በግልፅ ወፍሯል። በተለይም የባህል ተቋማትና ማዕከላት እንዲቋቋሙና እንዲሰፋፉ በማድረግ እንደ ስንፍናና ጥልቀት የመሳሰሉ ጎጂ ልማዳዊ ድርጊቶች የሚወገዱበት ሥልጣት እንዲቀየሩ ፖሊሲው ያመለክታል።

6. ምን መደረግ አለበት?

ለብዙ ዘመናት ሥር ሰደው የቆዩ ጎጂ ልማዳዊ ድርጊቶች በኢኮኖሚ እድገት ላይ አሉታዊ ተፅእኖ እንዳላቸው አጠር ባለ መልኩ ለመጥቀስ ተሞክሯል። ትልቁ ጥያቄ እነዚህን ጎጂ ልማዳዊ ድርጊቶች ወይም አመለካከቶች በአንድ ጊዜ ማስወገድ ይቻላል ወይ? የሚለው ነው። የባህል ለውጥ አዘጋጫ ነው። ለውጡ በአንድ ጊዜ የሚታይና ውጤታማ ሊሆን አይችልም። ለብዙ ዘመናት በሰዎች አስተሳሰብና አሠራር ውስጥ ስርወው የቆዩትን ኋላ ቀር አመለካከቶች በአንድ ጊዜ በቅፅበት መለወጡ ባይቻልም ቀስ በቀስ ግን እነዚህን ጎጂ ልማዳዊ አሠራሮችና አስተሳሰቦችን ማስወገድ ይቻላል።

መንግሥት ፖሊሲ አውጥቷል። ፖሊሲው መውጣቱ

ብቻ በቂ ሊሆን አይችልም። በመጀመሪያ የባህል ፖሊሲውን ግንባቢ በባህል ሠራተኞችና በህብረተሰቡ ዘንድ ማስረጃ ያስፈልጋል። ቀጥሎም ህብረተሰቡን ማስተማር ይሆናል። ህብረተሰቡን ለማስተማር ሥነ ጥበባት ዓይነተኛ መሣሪያዎች ናቸው። ቴክትር፣ መዘቃ፣ ሥነ ሥዕል፣ ሲኒማና በሌሎችም የባህል ዘርፎች ኋላ ቀር አስተሳሰብን መቀየር ይቻላል። ይህም ብቻውን በቂ ላይሆን ይችላል። ማዕከላዊ መንግሥትና የብሔራዊ ክልላዊ መስተዳድሮች በሚያትዱቸው የልማት መርሃ ግብሮች ባህልን ያማከሉ ቢሆኑ ግባቸው ይፋጠናል። እካሄዳቸው ይሰምራል። ውጤታቸውም ያመረቃል። ህብረተሰቡም ባህል ለልማት የሚኖረውን አጋዥነት እየተገነዘበ ስለሚሄደው የአመለካከት ለውጥ ሊታይ ይችላል።

ለኢኮኖሚ ልማትና ግንባታ ጠቃሚና አጋዥ የሆነውን ባህል ከጊዜው ሁኔታ ጋር አጣጥሞና አዳብሮ ለመቀጠል ኋላ ቀር የሆነውንና ለኢኮኖሚ ልማትና ግንባታ አፍራሽ የሆኑትን ልማዳዊ ድርጊቶችና አመለካከቶች ለማስወገድ የግል ኢኮኖሚው ዘርፍ የሚሠራተው ሚና ወሳኝ ነው። ግልንዱስትሪ፣ በሆቴልና በሌሎችም ግንባታዎች የግል ኢኮኖሚው ተሳትፎ ባህልን ያቀናጀ መሆን አለበት። ለምሳሌ፣ አንድ ሆቴል ሲገነባ የቴክትር አዳራሽና የሥዕል ጋለሪን ያካተተ ቢሆን ይመረጣል። የምሽት ቴክትሮችን፣ የሥነ ጥበባት ውይይቶችን የጥምርና የድርሰት ውይይቶችን፣ የሥዕል ኢንዱስትሪዎችን፣ በማስተናገድ ባህልን ማዳበር ይቻላል። ባህል ሲዳብሮ የአንድ ህብረተሰብ ኢኮኖሚም አብሮ ይዳብራል።

የባህል ትምህርት በሥርዓተ ትምህርት ውስጥ መካተት ለባህል እድገት ጠቀሜታ አለው። ወጣቱ ትውልድ የመቻቻል፣ የመውያቶችና የዲሞክራሲ ባህልን ሊያዳብርና ሊያሳድግ ከሚችልባቸው አንደኛው ትምህርት ቤት ነው። ወጣቱ ትውልድ ባህልን ለሰላም ለልማትና ለብልጽግና ሊያውል የሚችለው፣ የሥራ ክብርነትን የሚገነዘበው ጠቃሚ ባህሎችን ከጎጂ ልማዳዊ ድርጊቶች ለይቶ ማወቅ ሲችል ብቻ ነው።

የባህል ትምህርትን በሰፊው ለማዳረስ የባህል ማዕከሎች በየደረጃው መቋቋም ወሳኝ ነው። ህብረተሰቡን ሊያስተምሩና ሊያዘናኑ የሚችሉ የሥነ ጥበብ ሥራዎች፣ በየደረጃው በኢኮኖሚና በማህበራዊ መስኮች የታዩትን የእድገት ደረጃዎች የሚያሳዩ ኢንዱስትሪዎች ማትረብ የምንችለው፣ በህጻናትና ወጣቶች ላይ እካላዊና አእምሮአዊ እንጻ ላይ አፍራሽ ተፅእኖ የሚያስከትሉ የውጭ ባህል ወረራዎችን መከላከልና በፈጠራ መስኮች ለፈጠራ ባለሙያዎች ሁኔታዎችን ማመቻቸት የምንችለው የባህል ማዕከሎች ሲኖሩን ነው።

ስለዚህ ለአንድ ሀገር የሚያስፈልገው የዳበረ ኢኮኖሚ ብቻ ሳይሆን የበለፀገ ባህልም ጭምር ነው። አንዱን ከሌላው ለይቶ ማየት አይቻልም። ሁለቱም የአንድ ግንባታ ሁለት ገፅዎች ናቸው። የአኗኗር የአሠራር፣ የአመለካከት ባህል ሲዳብሮ የኢኮኖሚ ልማትን ያዳብራል። የኢኮኖሚ ልማት ሲዳብሮ ደግሞ ባህልም አብሮ ይበለጋል። ባህል ሲበለጠጥ ደግሞ የህብረተሰቡ አስተሳሰብና አመለካከት ይለወጣል።

RETHINKING DEVELOPMENT PRIORITIES IN SUB-SAHARAN AFRICA: SOLVING THE DEVELOPMENT PROBLEM AND BEYOND

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"The central puzzle of human history is to account for the widely divergent paths of historical change."¹

"... the very essence of progress is being able to deal with new circumstances..."²

THE PURPOSE, THE CONTENT, AND THE PREMISE

The Purpose

'The other war' declares African Confidential in its October number, and continues that casualties in Africa's economic battles are outstripping those in the military campaigns in Asia and Middle East.³ According to the Africa Confidential article, 'despite a decade of economic reform and debt relief, Africa's economies are set to grow on average at no more than three per cent a year for the next decade', and furthermore 'Africa will remain the only continent where poverty is growing'.⁴ - In this paper, some basic reasons are presented why news about development in Africa remains dismal in spite of decades of resource flows and hard work by all stakeholders.

More explicitly, the underlying assumption of the article is that there is a need to rethink and reformulate development priorities in Sub-Saharan Africa. The assumption is based on empirical evidence of poor results of development efforts during, say, the past forty years. The reformulation, on the other hand, is based on the elaboration of underlying causes of dismal development experience contrary

to expectations by many in poor countries. The development problem, e.g. inconsistent formal behaviour, has been identified and explained elsewhere.⁵ The explanation is based on a 'personality' postulate. It says that individuals see themselves as having only personal relationships with other people, with the natural environment, and knowledge. The implication is that states are 'prisoners' of their own cultural heritage and its inherent value systems resulting in 'blurred' divisions within societies in Africa. The 'blurred' divisions between states and markets, public and private, state and civil society, and formal and informal lead to political interference, poor performance of formal systems, and consequently to uncertainty, high money costs of transactions and production etc.⁶

A Kenyan philosopher has presented an alternative explanation for 'blurred' economies that could be called a personality split 'theory' of weak states. According to him, 'the heart of an African technocrat is split into two: one part with an African make-up and the other with European dressing'. The author continues that 'the split personality of the African technocrat invariably predisposes him to decisions which favour his personal stake in the transaction or even the stake of his mentors. Furthermore, 'very often many persons in responsible positions tend to take refuge in what is momentarily convenient and advantageous to them. They will take refuge in the African cultural personality or in the European one depending on where their personal interest lie'. The author concludes that 'this fact alone tends to render

¹ Douglass C. North (1990), 'Institutions, Institutional Change, and Economic Performance', Cambridge University Press.

² Burton H. Klein (1977), 'Dynamic Economics', Harvard University Press, London, England.

³ Africa Confidential (2001), 'The Other War', Vol.42/No.20.

⁴ Africa Confidential (2001), op. cit.

⁵ Heikki Haili (2001), 'Governance, Consistency and Development in Sub-Saharan Africa: Identifying the Development Problem', Economic Focus, Bulletin of the Ethiopian Economic Association, Vol. No. 2, Oct-Nov 2001. In fact, the analysis presented in this article is a continuation to this Governance paper. Some ideas have been elaborated further. This has made it possible to develop a holistic framework to analyse development problems Africa faces on its way to development. Consult Figure 2.

⁶ See on 'blurred' economies Heikki Haili (2001), op. cit., p. 22.

the whole development enterprise erratic and monstrous'.⁷

Inconsistent or erratic formal behaviour leads to inferior performance of different systems and to other undesirable economic and social outcomes.⁸ Examples of inferior performance range from non-functioning systems like public financial management systems to increased poverty and corruption. Inconsistent behaviour keeps money costs of economic activities high. It also creates uncertainty, unpredictability and other ills that serve as disincentives in exploitation of opportunities for development. Examples abound and are visible everywhere in Africa. Identifying inconsistency in formal behaviour of different African formal systems is a starting point for a more comprehensive analysis to explain why the continent lags behind other continents in performance and development.

In order to alleviate impediments to development over time, the development paradox also needs a satisfactory solution. That solution would be the key to transform poor countries in terms of social and economic structures in Sub-Saharan Africa. The aim of that transformation would be to secure consistent behaviour of formal systems, e.g. cultural change would lead to consistent behaviour of formal systems that would reduce uncertainty and money costs of economic activities. On the other hand, increased volume of transactions would 'force' people to accept gradually more 'impersonal' values of a 'marketplace' that would replace traditional values of a 'personal' culture typical to African countries. This would, in turn, increase consistent behaviour of formal systems over the long term. It should be noted that consistency in this context is much more than accountability; it is time-consistent enforcement of formal institutions at different levels of society, and in different systems, that meet the criteria of transparency, efficiency, effectiveness, and sustainability in all its dimensions, e.g. institutional, financial, technical, etc.

THE PREMISE

Any serious work on rethinking development priorities in Sub-Saharan Africa should be based on the following three premises: reformulation of a development agenda, building a theory of development for

Sub-Saharan Africa, and construction of an operational instrument for making resource use more effective in poor countries. It is believed that these premises and their adequate treatment in theoretical and practical work are prerequisites for initiating development in Sub-Saharan Africa. It should go without saying that what is attempted in the current paper is a logical outcome of these premises or propositions.

The first underlying premise states that the development agenda needs a lot of rethinking, and it should be reformulated.⁹ This rethinking should start from understanding the prerequisites of the transformation process in poor countries in Sub-Saharan Africa. Aid programming approaches are not very helpful to understand African development issues as many fallaciously believe.¹⁰ Much of the controversies and misconceptions of development concerning the African economies have not been properly understood. Development in Africa is not or can not only be about aid programming or purely economic variables, i.e. correct prices or tight fiscal policies as the World Bank and many others seem to believe. On the contrary, the analysis should start from understanding the relevant features of the African culture at least at the intellectual level, and particularly the role of those cultural factors that constrain behaviour of not only individuals but also that of formal systems. This type of a study would help us understand why there has not been any economic take-off worth mentioning in poor African countries in spite of the resources made available over the decades. In short, the analysis should start from identifying the development problem plaguing Africa and the underlying reasons. Of course, it is obvious that understanding the development problem is a necessary condition for solving it, and a precondition for further analysis. On a more practical note, the foregoing implies that the reform agenda should be refocused *vis a vis* development strategies, policies, and programs. Refocusing means that there is a need to go beyond current reform policies and programs in terms of comprehensive governance reforms resulting in consistent behaviour of formal systems of all levels of African societies.

However, a revised development agenda is not enough. The second premise states that there is also

⁷ One of the most recent attempts to rethink the development agenda is by Jose Antonio Ocampo (2001), 'Rethinking the Development Agenda' UNECLAC LC/L. 1503, March 2001.

⁸ A good example of this kind of an approach to development is found in Henock Kifle, Adebayo O. Olukoshi, and Lennart Wohlge-muth, eds. (1997), 'A New Partnership for African Development: Issues and Parameters', Nordiska Afrikainstitutet, Uppsala, Sweden. See also OECD/DAC (2001), 'DAC Guidelines on Poverty Reduction'. The guidelines are a true manifestation of an aid programming approach to poverty reduction. According to the analysis presented in this paper the guidelines have dubious value to poverty reduction efforts in Sub-Saharan Africa because they do not account for the development problem and the paradox that undermine development efforts in Africa.

⁹ See Joseph M. Nyasani (1985), 'Reflections on Culture and Development Dilemma', in Ari Serkkola and Christine Mann (1985), eds., 'The Cultural Dimension of Development', Publications of the Finnish National Commission for UNESCO No. 33.

¹⁰ Formal institutions are laws, official rules and regulations. They are enacted for a whole society or only for a specific system like an organization, a transport system etc. Formal behaviour is behaviour governed by formal institutions. Formal systems are systems that are organized and governed by formal institutions. Informal systems on the other hand are governed by informal institutions. These institutions consist of attitudes, beliefs, social norms etc. An institutional framework is comprised either of formal or informal institutions.

a need for a truly African theory of development that would help us explain the development or transformation process necessary in the continent in order for people to prosper at par with other continents in the future. At the moment, we do not have such a theory.¹¹ Also, it goes without saying that a theory of development that would be able to explain change and development could also help us understand the existing controversies and misconceptions of development.

The major controversies and misconceptions could be enumerated as follows:¹² First, in many instances misguided policies are, at least partially, responsible for economic stagnation in Sub-Saharan Africa. However, in some cases policies that have been assessed as 'good' or 'appropriate' by the World Bank have also been associated with worsening economic performance. It is therefore an apparent misconception to think that 'good' policies, i.e. conventional reform programs and policies recommended by the Washington consensus, are *per se* sufficient for an improved economic performance. On the contrary, it is widely agreed that free market policies have not, at least so far, generated the kind of explosion in productivity, new industries, expansion of output, and exports that reformers hoped for.¹³ Consequently, the determining factors of good economic performance and growth are still to be found in Sub-Saharan Africa.¹⁴

Second, there are a lot of investment opportunities based on huge investment needs in Sub-Saharan Africa, but needs are not met as indicated by low investment rates. The resulting contradiction follows from the fact that during the 1990s public investments have declined due to stringent fiscal policies. Only a few private investment opportunities have been profitable due to a multitude of (still existing)

structural and institutional impediments that have kept actual money costs of investment and production high. High money costs have frustrated the supply response to reforms by keeping supply elasticity and an average propensity to invest low.

Third, according to the Washington consensus, free markets are an essential precondition in ensuring economic success. Thus, the markets are seen as a major means for structural transformation in Sub-Saharan Africa. It follows that market liberalization could be seen as a *sine qua non* for enhancing private investment and economic growth. This, however, is an apparent misconception due to extensive and frequent market failures either due to institutional deficiencies or an uncertainty element in market prices for decision making.¹⁵ These failures have perpetuated the contradiction between huge investment needs on the one hand and a shortage of profitable investment opportunities on the other, indicated by the low private investment rates in Sub-Saharan Africa.

Fourth, the state has a definite role to play in development in Sub-Saharan Africa. However, government interventions could also bring about negative effects on economic performance. Thus, there is a contradiction between the necessity of government intervention and its possible detrimental effects. Solving this contradiction in a satisfactory manner will pose a challenge for the coming years. It seems, however, that the acceleration of development requires rather increased state activism than ignoring governments in favour of markets in economic decision making particularly in Sub-Saharan Africa. Government interventions should not be restrictive nor constraining but promotional and supportive of the private sector, i.e. private companies and civil society organisations.

The third premise states that there is a need for an operational instrument to make the resource use more effective in Sub-Saharan Africa. At the moment, such an operational instrument does not exist. However, the author of this paper is currently developing an instrument that could prove to be useful in this respect. The instrument is called (tentatively) Direct Budgetary Approach to development (DBSA). The approach is based on an underlying premise that before the resource utilisation could be made more effective, one has to understand first the impediments of development in Africa. This is not possible without a theory of development accounting for all relevant aspects of the African reality. On a more practical note, the development of the DBSA starts with the merger of Medium-Term Expenditure and Fiscal Frameworks complemented by 1) reformed tax policies and administrations, and 2) macro-micro-

¹¹ It should be noted that the World Bank/ the IMF 'merged' model does not qualify for a development theory. The 'merged' model has been introduced for the first time in Mohsin S. Kahn, Peter Montiel and Nadeem U. Haque (1990), 'Adjustment with Growth. Relating the Analytical Approaches of the IMF and the WB'. *Journal of Development Economics*. The paper gives a comprehensive account of the 'merged' model of the BWIs. Also, it highlights well the fairly simple theoretical underpinnings of the model. See also Marie W. Arneberg (1996), 'Theory and Practice in the World Bank and IMF Economic Policy Models: Case Study Mozambique: Oslo.

¹² This part of the article is from Heikki Haili (1997), 'Some Notes on Development Controversies in Sub-Saharan Africa. The Role of the State Redefined'. An Overview of an Unpublished Thesis. 2nd Draft. See also Sayare P. Schatz (1996), 'The World Bank's Fundamental Misconception in Africa', *The Journal of Modern African Studies*, 34, 2, p. 239-247. Cambridge University Press.

¹³ See Paul Krugman (1995), 'Dutch Tulips and Emerging Markets', *Foreign Affairs*, July/August.

¹⁴ It should be made explicit here that some of the crucial 'determining factors' have been elaborated in this article. The same applies also to other misconceptions and controversies of development mentioned in the text. For example low investment rates are due to high money costs and required risk premiums of investments because of poorly functioning or non-existent formal systems.

¹⁵ Naturally institutional deficiencies and uncertainty are inter-linked. See also the World Bank (2001), 'Building Institutions for Markets', *The World Development Report*. Washington.

macro analyses of the impact of additional resources to the economy.

The main features of such an instrument are targeting and sequencing of public resources and reforms.¹⁶ In these endeavours fungibility of resources is a major complicating factor that makes particularly targeting a difficult exercise. The main purpose of the operational instrument is to facilitate practical work in transforming behaviour to account for the requirements of formal systems, and through this to make the use of resources more effective with improved development impacts. For the purpose, development capacity of poor countries must also be defined and operationalised with clear policy recommendations.

ANALYSIS OF AFRICAN CULTURE AS A PREREQUISITE FOR UNDERSTANDING DEVELOPMENT

Observations on Culture

Culture, the way of seeing and understanding, is about behaviour and behaviour patterns that are based on a system of symbols or maps of behaviour. These symbols are derived from a set of distinctive spiritual and material, intellectual and emotional, informal and formal characteristics that define a social group or a society. These characteristics are reflected in attitudes, beliefs, customs, values, laws, rules, regulations and consequent practices of individuals that are common or shared by a society or a social group. The map of behaviour thus defined allows us to integrate on the one hand our values, beliefs etc., and on the other hand, our choices and actions. Furthermore, all human action is interaction with ourselves, others, and with natural and created physical environment within culturally defined contexts (languages, communication etc.) that determine not only action, but its meaning, too. Theoretical inquiries into the origin, nature, methods, and limits of human knowledge, or considerations of the theory of knowledge, will determine or change the quality of human interaction within social groups or in relations with human environment, its parts, elements, and laws, and especially with such characteristics as space, time, causality, and freedom. These theoretical inquiries are an important link between any culture and possible change and development. Thus, culture has always two parts. The one that resists change, and elements, if any, that make change a possibility. The question is which part is predominant.

Analysis of African Culture

¹⁶ See Heikki Halli (2000), 'Insights into Aid-Effectiveness', EA-SURF Bulletin, Jul-Sep 2000, UNDP, Addis Ababa. In the article, the DBSA has been presented in some detail.

It is argued that it is not possible to understand African development problems without understanding first the African culture at least on the intellectual level. To illustrate the point, let us start with an example. Some years ago in Swaziland, the newspaper headings demanded that 'muti' should not be used during the general elections. When the author asked what 'muti' meant, the answer was 'witchcraft'. As it is well known, 'muti' is still a powerful determinant of behaviour not only in Swaziland but elsewhere in Africa, too. Strong and often an overriding belief in the supernatural could be seen, however, as only one of the problems afflicting African societies. The others are, in addition to supernaturalism, anachronism and authoritarianism, as a well-known Ghanaian philosopher has put it.¹⁷ The point is that Africa is beset with problems arising from culture that have profound implications to the traditional African way of understanding, utilising, and controlling external nature and of interpreting the place of man within it.¹⁸ In short, it has implications to the very essence of the African value systems that give rise to a certain kind of behaviour in a 'personal' nature of the African culture.¹⁹

The basic characteristics of a 'personal' culture could be expressed in terms of a 'personality' postulate. It says that individuals see themselves as having only personal relationships with other people, with natural environment, and with knowledge. This 'personality' postulate has important behavioural implications *vis a vis* change and development. Let us illustrate these different dimensions one by one to understand properly the behavioural implications of a 'personal' culture.²⁰

First, ontology in a 'personal' culture tells us that personal identity has a meaning only in its relational context. Thus, in this kind of culture the idea of an individual is difficult to perceive. In a 'personal' culture a person sees himself as the nexus of a web of relationships.²¹ These relationships have strong metaphysical and symbolic connotations. It also tells us what for example it means to be a husband, a cousin, a neighbour, a friend etc. Culture, or a web of personal relationships that give rise to a certain type of group behaviour, is more powerful in determining or moulding one's behaviour than individual personal characteristics. The behaviour of a person is

¹⁷ See Kwasi Wiredu (1980), 'Philosophy and an African Culture', p. 1

¹⁸ See Kwasi Wiredu (1980), *op. cit.*, p. 11

¹⁹ See Heikki Halli (2001), *op. cit.*, p. 23, on the definition of a 'personal' culture. See also Tariq Banuri (1990), 'Modernisation and its Discontents. A Cultural Perspective on the Theories of Development', in 'Dominating Knowledge: Development, Culture, and Resistance' by Frederique Apffel et al., eds. (1990). Clarendon Press, Oxford.

²⁰ This part is from Heikki Halli (2001), *op. cit.*, p. 23-24.

²¹ Ontology is that branch of metaphysics that studies the nature of existence or being as such, as distinct from material existence, spiritual existence etc. The definitions of epistemology, cosmology and ontology with minor modifications are from Webster's Encyclopaedic Unabridged Dictionary, 1989. Portland House, New York.

controlled by the group he belongs to, its inherited value systems, and by the authority of elders or chiefs.

Personal relationships are meaningful when they are independent of material existence. This could be one of the reasons why in many African cultures considerations of wealth are inferior to considerations of familial ties and spiritual existence. This subordination of material considerations to relations between people is well reflected in a Luo custom of destroying property during burials. Also, for example in Tanzania there is an old tradition according to which people might burn a neighbour's property (crops/house) if the common understanding is that the neighbour is more well-to-do than the others in the community. A similar custom is known as *mekgenet*, i.e. culture of jealousy, which seem to be quite pervasive also in Ethiopia.²²

The above can also be expressed in more specific terms by defining culture based on the nature of human existence in the African context. Culture has been described 'as an embodiment of community value conscience that forms the ontological fabric of a mystic relationship between those actually living and the 'living dead',²³ In essence, culture is seen as a participatory process in which all take part and form a relationship that is always mystic and sacrosanct. This means for example that reform measures or innovations can not be introduced unilaterally to a community if the ontological reality of the union of the living and the 'living' dead is ignored. By its very nature, the union is effective in resisting change.

Second, in addition to the ontological considerations let us repeat some essential features of cosmology.²⁴ Cosmology in the African context has important implications for behaviour. In a 'personal' culture the environment is seen in its relational context. For example a home is not just a place you are living in at the moment but also an integral part of your past as well as your future. This means that in a relational context everything is unique and irreplaceable. As a consequence, the world is seen as an unchanging continuum. The adopted concepts of time, space, and the governing 'laws' of nature etc. are consistent with the stagnant vision of the past and the future. People are prisoners of their own culture. Taboos are many and overwhelming. This means

among other things that communities and people have a preference for informal institutions that preserve and maintain group cohesion and less preference for change. Informal institutions are meant for minimising risks and uncertainty to secure the survival of communities.

Dr. Berhanu Nega has made interesting observations about culture in the Ethiopian context in one of his recent articles.²⁵ According to him fatalism is pervasive in Ethiopia. It relates to the hostile attitude one has towards life on earth. The 'attitude has been with us for long and has deep roots in our psyche'. Dr. Berhanu Nega quotes Professor Mesfin, a well-known scholar in Ethiopian matters, who traces this negative attitude to the teachings of the Orthodox Church. To make this point more explicit, Professor Mesfin says that 'we must understand fully the paralyzing effect of fatalism... the future was totally placed securely in God's hands and will. It was entirely beyond the capacity of man to plan for tomorrow without invoking God's will'. And, 'the future, even the most immediate future, is in God's domain and it is not for man, any man, to trespass it'.²⁶ From these observations, it is concluded that there is an indifference to material or economic development in Ethiopia, and the social environment is hostile to individual initiative that threatens the cohesion of a social group. Consequently, people with creative, theoretical or practical abilities are not easily tolerated. As Professor Mesfin puts it, 'the individual who could not conform to the accepted rules perished and everybody thought it was a blessing that he perished'.²⁷ The total paralysis of the Ethiopian people secures the stagnant vision of the past and the future. As it was put, 'in Ethiopia the past mastered the present and the future was total darkness deliberately made so...²⁸ The world is in the real sense an unchanging continuum.

The above observations about cosmology and ontology have important policy implications for change and development in Ethiopia. It seems that the long and pervasive Orthodox tradition has cemented even more the social structure to reinforce the 'personal' nature of cultural characteristics that are predominant in the country. From this perspective, it seems also that a possible solution to instigate change and development requires that the Church should reform its teachings. But this would not be enough. Economic and social transformation presupposes also that the 'personal' nature of the prevailing behavioural maps could be transformed to be more conducive to values of an 'impersonal' culture that would

²² One explanation for this kind of behavior could be the following: in a situation where there is practically no economic growth, if somebody is getting more well-to-do than others in a community, it means that somebody else must be getting worse off. In order to maintain group cohesion the one who is endangering that cohesion and possibly the survival of the group must be disciplined by cutting him/her down to size.

²³ See Joseph M. Nyasani (1985), *op. cit.*

²⁴ Cosmology could be defined as that branch of philosophy dealing with origin and general structures of the universe or human environment, with its parts, elements, and laws, and especially with such of their characteristics as space, time, causality, and freedom.

²⁵ See Berhanu Nega (2002), 'Culture and the prospects for Economic Development in Ethiopia'. Paper prepared for a Public Lecture on 'Economic Development in Ethiopia' at Unity College, February 1, 2002.

²⁶ Berhanu Nega (2002), *op. cit.*, p. 15.

²⁷ Berhanu Nega (2002), *op. cit.*, p. 15.

²⁸ Berhanu Nega (2002), *op. cit.*, p. 16.

promote for example individual initiative or other behavioural features of that culture. It should go without saying that the state in Ethiopia should have a crucial role to play in releasing the 'spirit of the bottle'.

Third, let us take a closer look at epistemology of a 'personal' culture.²⁹ In that culture, epistemological tradition is based on a theory of interpretation (hermeneutics) or on a theory of signs and symbols (semiotics). In the African context, the epistemological tradition of knowledge shares features with sorcery. The approach has been called intuitive, essentially non-analytic, and unscientific.³⁰ In a 'personal' culture, valid knowledge derives from identification with the object of knowledge. This materialises through a personal relation between the observer and the observed. This precludes independent cause and effect relationships in each of the dimensions of people, environment, and knowledge.³¹ In other words, scientific explanations, in a positivist sense, of any kind are extremely difficult. Thus, the belief in the supernatural as an explanatory factor becomes relevant.

The African traditional approach to the inquiry of knowledge is compounded by the problems afflicting the continent, e.g. supernaturalism, anachronism, and authoritarianism. In short, in a 'personalized' African culture abstract thinking based on experimental sciences is not a common quality simply because there is no demand for it. Instead of relying on logical, mathematical, analytical, and experimental procedures in the quest for knowledge, in a 'personal' culture knowledge is based on witchcraft and necromancy as often is the case in medicine, weather etc. Also, in other professional fields the traditions of epistemology rarely meet the requirements of precise measurement and systematic analysis of cause and effect that would be needed in many sciences to improve the living conditions in Africa.

Let us take another example from engineering. As Wiredu has reported in his analysis of fundamentals of the African culture, the non-analytical heritage serves the continent poorly. All African countries have adopted strategies of modernization through education, science, and industrialization. But industrial activities, to concentrate on one aspect of modernization, often involve the use and maintenance of machines. This requires precise measurement and systematic analysis of cause and effect. Wiredu concludes that 'our culturally ingrained, intuitive attitudes frequently deter us from just these proce-

dures'. And he continues that 'the result is ruined machines, shaky constructional works and delayed projects.'³² In the same vein, it has been observed that 'it is easy to build systems (e.g. factories, transport systems, other urban services) in the Third World but very difficult to maintain them'.³³ Maintenance would require a radical shift in orientation towards what Wiredu calls 'precision of measurement and systematic analysis of cause and effect'.

Based on the observations about epistemology, cosmology and ontology in a 'personalized' African culture, the traditional inquiry of knowledge, perceptions about environment, and self-images are incompatible with the requirements of formal systems in the sense of creating them, maintaining them, and sustaining them. To fully understand this, we have to understand also the logic of formal systems. Accordingly, the functioning of such a system is based on a principle of a set of formal institutions that are independent of any 'personal' relationships. To make the point more explicit, one could say that relations between people are subordinated to relations between people and formal systems. Second, following from the first, the logic of formal systems conditions the behaviour of a person. In other words, values of a system determine human behaviour and not vice versa. This means that formal institutions as behavioural guides are predominant and informal institutions have a minor role to play though a complementing one in guiding behaviour. In cultures where these perceptions have been accepted, i.e. they are a part of a typical map of behaviour, formal systems usually function well. However, in a 'personal' culture, a functioning formal system is a contradiction in terms. A good proxy for measuring the functioning of a formal system would be the amount of corruption that appears in those systems. - There are only few countries in the world where corruption is practically non-existent. Finland is a good example of country where there is no corruption to speak of. Formal systems in that country function only with minor frictions.

Some Theoretical Considerations

Now, the interesting question is what kind of theoretical tools are available to explain the transformation of poor countries where a 'personal' culture is predominant? First, let us consider some of the basic assumptions of models of neo-classical origin. According to that tradition, it is assumed that behaviour is based only on 'impersonal' considerations. Models based on the neo-classical assumptions clearly define the self as separate from the environment. This is done by treating preferences and other personal data as metaphysical entities and the environment as an external datum that comprise for example assumptions about institutions, state of

²⁹ Epistemology could be defined as a philosophical or theoretical enquiry into the origin, nature, methods, and limits of human knowledge.

³⁰ See Kwasi Wiredu (1980), op. cit., p. 11.

³¹ See Tariq Banuri (1990), op. cit., p. 80-81. The cultural classification into 'personal' and 'impersonal' and their descriptions are also from the same author and from the same book, p. 78-81.

³² See Kwasi Wiredu (1980), op. cit., p. 13.

³³ See Tariq Banuri (1990), op. cit., p. 99.

technology etc. Instead of seeing behaviour as a result of a tension between the demands of the 'personal' and 'impersonal' maps of behaviour and assuming that the self is not separate from the environment, neo-classical models allow themselves to focus only on conflicts between different objectives within the 'impersonal' sphere alone.³⁴

Models of the neo-classical descent could be considered valid if the 'impersonal' culture, and values inherent to it, is a predominant culture, or that the 'personal' part of the culture is irrelevant. However, as it was seen in this section, 'impersonal' values are not predominant and 'personal' relationships are not irrelevant in African culture. On the contrary, based on this, it is evident that the scope of models of the neo-classical tradition is too narrow to be able to help explain transformation where there is a change in the structure of values between 'personal' and 'impersonal' maps of behaviour. This change can not be explained without a 'personal' sphere of a society.

In fact, the message above means that the conditional assumptions of neo-classical theories simplify the real world in such a way that first, considerations of the characteristics of a 'personal' culture typical to African culture are left out. Second, assumptions do not allow the analysis of a process of a cultural change. An example of the first assumption is that the self has been assumed to be separate from the environment, as was mentioned before. Examples of the latter are the exclusion of time (and uncertainty) from the analysis, and assuming that decision-makers have perfect knowledge in all environments. Based on these assumptions, it is possible to define a principle of behaviour in neo-classical models, e.g. the rationality postulate. The postulate says among other things that rational behaviour, in a defined sense, amounts to following a consistent plan of action toward one's goals in such a way that plans are always realized meaning that expectations are also always realized. In consumption theory, the postulate means that consumers are able to maximize utility, and in a theory of the firm the implication of the postulate is that entrepreneurs are able to maximize profit. These assumptions have been made to secure analytical rigor of the models. The assumptions also make it possible to derive continuous functions such as demand and supply functions, and to use equilibrium as a means of prediction. However, as it was indicated earlier, the analytical rigor of the models have been achieved at high costs when considering analytical needs of a model that could explain a process of transformation in poor countries in Africa.

The rationality postulate has been widely criticized for obvious reasons. First, knowledge of economic units can not be perfect in a changing world. In other words, the availability of information is limited, and thus the search for worthy alternatives involves

costs. These costs are particularly high in poor countries in Sub-Saharan Africa, as will be explained later in the paper. These high costs are overwhelming in decision making even more so than purely economic factors like interest rates. Second, the external data cannot be assumed away. This is because preferences of an individual, or the rest of the data set, are not independent of group considerations. One of the implications of this is that continuous functions lose their analytical meaning and individual maximizing behaviour in a 'personal' culture becomes impossible.

As a famous American economist put it a long time ago, 'when it comes to the theory of economic development, the failure to recognize explicitly the essentially epistemological nature of the problem (of development) has led to a proliferation of mechanical models of very doubtful value, and, one fears, the giving of a large amount of bad advice. The reason why mechanical (equilibrium) models are not valid to explain change and development is because we are dealing with a total social process, and the economic abstractions of the neo-classical traditions are simply not sufficient to deal with the problem'.³⁵ He suggests that there is a need for economic anthropology.

In essence, the foregoing means that we should rewrite the conditional assumptions of the models of neo-classical tradition in economics if a theory should qualify for explaining transformation of societies of poor countries in Sub-Saharan Africa. This means also that the rationality postulate as a guide to behaviour has to be replaced by some other postulate. In view of this, a theory of a process of change and development is essentially a theory that is able to explain results of group behaviour. This means that individual behaviour as such becomes less important as is the opposite in neo-classical micro theories. Consequently, the behavioural postulate of rationality in this paper has been replaced by assuming that the dynamic force of change in societies is not based on individual initiative, but it is a tension between the demands of 'personal' and 'impersonal' maps of behavior at national and community levels when the structure of institutional frameworks is given.³⁶

Second, it is assumed in institutional economics that behaviour is constrained by informal and formal institutions and not by competing preferences or other data when the objective function has been given.

³⁴ K. F. Boulding (1969). 'The Economics of Knowledge and the Knowledge of Economics'. *American Economic Review*, vol. 56, no. 2, p. 1-13.

³⁵ The challenge is to lay down precise microfoundations of a theory of change. The work should start by increasing our understanding of group behavior in 'personal' cultures in poor African communities by defining first the conditional and behavioral assumptions that not exclude relevant features of 'personal' map of behaviour.

³⁶ See also Lataf Hamari (1990), op. cit. p. 84.

However, this approach has been criticized because institutions have been introduced into the analysis in a mechanical way.³⁷ This has been done by assuming that a 'personal' map of behaviour defines 'a set of boundary conditions' that constrain decisions in the 'impersonal' sphere of a society. The problem is that informal institutions act as constraints to formal behaviour rather than a basis of continuous tension between the two opposite cultures.³⁸

It seems that to overcome some of the problems mentioned above, the institutional analysis needs a new theoretical inspiration. Conditional and behavioural assumptions of a new theory must be radically different from those of the neo-classical tradition in economics. First, by assuming that time in the model is not mathematical but historical makes a fundamental difference. It forges a link between history and theory that allows the analysis to concentrate also on contextual issues. The self is not necessarily separate from the environment. Historical time will make it also possible to discard the concept of equilibrium as an indispensable tool of analysis. This would be necessary for the analysis of transformation. Second, it should be assumed also that culture matters for the analysis of transformation. Third, the analysis of transformation in historical time means that institutions have an important role to play in a process of change. They, or the structure of institutional frameworks, are not only constraining factors of behaviour but also subject to change over time.

Combining the different elements put forward above, it is possible to develop an evolutionary long-run analysis of change, and how resources can be increased through history when the balance between the 'personal' and the 'impersonal' maps of behaviour change over time. This would account for the most important element in the process of accumulation, e.g. the decisions governing the rate of growth based on a vision to exploit opportunities, if any. In practice, any theory of transformation should be based on a theory of cultural change, on a theory of institutions, and on a theory of growth.³⁹

³⁷ See Tariq Banuri (1990), *op. cit.*, p. 86

³⁸ See Tariq Banuri (1990), *op. cit.*, p. 86

³⁹ See Joan Robinson (1962), 'Economic Philosophy', p. 94-116. She makes some important observations about the process of accumulation based on a Keynesian tradition in economics. In addition, she refers to C.E. Ayres' theory of industrialization of Western Europe in an interesting way. See Ayres' *Theory of Economic Progress* (1944). According to the author of this article, this theory is perhaps the most powerful so far developed to explain transformation of societies aiming at industrialization. It could be called a 'frontier theory of development'. According to it, if superior techniques are introduced to frontier regions of the world void of any meaningful burden of traditions or ceremonial patterns of behaviour, it would make it possible to exploit new opportunities without resistance of 'old cultures' through combinations of different technologies. On this point, Joan Robinson shows clearly that old masters are able to make major blunders. She maintains for example, based on Professor Ayres theory, that Africa could develop on a fast but finite continuum of development if 'the most modern technology is coming to the no-

Admittedly, the analysis given above is a sketchy one. However, enough analytical evidence has been put forward to support the major conclusion: African culture in terms of epistemology, cosmology and ontology does not support the idea of formal systems and sustaining them to secure high quality performance. As it was said, it is easy to build systems, but it is very difficult to maintain them. Naturally, further analysis is needed on these points to deepen our understanding of the causal relationship between a predominant 'personal' culture in the African context and underdevelopment or development. However, the author of this paper is satisfied that crucial intellectual links between African culture and the behaviour of formal systems have been established. Establishing these links has also led to a realization that there exist major constraints to development in Sub-Saharan Africa, and how a theory of development should look like in terms of its assumptions as compared with models of the neo-classical tradition.

CONSISTENCY OF BEHAVIOUR-IMPORMAL VERSUS FORMAL INSTITUTIONS

In any culture, whether 'personal' or 'impersonal', or their mixture, there are informal and formal institutions.⁴⁰ Customs, beliefs, attitudes are examples of informal institutions. Formal institutions consist of laws, official rules and regulations. Institutions define the 'rules of the game' that induce or constrain behaviour.⁴¹ At the national level, formal institutions can create opportunities. At systems level, institutions are important devices for organizing formal systems. In these, institutions define the logic of those systems. Also, it is worth mentioning that institutions shape human interaction. They reduce uncertainty by providing a structure to behaviour. Also, institutions define and limit the set of choices of individuals.⁴² This observation means in practice for example that institutions constrain or limit options to exploit opportunities and to create new solutions to old problems. A prime example is rural Ethiopia, or any rural area in Africa for that matter, where opportunities, if they exist, are rarely exploited. The repro-

duce of (African) peoples (who are) very little encumbered by ancient traditions.' Professor Robinson could not miss the target more than this.

⁴⁰ It should be noted that there are no cultures that are either 'impersonal' or 'personal'. It is always a mixture of both. The quality of performance depends on the type of culture that is predominant and on the structure of institutional frameworks.

In this paper, the structure of institutional frameworks is more or less the same as social or cultural capital at community and national levels. Social capital is an important determinant of performance as noted earlier. Consult Figure 1. See for example Deepa Narayan (1997), 'Voices of the Poor: Poverty and Social Capital in Tanzania' *Environmental and Socially Sustainable Development Studies and Monographs Series 20*. The World Bank, Washington D.C.

⁴¹ See Douglass C. North (1990), *op. cit.* and Heikki Halli (2001), *op. cit.*, p. 702.

⁴² See Douglass C. North (1990), *op. cit.*, p. 3-4.

ductive cycle seems to continue unchanged through time thanks to the predominance of informal institutions in limiting the set of choices open to individuals at a given point in time.⁴³

Formal institutions are necessary in securing consistent behaviour of different formal systems. If all systems are able to secure consistency, it is more than probable that behaviour is consistent also at a national level resulting in high quality performance of the whole economy. Informal institutions can also secure consistency of behaviour but only in smaller groups that are often informal. However, informal institutions are next to useless in securing consistent behaviour of formal systems that are more often than not too complicated to create and operate based only on trust and beliefs. In other words, what is true about informal institutions at micro level is not necessarily true at macro level. This could be called a fallacy of composition familiar from the writings of John Maynard Keynes. According to him, expressed in a little modified way, individual thrift could help achieve the 'stability' of an individual household but not necessarily the 'stability' of an economy. The principle of the idea has been elaborated below in the case of institutions.

Informal institutions are able to secure consistent behaviour or behavioural regularity of different informal systems based on personal relationships and trust. As groups become bigger, the group cohesion will weaken and informal systems become less effective in securing consistent behaviour. Let us take an example from the *Ujamaa* experimentation in Tanzania. One of the aims of the *Ujamaa* program was to reap the benefits of economies of scale. For the purpose, people were brought together to work in bigger communities. However, it did not work because group cohesion, often based on the ties of extended family, was disrupted due to distrust between members in the communities. Based on this observation, it could be claimed that 'African socialism', i.e. to work together, is not a realistic proposition. In this particular situation a formalized institutional arrangement could not have worked properly either due to enforcement problems of formal systems in a 'personal' culture. Thus, it seems that the proposition that formal systems could complement or substitute for informal systems in Africa makes an implicit assumption that there is no difference between 'impersonal' and 'personal' cultures in terms of ontology, cosmology, and epistemology. However, this is not the case. Based on the above, it could be con-

cluded that as groups become bigger and systems more complicated informal institutions are not enough to secure consistent behaviour. Instead, formal institutions are needed to maintain the 'stability' of a group or a system.

It has been observed that norm-based behaviour is not always confined to small groups but is also evident on a broader scale. One example that has been given is tax compliance.⁴⁴ The reason for this is that individuals tend to act more honestly if they sense that other people's behaviour is similar and when there is a social penalty for deviation. This might be so. However, according to the analysis presented in this paper, honesty or dishonesty like corrupt behaviour is a quality of a formal system: in this case a system of taxation. If a system is not functioning because inherent formal institutions are not properly enforced, it gives an opportunity for dishonest behaviour and *vice versa*, meaning that there is no corruption or dishonest behaviour in a system that functions well or according to the inherent logic of the system. Consequently, formal institutions will set a standard for behavioural similarity. Do social sanctions work in formal systems? Yes, they do because informal institutions can supplement formal institutions in certain situations. However, it is unlikely that in an 'impersonal' culture where formal institutions have replaced or are in the process of replacing informal institutions as guides to behaviour, social penalty has a lot of meaning or weight in setting behavioural standards.

In Ethiopia there is a modern Constitution dating back to 1994. Some of the most recent legislation is based on that Constitution. A good example is the Family Code of 2001. However, it is possible to find a multitude of examples why formal systems are not able to secure consistent behaviour in that country. The problems are the following: first, some of the legislation are out-dated *vis a vis* the Constitution. This means that out-dated laws very seldom meet the current requirements. Second, even if there are updated laws they might not be properly enforced due to cultural traditions or interference based on motivations of different interests. Third, it is not uncommon that authorities can replace laws by writing internal memoranda, as it seems at will, without informing the general public. This means in practice that you never know for sure what might be the latest valid regulation before you are facing the situation. Fourth, it is typical to the authoritarian system that

⁴³ This is what is meant by a 'personality' postulate in practice. Individuals are 'prisoners' of their own culture. The situation is replicated at a national level, e.g. states are also 'prisoners' of their own cultural heritage inherited from rural lifestyle. This means among other things that public administrations are run based rather on informal institutions, i.e. trust etc. than on formal institutions. Examples of this kind of behaviour abounds, as reported in this paper and elsewhere. See Heikki Haili (2001), *op. cit.*

⁴⁴ This observation is from the World Bank (2002), 'The World Development Report: Building Institutions for Markets' (Oxford University Press) – The WDR is plagued with two severe problems. First, it is implicitly assumed that culture does not matter. This must be a hiccup from the long neo-classical tradition of the Bank. In that tradition culture is part of the external datum and thus it is 'assumed away'. Second, in the Report, there is a confusion between institutions, organizations, and other forms of formal or informal systems that makes the reading of the Report unnecessarily difficult.

only the 'boss' is able to tell what is the latest rule or the current practice of enforcement of rules and laws. Sometimes, it is difficult to know how far up one should go in the administrative hierarchy before the final interpretation of the official rule is obtained, if at all. In this kind of an environment behaviour of different systems is 'personalized' and a far cry from consistent behaviour resulting in uncertainty and high costs.

An *Iddir* in Ethiopia is an interesting informal institutional arrangement that serves multiple objectives. It is a system of self-help open to everybody who wants to join. *Iddir* is not based on a law or any other 'external' formal institution. There is no requirement for *Iddirs* to be registered with public officials. Anybody can put up an *Iddir* and be a member of several *Iddirs*. There are no racial or religious restrictions for a membership. However, *Iddirs* are formalized in the sense that an applicant must fill an application form for the approval of *Iddir* committee. The membership is based on a monthly fee that is reimbursable in case of a funeral. In an Ethiopian culture, funerals, weddings etc. are big social events. For example, when somebody passes away *Iddir* members offer help to the grieving family. The help is more than welcome because usually there are hundreds who come to bid farewell to the deceased.

Institutional arrangements like *Iddir* in Ethiopia serve an important function in securing consistency of behavior in a poor country where formal systems are not functioning properly and informal systems are not applicable due to restrictions of access to potential members at a larger scale. An institutional arrangement like *Iddir* can serve as a bridge between informal systems and non-functioning formal systems. An *Iddir* could serve as an example in implementing, say, development programs in countries where formal systems are not capable of producing consistent behaviour. This is based on an assumption that *Iddirs* could secure consistent behaviour while substituting for a formal system when development projects are being implemented.

In poor countries where most of the formal systems are not functioning properly or are non-existent, money costs of transactions and production are very high. These high costs (and uncertainty due to inconsistent behaviour of formal systems) make all good economic intentions and policies self-defeating exercises. This is true of structural adjustment programs or any other reforms. Reform policies that ignore the 'blurred' nature of the economies of poor countries can never work.⁴⁵ If formal systems do not work, informal institutional arrangements can help as the *Iddir* example clearly shows. However, informal institutions can never secure consistent

behaviour of formal systems. This is true even in an 'impersonal' culture. Informal institutions can supplement formal institutions in some instances. They can never substitute for them if poor countries wish to pursue seriously the goals of development.

CULTURAL CHARACTERISTICS AND INSTITUTIONS IN A PROCESS OF CHANGE

In Figure 1 on the next page, two cultural characterizations are given, e.g. an 'impersonal' culture and a 'personal' culture respectively, defined according to dimensions of ontology, cosmology, and epistemology. On the vertical axis, on the other hand, two frameworks, e.g. formal and informal institutional frameworks are presented. These frameworks define the 'rules of the game' that either constrain or induce informal or formal behaviour. The purpose of Figure 1 is to summarize the 'roles' of culture and institutions in instigating change in poor African countries. The roles are demonstrated by combinations of the two cultural characterizations and institutional frameworks that give rise to different kinds of performance of systems in terms of quality. The quality of performance of these systems result in different paths of historical change based on varying degrees of uncertainty and levels of monetary costs of economic activities.⁴⁶

The sentence above needs some qualification in order to avoid confusion due to limitations of the method used in presenting combinations in Figure 1. It should be noted that the sentence is true assuming that opportunities and capabilities of individuals in exploiting these opportunities are the same for all combinations. However, as history shows, this is not the case. Thus, opportunities and exploiting them are also factors in determining paths of historical change and not only performance of systems or their existence. However, as it is shown below, performance of systems sets boundary conditions for individual capability to exploit opportunities.

Both informal and formal institutions are necessary for inducing change in poor countries. As it is recalled, informal institutions are important in securing consistency of behavior in smaller groups based on personal relationships and trust. As groups become bigger, the group cohesion will weaken and informal systems become less effective in securing consistent behaviour. Consequently, systems must be formalized. To understand this, one should only think of any 'modern' system. A good example is, say, an industrial complex based on a process technology. To make the process work the system must be formalized based, for example, on a computerized model. Informal systems are of course incapable of

⁴⁵ See Heikki Haili (2001), op. cit., p. 22-23. In the article, it is explained what is the definition of 'blurred' economies and its implications for consistent formal behaviour. See also Figure 2.

⁴⁶ The 'structure' of the process of change in the text is influenced by Douglass C. North's prominent work on historical processes. See Douglass C. North (1990), op. cit.

running the process. Trust is not enough.

Formal institutions have two basic roles in a historical process. First, formal institutions are instrumental in creating opportunities that are meaningful for change and development. States create these opportunities by enacting pro-development laws and regulations assuming that they are committed to do so. Opportunities can either be of economic, political or of social nature. Second, formal institutions are also necessary in facilitating or promoting the exploitation of these opportunities by securing consistent behaviour of formal systems. Consistent behaviour leads to high quality performance of those systems and thus to reduced uncertainty and money costs of transactions and production in the economy as a whole. This would help individuals seize for example economic opportunities thus opened to them.

Figure 1: Consistency of Behavior of Systems given Cultural Characteristics and Institutional Constraints

	Impersonal' culture	Personal' culture
Formal institutions	Performing formal systems	Non-functioning formal systems
Informal institutions	Non-functioning formal systems – Functioning informal systems	Functioning informal systems–Non-existing formal systems

Source: Heikki Habi, 2002.

Changes in price structures and the underlying data, e.g. technology, structure of demand, quality and amount of factors of production, and income distribution, are the sources of institutional change. Due to these changes there is constant need for new formal institutions that are appropriate for creating new opportunities and to exploit them. On the other hand, a tension between 'personal' and 'impersonal' maps of behaviour will determine the structure of institutions in any society. If the tension between these two maps results in a structure of institutions that increases the frequency of consistent behaviour of formal systems and concomitant high quality performance, it could be concluded that the tension is pro-development. This is the case in the combination of an 'impersonal' culture and formal institutions (see Figure 1).

The opposite is true in an underdeveloped society. This is illustrated in the combination of a 'personal' culture and informal institutions (see Figure 1). In a typical underdeveloped society, a 'personal' culture prevails together with informal institutions to guide behaviour. In this environment, due to absence of formal institutions, formal systems are practically non-existent. New opportunities, if they appear at all, are rarely exploited. Societies are not evolutionary but stagnant. There are two major reasons for the sub-standard development record in a stagnant

economy. First, formal institutions very seldom create enough new opportunities, say, for profitable investments. Second, if the opportunities exist, non-functioning or non-existent formal systems frustrate effectively the exploitation of these opportunities.

In development literature institutional frameworks are approximately equal to cultural or social capital in any society. Social capital could be divided into two parts, e.g. informal and formal. The first one could be defined as the rules, norms, obligations, reciprocity, and trust embedded in social relations, social value structures, and other institutional arrangements of a social group which enables its members to achieve their individual and community objectives.⁴⁷

The second could be defined as the laws, official rules, regulations, and obligations embedded in social relations and value structures. This type of social capital also includes the idea of formal systems, and any other organizational structures of a society that enable its members to achieve their individual or national objectives. Thus, in this presentation social capital subsumes social capital both at a community and national levels. It should be noted also that social capital differs from other forms of capital, e.g. human and physical capital, that it is relational either in its 'personal' or in its 'impersonal' sense embedded in social structures, and has a public good characteristics. It is reasonable to assume that social capital on the aggregate is poorly developed as the other forms of capital in Sub-Saharan Africa, and at least in those cultures where working and living together beyond the boundaries of an extended family is not common place.

The idea of progress in Sub-Saharan Africa, in terms of Figure 1, is to induce underdeveloped societies to move from the combination of a 'personal' culture and informal institutions towards a combination of an 'impersonal' culture and formal institutions. This would mean that a society would be transformed through an evolutionary process from a stage characterized by functioning informal systems and non-existent formal systems to a stage where formal systems are able to produce high quality performance at all levels of a society. The basic requirement for this to happen is that formal institutions create opportunities relevant for profitable economic activities and formal systems are able to secure consistent behaviour to allow the exploitation of the created opportunities. In other words, the stock of social capital on the aggregate is enough to instigate change. This is the link between functioning formal systems and change. Without this link development is not possible in Sub-Saharan Africa.⁴⁸

⁴⁷ This definition is little modified from Deepa Narayan (1997), *op cit.*, p. 50.

⁴⁸ Note also that the precondition for development is that the development paradox has been solved satisfactorily, too. Consult Figure 2.

Formal systems must be legitimate if they are to function effectively. Legitimacy of formal systems derives from institutions or behavioural rules that share the values of a representative political system. One of the criteria of such a system is that divisions between different categories of a society are clear, i.e. not 'blurred'. One example of a representative political system that is not 'blurred' is a liberal democratic system that seems to work at least in most OECD countries. Based on this, it could be argued that democratisation of African societies towards a representative political system is a *sine qua non* in enhancing change and development. From this it follows among other things that democratisation is also one of the preconditions of economic growth in underdeveloped African societies. Research results seem to support this conclusion at least partially.

Research results seem to indicate two conflicting directions. First, economic growth significantly increases the rate of democratisation of poor countries. Second, according to research, democratisation does not necessarily lead to increased incomes. The explanation for the first result is that a poor country must reach first a certain level of development or incomes *per capita* before there is a positive correlation between economic growth and democratisation. After that level, it seems that providing support to a free market economy and its institutions (markets etc.) and adopting policies of the Washington consensus, is more important to democratisation in the sense of a representative political system than direct support to the democratisation process *per se*.

In the latter case, it seems plausible to argue that democratic systems in Africa are not representative enough to secure the proper functioning of formal systems. And thus there is not a positive correlation between 'democratisation' and economic growth in underdeveloped societies in the continent. However, the indirect impact of democracy on economic growth and more equitable income distribution should be further investigated.

One way forward would be based on a hypothesis presented in the preceding paragraph, e.g. democratisation in the sense of a representative political system, as an opposite to a political system in a 'blurred' society, is one of the preconditions for economic growth and development in underdeveloped African countries.

PROCESS OF CULTURAL CHANGE— TOWARDS FLEXIBLE ECONOMIES

The Development Paradox

As it will be shown below, the key to improving Africa's integration record is based on the assumption that it is possible to solve the

development paradox. The paradox says that without necessary institutional reforms to create pro-development tension between 'personal' and 'impersonal' maps of behaviour resulting in a process of cultural change there can not be economic and social transformation for an economic take-off. On the other hand, without that transformation there cannot be comprehensive enough institutional changes to create the needed tension for development. To solve this paradox there is a need for a two-pronged approach, i.e. comprehensive institutional reforms coupled with social and economic transformation of societies where economic integration could act as an external stimulus to initiate the necessary transformation process.

Process of Cultural Change

Cultural change, e.g. changing the balance between the 'personal' and 'impersonal' maps of behaviour is the means by which societies accommodate and adapt to a changing world.⁴⁵ Social change comes from the perceptions of different actors in different organizations that they could exploit opportunities better by changing the existing structure of institutional frameworks. These perceptions are usually a response to a change in the external environment. Perceptions depend crucially on the availability of information and the way decision-makers process that information. Processing of information happens through mental constructs that are culture specific. In this respect, epistemological, cosmological, and ontological considerations are crucial. For example, in a 'personal' culture the theoretical content of any information flow is different compared to the same information in an 'impersonal' culture due to the way the information is perceived and understood. Furthermore, the quality of choices depends on the costs of processing the information.

Given the inconsistency of formal behaviour, i.e. government and market failures, uncertainties abound and transaction and production costs are very high in an economy of a country where a 'personal' culture is predominant. In such a cultural environment, it is not possible to improve decision making in terms of the nature of productive activities. This could mean for example that economic activities are preferred that yield quick results or profits. Perhaps for this reason trade-related activities are often preferred to longer-term capital investments with high depreciation costs that take a long time to be recovered. In some cases, the risks are so high and the available means to adapt economic processes are so undeveloped or cumbersome that cultural change is slow resulting in stagnant societies in Sub-Saharan Africa (consult sub-section on flexible economies).

⁴⁵ The implication of this is that cultures that are not able to transform, e.g. cultural identity is more or less constant, do not adapt to a changing world. Opportunities will simply pass them by and nothing will change.

To transform the stagnant nature of African societies different methods of change could be used. These could be either internal or external to the country. Economic integration is an example of an external method of adaptation.⁵⁰ Ideally, economic integration forces poor countries to adopt institutional reforms that could secure consistency of behaviour of formal systems. That in turn would instigate a transformation process to shift the balance between 'personal' and 'impersonal' maps of behaviour. This transformation could lower transaction and production costs to bearable levels to improve the quality of decision making, and to reduce risks and uncertainties to induce further change. Once this transformation process is under way economies of the poor countries could more readily adapt to changing external environment. This is the acid test of survival of these countries in the era of globalisation.

Globalisation and marginalised Africa

Globalisation poses a tremendous challenge for Sub-Saharan Africa. On the one hand, it opens up international markets to poor countries to increase their material wealth. On the other, it could undermine their chances to keep up with international competition if they can not cope with required structural and institutional changes. Consequently, globalisation could widen international inequality. In this respect, poor countries in Sub-Saharan Africa are the most vulnerable. According to available evidence, these countries have been very slow to integrate into the world economy.⁵¹ Thus, globalisation could prove to become a threat to poor countries in Sub-Saharan Africa. The threat is more pronounced if the countries are not able to execute fundamental changes starting from the cultural underpinnings of their societal structures.

As it has been observed, Africa's importance in global trade has declined over the past 40 years or so. Exports from these countries accounted for 3.1 per cent of world exports in 1955, but by 1990 its share had fallen to 1.2 per cent – implying annual trade losses of USD 65 billion in current prices. As evidence suggests, Africa has increasingly been marginalised in world trade. However, there is disagreement about causes. There are two major strands of thought. Some say that protectionism practiced by the OECD countries has played a major

role. Some argue that inappropriate domestic policies have greatly diminished Africa's ability to compete internationally.

The available evidence suggests that the failure of domestic policies rather than trade barriers played a key role in Africa's marginalisation.⁵² However, based on the analysis presented in this paper, it is not the inappropriate policies as such that failed the continent in its integration efforts but the more fundamental cultural and institutional constraints.

Transforming African Societies Through Fixed Investments

There are two inter-linked processes that are both necessary to facilitate transformation in Sub-Saharan Africa. Of these two processes cultural change is the underlying process. In practice, this process has been almost non-existent to date. Rural Africa is a prime example of the slowness of cultural change in poor countries. As it was mentioned before, cultural change involves a changed balance between the 'personal', and 'impersonal' maps of behaviour. The new balance implies among other things a changed structure of institutional frameworks. However, this has not materialized in Sub-Saharan Africa, or if there has been some change, it has not been able to produce consistent behaviour of formal systems at a larger scale that is needed for transformation.

Cultural process of change is linked to the economic process and vice versa. This process is part of the superstructure of social change. The economic process, driven by consistency of formal behaviour, is potentially much more dynamic than cultural change in the sense of 'creative destruction', as Joseph Schumpeter has put it. Thus, the economic process is the 'driving force' of the cultural process of change. Whether the process of change materializes or not depends on the existing cultural characteristics of societies and on the structure of institutional frameworks, as explained earlier. Institutional frameworks create 'order' and opportunities for exploitation. - Let us illustrate the meaning of the foregoing by taking a closer look at some of the determinants of investment that are relevant for economic integration and development in the African context. For the illustrative purpose only an 'old' concept of marginal efficiency of capital is used.

Marginal efficiency of capital could be defined as the relation between the expected yield of one more unit of any capital good and the cost of producing this unit.⁵³ The expected yield or net returns on the

⁵⁰ An example of an internal method is the monetisation of traditional economies of Africa. For the purpose, a land acquisition fund could be used as explained in Heikki Haili (2000), *op. cit.*, p. 5-7. It should be noted also that education could be used as a 'voluntary' means of social transformation. However, if education is the only means, transformation is a very slow process depending on the effectiveness of an educational system and the strength of resistance to change at all levels of a society given the characteristics of informal institutions and a 'personal' map of behaviour in African cultures.

⁵¹ On this point see Alexander J. Yeats et al. (1997), 'Did Domestic Policies Marginalize Africa in International Trade?' The World Bank publication, *Directions in Development*, Washington.

⁵² Alexander J. Yeats et al. (1997), *op. cit.*, p. 1.

⁵³ Interestingly enough, it is possible to find a multitude of definitions for a marginal efficiency of capital in economics. Most of them, however, misses John Maynard Keynes' original idea of the concept. In a true Keynesian tradition, marginal efficiency of capital (and money) links future with present. As Joan Robinson has put it, 'as soon as the uncertainty of the expectations that guide economic behaviour is

other hand is the relation between expected costs and expected revenues. Given the investment opportunities, the rate of investment is determined by the yield and the market rate of interest. If the yield is greater than the market rate of interest the investment will be made. Keeping the other factors constant determining the rate of investment, variations in interest rates, at least in theory, result in variations in the rate of investment. However, other factors are probably more important in the African context for investment demand than changes in interest rates. This will be elaborated below.

Three considerations are crucial in determining private investment levels in Sub-Saharan Africa. First, new institutions can create or help create new investment opportunities. Latest example in Ethiopia is the law that liberalizes currency trade allowing inter-bank trading in currencies. In principle, at least, the new law should make foreign currencies more readily available to private business and lower transaction costs thus creating new opportunities for investment. Crucial for increased investment is whether this new law is appropriate given the needs of the business community and will it be enforced effectively or not.

A downward-sloping schedule for marginal efficiency of capital says that as the number of opportunities to invest increase, investments will become again profitable even if the interest rate does not change. In many instances, however, new institutions in poor countries do not create new opportunities either due to the nature and the purpose of the law or due to its deficient enforcement.⁵⁴ In these conditions, investment opportunities are quickly exhausted. If formal institutions are not predominant and thus formal systems are not functioning properly, as the case often is in poor countries, this will lead to inconsistent behaviour of formal systems. This inconsistency has two major consequences in this context. First, inconsistent behaviour of formal systems (government systems, organizations, market systems etc.) will lead to increased uncertainty about future costs and yields and to higher actual money costs of transactions and production. Usually uncertainty and costs can reach very high levels. In prac-

admitted, equilibrium drops out of the argument and history takes its place. Most definitions found in economics, and particularly in so called 'new economics' have lost Keynes' original realization of the importance of historical time in guiding economic behaviour. See Joan Robinson (1978), 'Contributions to Modern Economics', Basil Blackwell, Oxford, and for 'new economics' or new classical macro-economics James Tobin (1980), 'Asset Accumulation and Economic Activity' Basil Blackwell, Oxford.

⁵⁴ There seems to be at least some evidence that this could be the case of the law on interbank trading in foreign currencies in Ethiopia. The need to exert political control over the foreign exchange regime could nullify the law's sound economic purpose with possible negative consequences on resource allocation and investment. Of course, only time will show the true significance of the new law or opportunity for country's economic development.

tice, this means that actual marginal efficiency of investment in poor countries is very low compared to the 'theoretical' norm, e.g. to the one that is computed in conditions of zero transaction and production costs and full capacity implying the theoretical norm of 'steady state growth'.⁵⁵ Thus, low marginal efficiency of investment often transforms itself into a 'function of lost opportunities' or to a 'function of despair' in Sub-Saharan Africa. In other words, increases in uncertainty (beyond the means of coping with it) and money costs frustrate the supply response by lowering supply elasticity and an average propensity to invest.⁵⁶

In most African countries, interest rates are high and the marginal efficiency of capital or fixed investment is extremely low as it was explained above. The difference between a low marginal efficiency and an interest rate could be called a risk premium corresponding to the functioning of different formal systems. The higher the premium the poorer the performance of different systems. Usually, the risk premium could be as high as, say, 15-25 per cent in poor African countries frustrating long term capital investments, integration, cultural change, and prospects for development.

Similar observations have been made also by others. It has been noted that, 'evidence so far suggests that interest rate adjustments, a key instrument of financial liberalization programmes, have had very little effect on improving either the savings mobilisation mechanism or the efficiency of capital allocation'.⁵⁷ It is concluded that there are difficulties in validating the claim that freeing of interest rates as such would induce banks to assume higher risks. Risks across the board are too high to generate a healthy investment climate for long-term development and economy-wide diversification.

The tendency of marginal efficiency of capital to remain low in poor countries frustrates private investments and makes traditional economic policy measures (for example changes in interest rates) ineffective though the aim is to increase returns on investment. The ineffectiveness of traditional policy

⁵⁵ For the definition of steady-state growth, balanced growth, and a 'Golden Age', see Hywel Jones (1975), 'An Introduction to Modern Theories of Economic Growth', p. 40-42. The Camelot Press Ltd.

⁵⁶ It has been noted that, 'variations of supply responses in the various sectors and the variability in timing of these responses suggest that factors other than merely a changing macro economic policy environment play a big role in these'. See Jan Kees van Donge and Howard White (1999), 'Counting the Donors' Blessings: A Sida Evaluation Report, Stockholm. The interesting question is what are these other factors? It is believed that some of the factors have been highlighted in this paper. Consult also Figure 2, especially the upper part of the Figure and Heikki Haili (2001), op. cit.

⁵⁷ See Robert Cassen and Machiko Nissanke (1990), 'The Macroeconomics of Aid Dependence', p. 28. Paper prepared for the World Bank Symposium on African External Finance in the 1990's. Washington DC, September 17-18, 1990.

measures explain at least partially why investment rates have remained at low levels for long periods with concomitant huge investment 'gaps' that works against attaining for example economic and social goals. In other words, the 'driving force' of the economic process is weak in Africa freezing the productivity of the factors of production at low levels, which in turn will slow down the necessary cultural and structural change in Sub-Saharan Africa resulting in marginalisation of Africa in the world trade.⁵⁸

Entrepreneurship and Investments

A lack of entrepreneurship is often mentioned to be a major constraint to private investments in Sub-Saharan Africa.⁵⁹ Here, by entrepreneurship is meant individuals who are willing and capable of taking necessary risks to turn finance into capital in the sense of industrial productive capacity. However, it is commonplace that 'creative market failures' to invest and innovate are a reality in spite of the efforts to reform the economies of poor countries.⁶⁰ It seems that in most cases the private sector in Africa does not share the objectives or behavioural logic that the neo-classical model of efficient market assumes. This could be explained as follows: new opportunities create prospects for profit. Differences in valuation of these opportunities are the basis for profit. These prospects act as a stimulus in the creation of imaginative models or mental constructs that can lead to investments and innovations. It should be noted, however, that valuation of different opportunities depends on culture specific mental constructs that are based on ontological, cosmological, and epistemological considerations of the one who makes a valuation. It is likely that in a 'personal' culture, individuals as members of communities, do not 'see' a profit opportunity the same way, or not at all, as it appears in an 'impersonal' culture with well-functioning formal systems. These valuation exercises result, through marginal efficiency of capital, in different levels and nature of investments. What are the implications of this?

In many cases, as it was mentioned earlier (consult the sub-section where the relation between investments and uncertainty was discussed), short-term trade-related investments are preferred to longer-term industrial investments. Businesses are established with a view of lowering risks rather than

maximizing profits. Lowering risks may assume different forms of social behaviour. Thus, in many instances 'business' follows rather the logic of social values typical to a 'personal' culture than the logic of markets or to values of an 'impersonal' culture. This might have important implications for new entrants to markets and firm growth in Sub-Saharan Africa.⁶¹

It is concluded that well-functioning systems (organizations, markets etc.) are in short supply in Africa to integrate African economies into the world economy that is seen as sine qua non for any meaningful development in the continent. Some of the reasons for this 'under supply' situation have been elaborated in this section of the paper. The major observation is that in societies where a 'personal' culture dominates and informal institutions or poorly enforced formal institutions are major guiding principles of behaviour there are no real incentives to change and no real urge to create something new. A good example is rural Ethiopia. The mystery of rural Ethiopia is that the peoples of Ethiopia have repeated for hundreds and in some cases for thousands of years the same methods of production without any seemingly rational explanation. An example on the other end of the spectrum is for example the Helsinki hubs of technological innovations.⁶² On the other hand, it is concluded that formal institutions can serve as powerful incentives. Classical examples are laws introducing new taxes or subsidies.

However, consistent behaviour as such is not enough to instigate change and development. Consistency should also be sustained over longer time periods for example to increase government credibility in policy implementation through macro-economic compatibility and time-consistency of policies.⁶³ Furthermore, institutions should be able to create conditions where problems related to 'creative market failures' could be adequately addressed to give a boost to private investments and innovations as defined by Joseph Schumpeter.⁶⁴ Increased private investments and innovations would increase 'dynamic' stability of economies that would be necessary for sustainable economic development

⁵⁸ Note that aid (or external injections) as such is rather gap (current account or budget balance) creating than gap filling. Thus, more aid will increase aid dependence, *ceteris paribus*. Lower aid dependence requires structural changes in the economy coupled with increases in the productivity of factors of production. See some insights on this issue Howard White (1994), 'Macroeconomic Effects of Aid: Literature Review and Methodological Framework', p. 32, 39 and 59. SASIDA Working Paper No. 6. The Hague, January 1994

⁵⁹ See for example David Himbara (1994), *op. cit.*

⁶⁰ The term 'creative market failure' is from Nicholas Kaldor (1972), 'The Irrelevance of Equilibrium Economics', *Economic Journal*, p. 1237-55

⁶¹ In one of the recent surveys on African manufacturing, it was found that only 40-50 per cent of the variance in growth rates of firms can be explained by exactly the same variables found in developed countries. See Tyler Biggs et al. 1996, 'Structural Aspects of Manufacturing in Sub-Saharan Africa: Findings from a Seven Country Enterprise Survey', World Bank Discussion Paper no. 346

⁶² See UNDP (2001), 'Human Development report, p. 45. According to the Report, Finland has the highest 'technology achievement index' in the world. The index measures country's ability to participate in the Network Age, as defined by the Report.

⁶³ See on these two basic concepts and their implications for credible policies Ritva Reinikka (1993), 'Credibility, Speculation and the Speed of Trade Liberalization with An Application to Kenya' PhD Thesis, Oxford, England.

⁶⁴ See Joseph Schumpeter (1962), 'Capitalism, Socialism and Democracy', Third Edition, New York.

not only in Africa but also elsewhere.⁶⁵ At the national level, this would mean that economies are flexible enough to absorb internal and external shocks. This requirement also means that different organizations are able to learn and deal with changing circumstances.

Flexible Economies

Based on the above, possibilities for poor countries to integrate into the world economy and speed up the process of cultural change, and vice versa, do not look very promising. A basic reason for this state of affairs is that economies of the poor countries are not flexible enough. Consequently, countries should increase the flexibility of their economies. Two types of flexibility could be identified.⁶⁶ These are responsive and innovative flexibility. The key determinants of responsive flexibility are for example the availability of low cost information for decision making implying among other things efficient factor and commodity markets; a measure of openness of economies; and political autonomy of public institutions together with time-consistency and macroeconomic compatibility of economic policies. The key determinants of innovative flexibility are education with a conspicuous methodological component;⁶⁷ an ability to utilise and create new technologies and to generate their commercial applications; and an incentive structure to develop and change institutions and cultural characteristics of societies.

Unfortunately, the space does not allow the elaboration of the determinants of responsive and innovative flexibility in more detail. It suffices to say that in poor countries in Africa both are seriously lacking at macro, meso or sector, and micro levels due to lack

of opportunities and inconsistent behaviour of different systems operating at these levels. Consequently, a lot of opportunity creation and 'consistency' building is needed at different levels before these countries are able to benefit from the benefits of globalisation. This should have far reaching implications for the design of future reform programs in terms of duration of their implementation, sequencing, and scope. Based on the arguments presented in this paper, it seems that for example 'structural adjustment' takes much more time than previously believed, more attention should be paid to sequencing of reforms, and the scope of the reform programs should be extended to include all necessary elements of the transformation process. These elements should capture economic, institutional, and cultural factors that are meaningful for development impacts in the longer term.⁶⁸

Irrelevancy of the 'Merged' Model

Due to a growing criticism of policies of the 'Washington consensus', a new development policy thinking began to gain ground in 1990. The policies of the International Monetary Fund and the World Bank were criticised mainly because the number of people living in absolute poverty was increasing. Also, the model, the so called 'merged' model, on which the policy recommendations of the 'Washington consensus' are based, was criticised for the fact that it does not account for all relevant factors that contribute to economic growth and development in Sub-Saharan Africa. Because of this, most policy recommendations based on the model are not reliable and the model is in this sense 'useless'.

A minimum requirement for a 'useful' theory is that it increases the understanding of the phenomena one wishes to investigate in order that the relevant questions could be asked for and answers found. Unfortunately, the 'merged' model used by the Bretton Woods Institutions is lacking in this respect. If a model is not a 'useful' one, as is the case in the Bank and the Fund model, its methodology and particularly its conditional assumptions should be put under closer scrutiny. For example, the concept of time applied in the model and its implications for policy recommendations should be of special interest.

Though it is recognised that the 'merged' model of the neo-classical descent does not fulfil the usefulness criteria as explained above, the model offers an appropriate foundation on which tentative analyses of growth could be based in the context of Sub-

⁶⁵ The concept of 'dynamic' stability is from Burton H. Klein (1977), *op. cit.*, p. 24-28. According to Klein, the conventional concept of stability, i.e. 'static' stability implies an unchanging world, and a dynamic concept of stability depends on the ability to make smooth adjustments to new circumstances. It should be noted that if the world remains unchanging (rural Ethiopia) there is no need for formal institutions and their development. Informal institutions are enough to guide behaviour to minimize risks and to preserve group cohesion.

⁶⁶ The concepts are from Tony-Killick, ed. (1995), 'Flexible Economies'. Flexibility implies liquidity in all its form. One of them is cash money.

⁶⁷ 'Liquidity' in education as part of innovative flexibility means among other things that an individual is able to perform in different occupations that require 'precision of measurement and systematic analysis of cause and effect'. Skills are not fixed to a certain occupation, place or to a relational context etc. In this sense, skills and concomitant rationality are of universal nature.

William J. Baumol has reported, for example that Joseph Schumpeter was doubtful about the future of capitalism based on its success. According to Baumol, working people will become discontent for a utilitarian attitude and the required skills (rationality, familiarity with the rules of arithmetic, principles of logic). See William J. Baumol, third edition (1970) 'Economic Dynamics'. Macmillan, New York. See also Tariq Banuri (1980), *op. cit.* The idea of being discontent as a basis for criticism of the Western modernization theories is Banuri's basic theme, too.

⁶⁸ Concerning cultural factors, the World Bank community action programs could prove to be useful to complement the operational instrument of making the resource use more effective. See Heikki Häili (2000), *op. cit.* It should be noted, however, that if community action programs are to succeed the focus should be on preconditions of effective resource use, and on theoretical and operational considerations of cultural change.

Saharan Africa. The reason is that the model highlights important elements of the macroeconomic policy framework although the emphasis is on financing and on 'static' stability.⁶⁹ It should be understood, however, that there is an acute need for an alternative framework that would enable the study of change and development through history emphasis being on productivity considerations and on changes in the structure of production. The work to create such a framework should start by defining those crucial residual categories that the 'merged' model does not explain satisfactorily though they are conceived relevant in explaining the transformation process in Sub-Saharan Africa.⁷⁰

IMPEDIMENTS TO DEVELOPMENT, DEVELOPMENT PRIORITIES, AND TRANSFORMATION OF UNDERDEVELOPED SOCIETIES IN SUB-SAHARAN AFRICA

In Figure 2 on the next page, the structure of the framework developed in this paper is presented to gain a deeper understanding about impediments to development, development priorities, and economic and social transformation in Sub-Saharan Africa. The major outcome of the analysis is that rethinking of development priorities together with refocused strategies for development in Sub-Saharan Africa are not relevant if the development problem and its underlying causes are not identified and solved first. Also, it was noted that the identification of the development problem is a precondition for further analysis of the development crisis in Africa. On the other hand, identifying and solving the development problem is used as a link between the three premises or propositions presented in the beginning of the article.

The three premises and their corollaries, e.g. an increased understanding of development issues, refocused strategies, policies and programs, and improved resource use with development impacts give us an opportunity to tackle effectively the development paradox. As can be seen from Figure 2, solving the development paradox is the key to initiate economic and social transformation in underdeveloped poor countries in Africa. However, before this has any real significance the three premises must be operationalised to give guidance to rethink and reformulate development priorities and approaches to solve the development paradox.

The theory sketched in this paper is based on a principle according to which the vision of the process of change and development in Sub-Saharan Africa de-

termines the method and not the other way round. In other words, the chain of deduction is from vision to method and not from method to vision as is the practice when neo-classical models have been applied to analyse development problems in Africa. The theory should have the following three components.

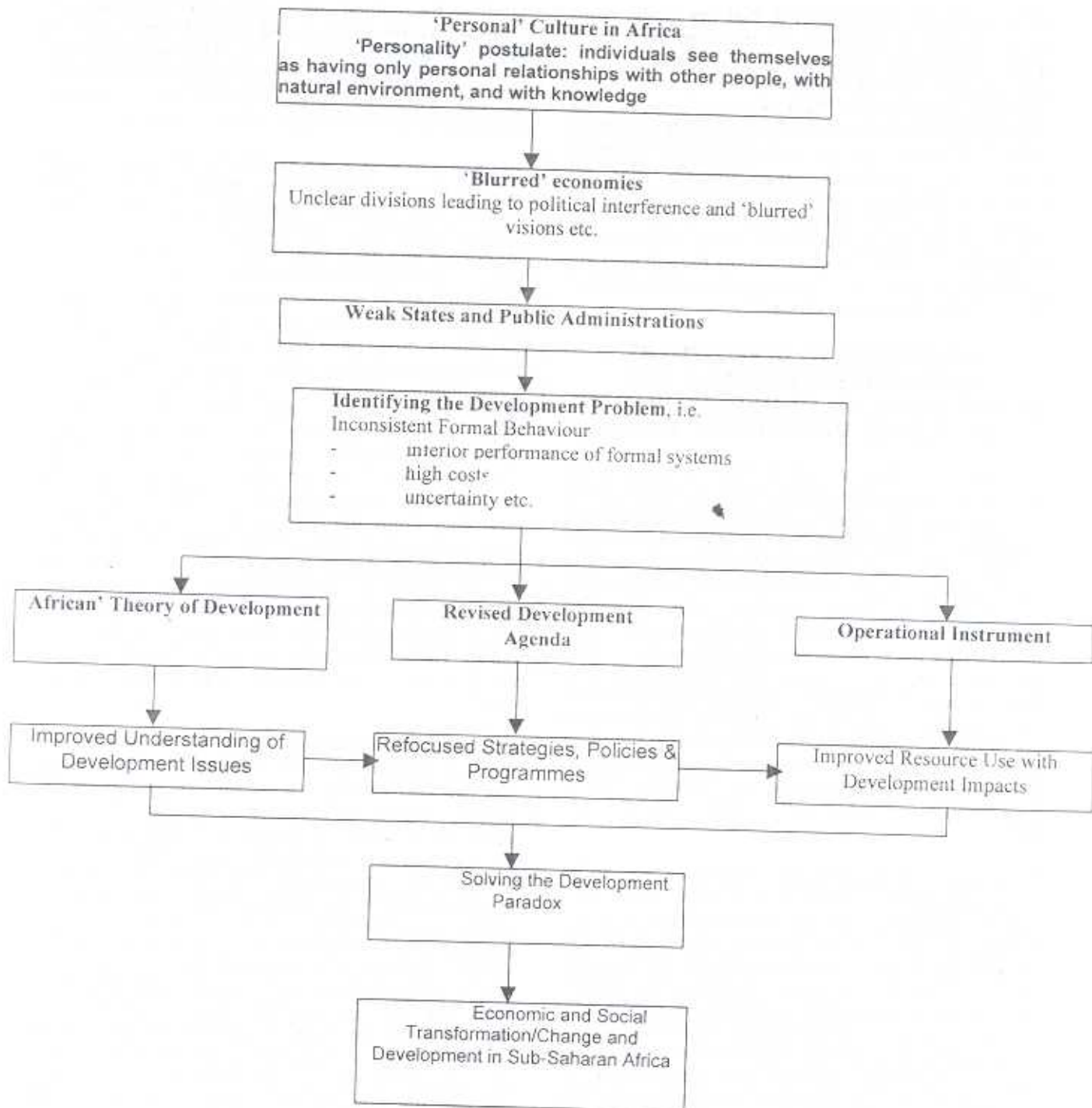
The first part entails the explanation of a process of cultural change. The 'dynamic force' of that process is a tension between 'personal' and 'impersonal' maps of behaviour. The tension becomes meaningful for change and development only in situations where formal institutions are predominant in the structure of institutions to secure consistent behaviour of formal systems. This means that some institutional development must have been completed to increase the frequency of consistent behaviour of formal systems before economic take-off is feasible. Second, based on the above, new institutional economics complements the analysis of the process of cultural change by giving the necessary tools and the framework of thought to explain why the paths of historical change have been so divergent in different countries over time. Third, the process of cultural and historical change needs an economic model that is able to explain accumulation through time. As it was explained earlier, models of the neo-classical descent are out of the question due to inappropriate conditional assumptions on which these models are based. There is a need to get 'out of equilibrium' for the purposes of analysing the transformation process.

The economic model that is yet to be built should have at least the following features: first, the model has two sectors, e.g. a domestic production sector, and a foreign trade sector. Second, markets are imperfect with prices reflecting high transaction and production costs while decisions are made in conditions of high uncertainty. Third, economies operate in conditions of under-utilised resources *vis a vis* the production possibility frontier. Fourth, the major policy concern is the means by which the productivity of factors of production could be increased over time to address fiscal and current account deficits. Fifth, the aim of economic policies is to steer economies of the poor countries from the 'excess capacity' position towards a situation where resources are fully employed. Once an economy has reached the position on a 'production possibility frontier' neo-classical models become relevant to study that position of equilibrium but not the process of change.⁷¹

⁶⁹ 'Static' stability means that considerations of productivity of factors of production are not within the scope of the model.

⁷⁰ Consult on this theme Jukka Pekkarinen (1979), 'On the Generality of Keynesian Economics', *Commentationes Scientiarum Socialium* 11/1979 Helsinki. Pekkarinen's concept of residual categories makes it possible to assess theories and their usefulness.

⁷¹ In economics, the concept of equilibrium is used in three different senses. First, equilibrium is a means of prediction. This is the way equilibrium is used in comparative statics. Second, equilibrium is used in a normative sense. This is the case for example in welfare economics. Equilibrium is understood to be a state towards which an economy should try to approach. Third, equilibrium is used to describe some historic or unique situation. In this sense equilibrium could be used as an analytical first step usually called a stationary state or steady state



Source: Heikki Haali, 2002

in analyzing causes for changes in a growth process also in historical time. Equilibrium configuration is not a state towards which an economy approaches, but rather it is a configuration that lays out necessary conditions for a stable equilibrium.

In a sense, neo-classical models are a special case in the study of change and development in Sub-Saharan Africa. In terms of Figure 1, the movement towards a production possibility frontier (and a position on it), represents a move from a combination of a 'personal' culture and informal institutions (or formal institutions) towards a combination of an 'impersonal' culture and formal institutions. The underlying assumption is that commodity and labour markets have been cleared.⁷²

It seems that the Post-Keynesian tradition in growth models gives an appropriate intellectual inspiration when building a model of accumulation. The reason is that conditional assumptions of that tradition are consistent with the requirements of analysing the process of transformation in Africa.⁷³ However, it should be noted that the Post-Keynesian School is not a homogenous group in their writings and methods. Basically, the only thing the members of the School share is the vision of the process of change of the economic systems in western countries that seem to be applicable also to the analysis of change in poor economies in Africa.

Consistent behaviour of formal systems is one of the preconditions for change. This notion gives us guidance in rethinking the development agenda. As it is recalled, consistent behaviour of formal systems presumes that the development problem has been solved. Solving the development problem in turn gives us tools in revising the development agenda and refocusing development strategies, policies, and programs. This 'refocusing' is what the development agenda should be about. However, before the refocusing can be finalised, a theory of development and an operational instrument must be available, as proposed in this paper (consult Figure 2). The underlying message is that there is a need to go beyond current reform policies and programs. In order to do this one should ask why reform policies and programs have not produced the expected results for Africa so far? As Dacampo has observed, 'dissatisfaction with the results of reforms is on the rise. The 'promised land' of high growth rates is increasingly regarded as a mirage. Sub-Saharan Africa's performance, and that of the least developed countries in general, continues to be highly insufficient. Notable exceptions are obviously China and India, which are certainly not on the list of the most highly reformed economies.'⁷⁴

As it was said in the beginning of the paper, it is an

apparent misconception to think that for example 'good' policies are *per se* sufficient for an improved economic performance.⁷⁵ This also applies to other misconceptions and development controversies mentioned earlier. The key to resolving development misconceptions and controversies is to include all necessary elements of a transformation process in reform programs that capture economic, institutional, and cultural determinants that are meaningful for solving the development paradox.

Third, there is a need for an operational instrument that could help transform economic and social structures in poor countries. Thus, the operational instrument should be able to translate the intentions of the revised development agenda into development impacts. In practice, this means that there is a need to develop a modality of resource use that makes it possible to improve the effectiveness of these resources.⁷⁶ The first test of the instrument's success would be the introduction of Civil Service Reforms, and particularly the successful implementation of reforms of a Public Financial Management System. The implementation should concentrate first at reforming tax policies and particularly tax administrations, and second at the Medium-Term Expenditure Framework to facilitate forward planning.⁷⁷ These measures would be the first steps to 'impersonalise' Public Administrations gradually. The aim would be irreversible institutional changes to induce consistent behaviour of different 'public' systems in African

⁷² It is assumed that 'good' policies here are the ones the World Bank defines as 'good' based on the structural adjustment framework of the Bank.

⁷³ The new instrument is called a Direct Budgetary Support Approach to development. It has the following characteristics: forward planning of expenditures (medium-term expenditure framework); an analysis of past and potential effects of additional resources (fiscal framework) complemented by macro-micro-macro analyses of the impacts of additional resources. The approach is based on twin ideas of resource/aid targeting and sequencing. Fungibility of resources makes the application of the approach a challenging exercise. See Heikki Haili (2000), *op. cit.*

⁷⁴ Consult Mick Moore (1997), 'Death without Taxes: Aid Dependence, Democracy, and State Capacity in the Fourth World'. Unpublished Paper. The Institute of Development Studies at the University of Sussex, Brighton. Moore's basic argument is a strong one in its simplicity. He says that increased aid dependence of poor countries undermine the prospects for creating democratic, accountable, and effective political systems. The way out of this dilemma is to improve tax collection and to strengthen tax administrations, or as Moore says, 'to increase the dependence of the state on earned income'. Moore (1997), *op. cit.*, p. 26. Based on this, he presents a proposition according to which the more governments 'earn' their own income by collecting taxes, the more likely are state-society relations to be characterised by accountability, responsiveness and democracy. It should be noted, however, that aid dependence results from an unresolved development paradox and not *vice versa*. Thus, Moore's argument that aid dependence perpetuates weak states is correct but it does not offer a solution. Based on the argumentation presented in this paper, it could be claimed that weak states is a cause for aid dependence. Solution to this problem requires that it is possible to solve the development paradox by identifying first the development problem and then to take the necessary measures as explained in this paper.

⁷² An interesting corollary of the foregoing is that neo-classical and Post-Keynesian growth models are not substitute but complementary models contrary to the established view. The proof is based on a notion of different concepts of generality used in the models of these two traditions. See on this Heikki Haili (1982), 'On Generality of Post-Keynesian and Neo-Classical Growth Models'. *Journal of Management Development*. Mzumbe, Tanzania.

⁷³ See for example J.A. Kregel (1975), 'The Reconstruction of Political Economy: An Introduction to Post-Keynesian Economics'. Second Edition, p. 187 - 209. The Bitman Press, Bath, England. See also Hyvel Jones (1977), *op. cit.*, Chapter 6.

⁷⁴ Jose Antonio Dacampo (2001), *op. cit.*, p. 4.

countries. A well-functioning Public Financial Management System for example, given adequate resource envelopes and more accountable and effective public systems, would allow governments to pursue active fiscal policies with emphasis on solving the development paradox. This would mean, among other things, if governments would wish to do so, that transaction and productive costs could be reduced to reasonable levels to address impediments of long-term development without creating situations of overspending. In this scenario, aid would have an important strategic role.⁷⁸

ARE POLICIES OF THE WASHINGTON CONSENSUS RELEVANT FOR UNDERDEVELOPED AFRICAN COUNTRIES?

The interesting question is when do the policies of the Washington consensus become effective or relevant? What are the preconditions? – There is no doubt that African countries badly need economics that makes sense. This would mean basically two things. Decisions about economic issues should be based only on economic considerations without political interference contrary to the traditions of 'blurred' economies. The 'law of cost' should be the guiding principle in economic decision making and reflected in policy and program design and implementation. In practice, the 'law of cost' means that every choice has cost implications that should have some sensible relationship to market clearing prices. Thus, for example costing of public services should reflect 'real' opportunity costs of resources given the social goals. When markets are functioning properly 'prices are right', as recommended by the policies of the Washington consensus, and economies could achieve economic efficiency.

As it is obvious from the pages above, the 'law of cost' as a guiding principle has no real meaning in decision making in a 'personal' culture that is governed by informal institutions, although the 'law' is operational due to its universal nature. Universality means that decisions have costs in all cultural environments. However, in a 'personal' culture, economic behaviour is determined by tradition – by customs, attitudes etc. – that have evolved in the past. In such a society, objectives that are pursued and the means by which the objectives are sought have been decided in the past. Thus, in such a system the options with respect to basic economic problems are foreclosed by tradition. In these circumstances, prices are never right (in the sense of properly functioning markets), and the 'law of cost' becomes redundant in decision making with all negative consequences. In a 'personal' culture either informal institutions or po-

litical interference are the 'rules of the game', not economics or economic incentives.

The 'law of cost' becomes fully meaningful only in a cultural environment where 'impersonal' relations prevail and formal institutions have been successfully enforced. There are two basic reasons for this. First, in these circumstances markets work properly based on consistency of behaviour of formal systems. Second, decisions are based on market values and not on traditions. In such an environment the policy of 'getting prices right' and other reform policies that fulfil the criteria of time-consistency and macroeconomic compatibility, will become instrumental in creating adequate 'supply response' for an economic take-off. As history shows this has not been the case in Sub-Saharan Africa.

The consensus policies could be complemented with 'productive development strategies' where creation of an institutional framework that would secure adaptive and innovative flexibility are crucial. But before we are in this situation in Sub-Saharan Africa, much work needs to be done. It seems that the distance that should be travelled is as long as the distance between the traditional African philosophy and the academic philosophy of the Western World. It is impossible to tell what does this mean in terms of time.

CONCLUSIONS

In this paper, a holistic framework has been sketched to explain development impediments, development priorities, and economic and social transformation in Sub-Saharan Africa. The approach offers a new paradigm or a 'pattern of thought' to better understand problems of development in the continent. This is based on a theory of development sketched in the paper. It is also hoped that the framework could serve as a road map to more focused strategies, policies and programs for development, and to improve the use of public resources resulting in improved development impact to transform underdeveloped African economies and societies. The approach is a new one because it integrates cultural analysis with economic analysis with a practical orientation. As far as the author of this paper is aware of, this has not been tried before. The approach is necessary because, based on both theoretical and empirical evidence, development has an uncertain future in Africa without new and even radical constructs of thought that could increase our understanding about the development problem and the paradox plaguing Africa. It is also believed that without the application of new ideas to Africa's development problems, for example the one developed here, it is not possible to transform societies and consequently economies of poor countries in Sub-Saharan Africa. There seems to be, however, a widespread misconception that it is possible to transform underdeveloped African economies based on pure semantics more than any solid theo-

⁷⁸ See on the role of aid and fiscal deficits Heikki Häili (2001), 'Some Notes on Development on Aid Dependent Countries in Sub-Saharan Africa: The Role of States and Budget Deficits Revisited', Economic Focus. Bulletin of the Ethiopian Economic Association, Aug. – Sep. 2001.

retical and operational considerations.⁷⁹

Difficulties arise when applying existing paradigms or theories to explain Africa's transformation because their conditional assumptions contradict with observed reality. These conditional assumptions for example imply that cultures or cultural differences do not matter, or that there is no difference between cultures of developed countries and those in Sub-Saharan Africa. This is apparently a major misconception because conditional assumptions of existing paradigms or theories that are used to explain economic growth and development, or to justify certain policy measures in Sub-Saharan Africa, are based on cultural characteristics typical to cultures of developed countries. As was explained earlier in this paper, these conditional assumptions do not capture the essential elements of cultural characteristics of poor countries in Africa (consult again sub-section on conditional and behavioural assumptions in theories). As a consequence, existing paradigms or theories are not relevant in helping us to understand Africa's development problems.

In spite of the dismal account of the possibilities for development given above, it is assumed that development is possible in Sub-Saharan Africa. The assumption is thought to be reasonable although poor countries in Africa find themselves in a 'poverty trap' of a peculiar nature. According to the argument, as it was explained, without necessary institutional reforms to create pro-development tension between 'personal' and 'impersonal' maps of behaviour there can not be economic and social transformation. On the other hand, without that transformation, or cultural change, there can not be comprehensive

⁷⁹ The most recent examples are the ECA (2001), 'Transforming Africa's Economies', Addis Ababa, Ethiopia, and the New Partnership for Africa's Development (NEPAD). As it is recalled the NEPAD is based on President Mbeki's initiative called the Millennium Africa Recovery Programme (MAP). NEPAD's overall goal is a human-centered and sustainable development while ensuring that Africa becomes more than a marginal player in the world economy. Key to this is better leadership and governance according to the proposal. See Africa Recovery (2001), 'New African Initiative Stirs Cautious Hope', United Nations Department of Public Information, Vol. 15 No. 3. It seems obvious that for NEPAD to succeed there is a need for a solid framework on which the initiative should be based. Currently there is no such a framework available the one developed in this paper notwithstanding.

If the space would allow, the ECA's 'new paradigm' would warrant a closer scrutiny. As presented in K.Y. Amoako's London Millennium Lecture on 'Fulfilling Africa's Promise', it seems that the 'new paradigm' of the ECA is built on flimsy foundations. First, there is nothing new about the 'new paradigm' in its basic elements. Second, the most conspicuous shortcoming of the 'new paradigm' is that it is not properly explained anywhere how all the stated goals are supposed to be achieved. Solid theoretical and operational backup would have been of tremendous help but that part of the 'new paradigm' is missing. It is still reasonable to expect though that the ECA would take seriously the challenge of developing a theory of transformation complemented by an operational instrument fit for Africa and join the ranks of those who already do so.

enough institutional changes to create the needed tension for development. Solving this paradox is the key to change and development in Sub-Saharan Africa. One may wonder also how much of a nation's resources would be needed to make the economic, political or social systems work in poor countries in order to have an impact on a process of cultural change and accumulation.⁸⁰ Also, a relevant question is how much poverty related public expenditures as a share of total expenditures are needed annually to make a permanent dent on poverty in poor countries.

Aid funds do not offer enough leverage to 'force' governments in Sub-Saharan Africa to address the development problem and the paradox adequately. For this reason, it seems more practical to introduce a step-by-step approach to address the 'divisional' nature of the poor societies. The approach would be based on a partnership, e.g. based on a contract where all stakeholders have their own specified role to play to instigate change and development in the continent. The major partners are the African governments, non-governmental organisations and other private sector actors including private companies, bilateral and multilateral donors, and other international organisations. However, the 'big' question remains. That question is whether governments in Sub-Saharan Africa are ready to commit themselves to strategies, policies, and programs that are necessary and sufficient to transform their underdeveloped societies to secure development that is helpful for Africa's integration to world markets. A sign for a serious commitment would be progress in democratisation of political systems toward a model of a representative political system that would help legitimise formal systems to secure consistent behaviour in poor countries in Africa. Consistency of behaviour of formal systems is the link between democratisation and cultural transformation in Africa. Thus, the process of democratisation and cultural change would pave the way for individuals to exploit freely the opportunities opened to them. This is something all stakeholders together should strive for.

FOR INFORMATIVE AND VALUABLE INFORMATION ON ETHIOPIAN ECONOMY, SUBSCRIBE TO *ECONOMIC FOCUS* -ETHIOPIA'S LEADING ECONOMIC MAGAZINE.

⁸⁰ See on this issue D.M. Lambertson (1971), ed., 'Economics of Information and Knowledge', p. 7. Penguin Modern Economics Readings. Middlesex, England.

CULTURE AND THE PROSPECTS FOR ECONOMIC DEVELOPMENT IN ETHIOPIA^{*}

Berhanu Nega^{**}

I. INTRODUCTION

The topic "the problems of economic development in Ethiopia," which I was given by the organisers of this lecture is such a wide topic dealing with a host of issues that I have a range of possible sub-topics to choose for emphasis without requiring consent from the organisers (certainly I cannot talk about all of them in any meaningful way in such a short lecture). While this gave me more freedom to choose, it also put the responsibility squarely on me and thus took much more time to decide.

In any case after much consternation, I decided to pick an issue that is related to the very transformation of the institution that is hosting this lecture. The tremendous changes and dynamism that I have observed in this institution since my brief and unsuccessful sojourn at this institution some six years ago and now on the one hand and the stagnation and inertia of the other educational institution that I was affiliated with until recently, in a way reflect the tug of war between the attitudes of tradition and modernity in this country. Whether the Ethiopian economy and society will develop to a vibrant and dynamic modern economy or would remain where it was for centuries (or even deteriorate, if there is any thing lower than this, that is) would, I think, largely depend on who will win the struggle between modern and traditional attitudes and behaviours that are crucial to the development process. So, I am going to talk about the issue of attitudes and behaviours or what can be broadly termed "culture" and economic development in the Ethiopian context.

The issues that I am going to raise below are by no means settled

ideas, I am going to present them as subjects for further discussion and reflection. Discussing culture in relation to development has been avoided among economists because of its sensitivity and because it is difficult to measure. My selection of this topic, in this forum, is a testament to my perception of the "Unity community" as an open-minded intellectual community willing to confront difficult issues irrespective of their political and social sensibilities. After all, the purpose of educational institutions such as Unity is not just to impart "technical knowledge." Equally important is their role in cultivating the minds of the young generation to think freely and independently and confront the intricate problems of our society with the boldness, courage, and daring that lacked in previous generations.

II. DEVELOPMENT AND ITS REQUIREMENTS

Let me begin my remarks with a broad definition of economic development that is commonly accepted in recent economic literature. Joseph Stiglitz, the 2001 Nobel Prize winner in economics suggested the following definition that could serve us well for this discussion:

"Development represents a transformation of society, a movement from traditional relations, traditional ways of thinking, traditional ways of dealing with health and education, traditional methods of production, to more "modern" ways. For instance, a characteristic of traditional societies is the acceptance of the world as it is; the modern perspective recognises change, it recognises that we, as individuals and societies, can take actions that, for instance, reduce infant mortality, increase life-span and increase produc-

tivity. Key to these changes is the movement to "scientific" ways of thinking, identifying critical variables that affect outcomes, attempting to make inferences based on available data, recognising what we know and what we do not know."¹

If development implies such a transformation, clearly the approach and the policy prescription that mainstream economics has been advocating up to now will not be adequate to take us there. If we look at the various measures that developing countries have adopted to achieve economic development in the past couple of decades, we will see that we have been concentrating on the standard "economistic" prescriptions aimed at stabilising the economy by manipulating narrowly defined variables and achieve a modicum of economic growth through expanding production horizontally.

I am not saying that these measures are entirely wrong. The point I am trying to make is that they are not adequate. These measures are not adequate on two grounds. First, they are not adequate even in their own terms, i.e. even in terms of achieving the narrowly defined objectives of rapid economic growth and macro stability the diagnosis and the prescription is too narrow to enable a broad based economic growth as I will try to explain later. More importantly, these measures fall short in the very way they define the problem-

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¹ Joseph Stiglitz, "Towards a New Paradigm for Development: Strategies, Policies, and Processes." The 1998 Prebisch Lecture at UNCTAD, Geneva, October 1998, p.2.

atic and thus are bound to fail in achieving the "transformative" aspect of development that Stiglitz talked about in the above quotation.

Let me explain this a bit.

The standard Neo Classical view that dominates powerful multilateral institutions strongly contends that the main culprit for the economic crisis of most developing countries particularly in Africa lies in the inappropriate and distortionary policies pursued by these governments. The policy failures that are emphasised by proponents of this view could be summarised as: [Mkandawire and Soludo (1999:23)]

- ◆ Indiscriminate allocation of resources and rent-generating resources without any guarantees of reciprocal action by recipients;
- ◆ Irresponsible monetary and fiscal policy;
- ◆ Failure to maintain physical infrastructure;
- ◆ Negligence of markets as an effective means of resource allocation
- ◆ Failure to promote agriculture; and
- ◆ Failure to introduce policies to support diversification of exports.

The centrepiece of the argument is that governments, instead of allowing free markets to allocate scarce resources, interfere too much on the economy without having the ability or the resources to improve on markets. State intervention in the economy, according to this view, is wide ranging. It involves price distortions in foreign trade including lack of openness, urban bias and discrimination against the agricultural sector, meddling in the financial sector and lack of financial depth, misguided industrial policies (via import substitution industrialisation), high government expenditure without a commensurate rise in revenues, irresponsible and inflationary monetary policy and the like. The problem is not only too much intervention but even more important is that government meddling is in the wrong places. Given the limited capacity

of African governments, it would have been better if they concentrate on areas that they could be more effective and their contribution to economic growth is optimal. Instead of investing in areas such as physical infrastructure and human resource development where the need is most acute and could not be undertaken by the private sector, African governments were pushing import substitution industrialisation with negative consequences on the economy. All these distortions combined have led to the observed economic crisis in Africa such as crisis in the balance of payments, the fiscal balance, inflation, low levels of capital accumulation and increase in poverty.

This diagnosis of the African economic crisis is part of a larger ideological 'consensus' commonly known as "the Washington Consensus" and comes with a ready-made solution (Structural Adjustment Programs or SAPs) to the problems confronting the region and other developing countries. It is a view that has dominated development thinking and practice in the past two decades with a backing from powerful donors and multilateral financial institutions. Clearly, there is no doubt that policy failure has played an important part in the African crisis and that these policy issues have to be addressed if a viable solution is to be found. The problem with this approach to the African crisis, however, is *its extremely narrow focus and because of that its inability to explain the persistent stagnation of SSA economies even after heavy doses of this recommended medicine was taken by many countries in the region.*

The failure to achieve the much hoped for rapid economic growth even after following the prescribed medicine has led to a serious rethink which, at least partially, acknowledged the need to broaden the development agenda to provide for a more comprehensive solution to the development problem at least within the narrow confines of economics. It is now acknowledged that the broadened agenda must include, in addition to the

earlier emphasis on economic fundamentals including stabilisation, and the need for investment in physical and human capital; the need for structural transformation in production which include the transformation of agriculture and the need for industrialisation; poverty alleviation and issues of equity, the relevance of security, stability and good governance for development and the issue of empowerment of the public.

This surely is a step in the right direction. However, I contend that even this is not enough for the needed transformation. This, I would argue, is because this approach has ignored many non-economic factors that are crucial for development. And this is not an idle talk. The empirical literature confirms this. If we focus on our own continent, it is striking to note the disproportionately high role non-economic factors play in explaining Africa's poor economic performance over the past four decades. According to Gallup and Sachs, over 70% of the growth experience of Africa is accounted for by non-economic factors.

So, what are the key requirements for a successful development? The answer to this question will not come from economic theory. I am not even sure if there is a fully satisfactory answer to this question. The only guide to any reasonable answer to this question can come from economic history. A more appropriate formulation of the question would thus be, "what do we learn from the history of countries that have achieved successful development and those that have failed to develop to provide us with a clue about the development process?" This is a question that economic historians have been grappling with. Given the cautious nature of historians and the very nature of the question, it is very difficult to find a definitive answer to the question. However, economic historians that have looked at the question carefully have summarised the historical experience and came up with a number of characteristics that are shared by the successful countries and that can be roughly taken as the

requirements of development at least from experience. Probably, the best recent work in this regard is David Landes' recent book on the Wealth and Poverty of Nations. In this rather fascinating book, Landes summarised the ideal society suited for development in the following way: (I will quote him at length to maintain the full effect of his own expression.)

"This ideal growth-and-development society would be one that

1. Knew how to operate, manage, and build the instruments of production and to create, adapt, and master new techniques on the technological frontier.
2. Was able to impart this knowledge and know-how to the young, whether by formal education or apprenticeship training.
3. Chose people for jobs by competence and relative merit; promoted and demoted on the basis of performance.
4. Afforded opportunity to individual or collective enterprise; encouraged initiative, competition, and emulation.
5. Allowed people to enjoy and employ the fruits of their labour and enterprise.

These standards imply corollaries: gender equality (thereby doubling the pool of talent); no discrimination on the basis of irrelevant criteria (race, sex, religion, [ethnicity] etc.); also a preference for scientific (means end) rationality over magic and superstition (irrationality).

Such a society would also possess the kind of political and social institutions that favour the achievement of these larger goals; that would, for example,

1. Secure rights of private property, the better to encourage saving and investment.
2. Secure rights of personal liberty – secure them against both the abuses of tyranny and private disorder (crime and corruption).
3. Enforce rights of contract, explicit and implicit.
4. Provide stable government, not necessarily democratic, but itself governed by publicly known rules (a government of laws rather than men). If democratic, that is, based on periodic elections, the majority wins but does not violate the rights of the losers; while the losers accept their loss and look forward to another turn at the

polls.

5. Provide responsive government, one that will hear complaint and make redress.

6. Provide honest government, such that economic actors are not moved to seek advantage and privilege inside or outside the marketplace. In economic jargon, there should be no rents to favour any position.

7. Provide moderate, efficient, ungreedy government. The effect should be to hold taxes down, reduce the government's claim on the social surplus, and avoid privilege.

This ideal society would also be honest. Such honesty would be enforced by law, but ideally, the law would not be needed. People would believe that honesty is right (also that it pays) and would live and act accordingly.

More corollaries: this society would be marked by geographical and social mobility. People would move about as they sought opportunity, and would rise and fall as they made something or nothing of themselves. This society would value new as against old, youth as against experience, change and risk as against safety. It would not be a society of equal shares, because talents are not equal; but it would tend to a more even distribution of income than is found with privilege and favour. It would have a relatively large middle class. This greater equality would show in more homogeneous dress and easier manners across class lines.

No society on earth has ever matched this ideal. Leaving ignorance aside (how does one know who is better or more meritorious?), this is the machine at 100 percent efficiency, designed without regard to the vagaries of history and fate and the passions of human nature. The most efficient, development-oriented societies of today, say those of East Asia and the industrial nations of the West, are marred by all manner of corruption, failures of government, private rent-seeking. This paradigm nevertheless highlights the direction of history. These are the virtues that have promoted economic and material progress. They represent a marked deviation from earlier social and political arrangements; and it is not a coincidence that the first industrial nation came closest earliest to this new kind of social order." (Landes 1999: 217-219)

If Landes's assessment of the his-

torical experience of development is roughly right, and I believe it is, clearly people's attitudes and culture play a very important part. With in the unexplained black box that I cited in the empirical literature above, I suspect that one of the most important variables is culture. But how does culture affect economic performance? How important has the cultural variable been in the history of economic progress? How relevant is this issue to our own country? These are some of the issues that I would briefly address next.

III. CULTURE AND DEVELOPMENT

To avoid any confusion, let me state from the outset what I mean by culture. The most accepted understanding of culture is that "Culture is a set of attitudes, beliefs, mores, customs, values and practices which are common to or shared by any group. The group may be defined in terms of politics, geography, religion, ethnicity or some other characteristic."²

Defined thus, culture influences the way people think about their lives, their behaviour and reaction towards events including to economic incentives. Economic theory and policy are derived from certain assumptions about human behaviour. And these behaviours are largely culturally determined. If the behavioural assumptions upon which a theory is based does not hold, the theory's ability to explain real life events is next to none and a policy formulated on the basis of such an understanding of human behaviour is sure to fail. Let me explain this using a simple example from elementary textbooks in economics. One of the most accepted theories in microeconomics is the "law of demand". Simply put, it says that consumers are likely to demand more of a commodity as the relative price of this commodity falls thus giving us a down ward sloping demand curve. Underlying this theory is the crucial assumption that consumers are rational

² David Throsby, "Economics and Culture: Cambridge, Cambridge University Press, 2001, p4.

death. Most in our society deeply believe that life on earth is a very temporary affair that one should not worry too much about. It is as if we feel that we are in a short-term transit and that the purpose of life is simply to prepare for the more eternal life that awaits us in heaven. Misery and poverty on earth are simply short-term inconveniences that the true believer has to endure. An important corollary to this overall attitude is to be satisfied with what one has and not to aspire too much to a better, longer and healthier life. Both the lack of incentive for improvement (why worry too much for this short life) and the feeling of incapacity (I have no control over my life any ways) have totally suffocated the individual in our society. As I suggested earlier in my discussion on the requirements of development, such attitudes are simply not compatible to long-term and transformative development.

I don't think there is much disagreement about the prevalence of these attitudes in our social existence. What could be more controversial (at least more sensitive) is when identifying the source of this social cultural attitude. For the purpose of this discussion, let me try to separate the interrelated negative cultural traits that I raised earlier into two categories of *fatalism*, which relates to the hostile attitude one has towards life on earth and *hopelessness* which deals with the feeling that the individual and or the collective have very little power to effect change in their lives. I would argue that while the former attitude has been with us for long and have deep roots in our psyche, the latter, which tends to reinforce the former, is much more recent (at least its depth) and is probably a result of our political and economic condition over the past three decades or so.

Our fatalistic attitude towards life has much deeper roots and is probably related to our religious teachings. I am not a religion scholar to speak with authority on the matter and thus have to rely on people who know the teachings better than I do. After I decided to talk on this topic, I started to look

for material written on the topic and found an interesting piece written by Professor Mesfin some thirty six years ago for the Faculty of Arts seminar for the then Haile selassie I University (now called Addis Ababa university). Here is what he said in 1966:

"Whence comes this indifference to material or economic development? In the first place the Christian religion was a very important factor in discouraging work and arresting material or economic development. It affected the economic lives of the people in many ways...

1. The Christian teaching placed an over due emphasis on life after death. The life that people lead in this world should only be limited to actions, which lead to the kingdom of God. In other words, life on this earth should only be a preparation for death, which is the beginning of a new and everlasting life...The teaching of the Church of Ethiopia glorified death and sanctified and institutionalised begging, vilified and deprecated life as only a punishment...It may not be profitable to press the point that fatalism had its origin in this Christian teaching. If it did not originate from, it certainly was encouraged by, Christianity. We must understand fully the paralyzing effect of fatalism...the future was totally placed securely in God's hands and will. It was entirely beyond the capacity of man to plan for tomorrow without invoking God's will...A person who is not and who cannot be sure that he will get up from his sleep the next morning cannot be expected to plan his life a year in advance let alone five years or ten years in advance. The future, even the most immediate future, is Gods domain and it is not for man, any man, to trespass it...

2. *Alem, the World*, is the most favourite theme of Ethiopian writers, historical and contemporary. *Alem* is pictured as a capricious and seductive young woman. Those who succumb to her inviting looks and short-lived pleasures find only damnation in the end. From Bilaten Geta Hiruy to Ras Bitwedek Mekonnen Indalkachew to others of lesser fame, the theme has been exhausted...Far from being a social evil; poverty was the most desirable spiritual asset. To the poor, Christ's words "Woe unto you that are rich! For ye have received your consolation" was indeed a consolation...Work, the source of all wealth, was looked down upon.

3. *Commerce*: Commerce was always a bad and sinful trade in Ethiopia. It was very much connected with the religious beliefs of the people...Socially, commerce was considered as one of the lowly trades in which a gentleman should not engage himself...

4. *Progress*: Social, political and economic progress comes only to societies that believe in the possibility of progress, actively desire progress and have institutions and leaders of exceptional ability to serve as agents of reform. ..When the individual members of the society are preoccupied with death and consider life as nothing else but an expectation of death, the society conceives itself as pool into which no fresh and renewing force enters...The social environment could not tolerate the exceptional individual, even if he was an emperor like Tewodros, with creative abilities, theoretical or practical. The individual who could not conform to the accepted rules perished and everybody thought it was a blessing that he perished...It is essential prerequisite of progress that people master the present and foresee the future. In Ethiopia the past mastered the present and the future was total darkness, deliberately made so..."⁴

I don't think more needs to be said on the matter. A more relevant question is whether this attitude has changed in any fundamental way in the past three decades to make us feel optimistic about our prospects for development. I am afraid not. In fact, conditions in our country has deteriorated so much that this fatalistic attitude is reinforced by generalised hopelessness. I believe two conditions have contributed to this. The first is the political repression of the Derge period, which literally killed the modernising spirit of the youth and the then emerging middle class. The incredible expansion of the reach of the repressive state, which started to interfere in the most private aspects of our lives including its ability to snatch away life itself at will, completely robbed any sense of control we have on our own existence. Our life became not only in God's hands, but also

⁴ Mesfin Wolde Mariam: "Cultural Problems of Development." A paper prepared in advance for the Seminar of Ethiopian Studies, Haile Selassie I University, Faculty of Arts, 1966, pp.7-17.

in the immediate, it became in the hands of the state. The second condition was the increasing material poverty. Economic stagnation over the past four decades has meant that life has started to become unbearable not only to the peasants (who in most communities simply failed to feed themselves for an extended period) and the urban poor, but also to the middle class and even to the relatively well to do. The society had very little to offer to the youth of the country by way of a better future.

Two coping mechanisms developed from this that affected the attitudes of society to the worse. The first one is the introduction and tremendous expansion of foreign aid for even the most basic necessities of life making a beggar out of the hitherto self sufficient population. Even our government's survival depended on foreign handouts. What was once a mildly shameful vocation of the very poor became an acceptable and generalised phenomenon. The second coping mechanism was migration. Leaving the country to an unknown destination became not only an acceptable endeavour for people with little opportunities in the country but an actively or even desperately sought enterprise for the middle class and the rich. The urge to migrate has reached such an obscene proportion that middle class families have started to literally dump their very young children in the train stations of Europe with a hope that some body will pick them up and raise them. A case in point is the recent story of the 10 years old little Mary Solomon. The London Evening Standard of January 21 carried a front-page article with Mary's pictures. The lead story says "A 10 year old girl is the focus of a bizarre mystery today after claiming she was brought from Ethiopia and abandoned at a north London Tube station...The girl has told police that she flew to London with a family friend called Mr. Girma. [The police] believe that she was dumped so that she would be found by the authorities and have a better life here." Just imagine the level of desperation of a family (certainly a middle class

family) that would simply drop their ten-year-old child in a foreign country's train station!! This story tells volumes about the degree to which our society has abandoned the hope that our children could have a decent life in their own country. This is a society that has given up on its own country.

Can we really expect transformative economic development given these attitudes about life? I certainly don't think so.

V. CONCLUDING REMARKS: WHAT IS TO BE DONE?

Let me conclude my talk by briefly summarising what I have said in the preceding pages and provide my modest suggestion as to how we should address this problem as a society.

1. Economic Development is not a mystery. I think we have sufficient experience to know what needs to be done to achieve it. It is a combined result of each individual's effort to improve ones condition. It is a long process requiring hard work, tenacity, imagination and a conducive socio-political and cultural atmosphere that allows and rewards individual initiative.
2. Cultural attributes are extremely important in shaping peoples attitudes towards these determinants of development including attitudes towards work, towards wealth and life in general.
3. The combined effects of tradition, poverty, political repression and maladministration have shaped the attitudes of Ethiopian society in such a way that it is entirely inimical to the development process. If development is to take place in Ethiopia, we have to squarely address the impediments generated by our culture.
4. Central to this re-evaluation of our culture is the need to free the individual from the shackles of tradition. We need to instil the value of hard work and above all, the belief that the individual's effort does matter and matters a lot in improving ones condition.
5. For this to happen, we need to open an honest and constructive dialogue involving all the stakeholders in our society. We need to

have the courage to confront our culture and work towards changing those attributes that are known to be obstacles to our progress while preserving and nurturing the positive elements in our culture.

I am aware that effecting cultural change is a very difficult enterprise. The forces of tradition and conservatism are bound to resist such a change. It will take a while before we get there. But we must start now and with an acute sense of urgency. We have to stop our complacency by not accepting what is truly unbearable. Clearly, educational institutions such as Unity will play a central part in this process because they have a unique opportunity to mould the attitude of the future generation. We have to make our children believe that they can live a better life than we have if they learn to avoid our mistakes. We have to encourage them to be different from what we are because the world they will confront is significantly more complex than the one we lived in.

In the meantime what do we do with the crippling poverty that have robbed the dignity of our population? Well, in the very short run, we may have to look for alms from outside to keep our poor survive. But, we should never let survival be an end in itself. We should always keep in mind that there is no freedom from material and spiritual poverty in so far as our existence is dependent upon the good will of others. David Landes was right on the money when he said:

"And what of the poor themselves? History tells us that the most successful cures for poverty come from within. Foreign aid can help, but like windfall wealth, can also hurt. It can discourage effort and plant a crippling sense of incapacity. As the African saying has it, "The hand that receives is always under the one that gives...No, what counts is work, thrift, honesty, patience, tenacity. To people haunted by misery and hunger, that may add up to selfish indifference. But at bottom, no empowerment is so effective as self-empowerment."⁵ Thank you. ■

⁵ David S. Landes, "The Wealth and Poverty of Nations." New York, Norton, 1999, p. 523

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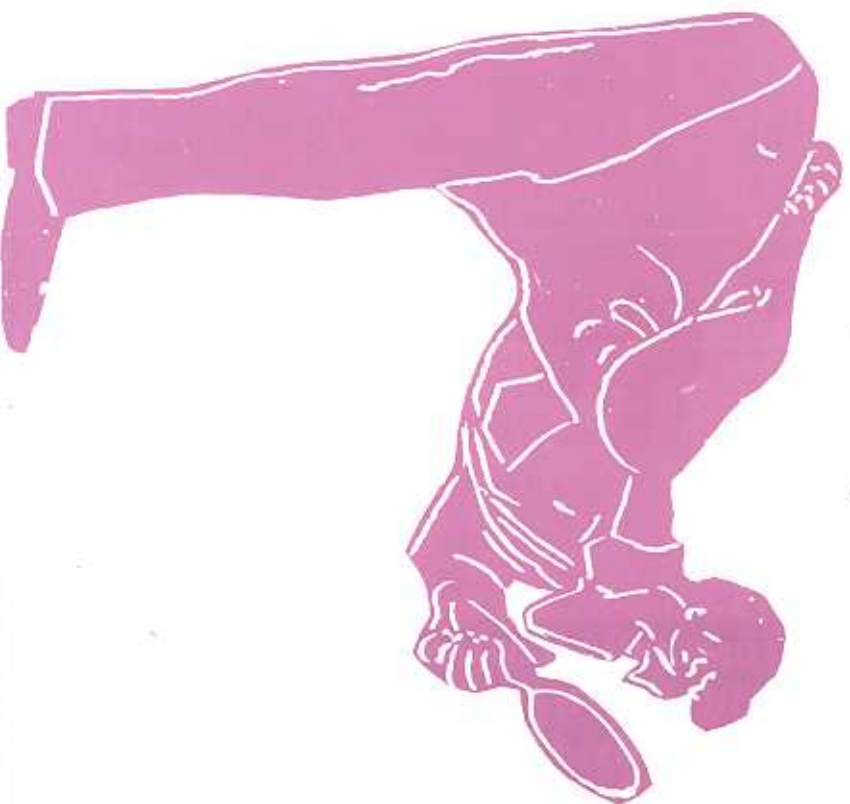
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