FROM POLITICAL INDEPENDENCE TO ECONOMIC EMANCIPATION: RESEEDING AFRICA WITH ENTREPRENEURSHIP AS A STRATEGY OF ECONOMIC DEVELOPMENT

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ABSTRACT

The resurgence of interest in Africa in recent decades has sparked an intense intellectual and ideological debate about the most viable and sustainable approaches and strategies capable of emancipating the continent from her social and economic woes. However, proposed solutions to combat Africa's development challenges are inherently flawed because they are framed at the macro-level and micro-level processes of development, emphasize the role and contribution of external agencies to the exclusion of the representation, empowerment, and participation of Africans, and diminish and devalue the role and contributions of Diaspora Africans. This paper examines Africa's economic development challenges from the perspective of entrepreneurship. There are four sections. The first section briefly juxtaposes previous challenges with recent developments and trends to provide the context to understanding the current social and economic transformation across the continent. This is followed by a discussion of the tremendous need, opportunity, and urgency of entrepreneurship in the second section. In the third section, I discuss how Africa's institutional vacuum creates opportunities for institutional entrepreneurs emphasizing the role and contribution of Diaspora. I conclude with a discussion of the theoretical implications for policy and practice in the final section.

Key words: Africa, entrepreneurship, institutions, economic development, social progress

INTRODUCTION

Africa has become a focus of intense and sustained attention from a diversity of stakeholders, constituencies, and interest groups in recent decades. This resurgence of interest in the continent has been evident at the highest levels of national governments, regional economic communities, global corporations, foundations and philanthropists, and the United Nations, among others (Mills, 2006; Sautman & Hairong, 2007; IBM Global Study, 2007; World Bank, 2007). In the political arena, for example, the last three consecutive U.S. Presidents including the incumbent have visited Africa. By visiting the continent twice in March 1998 and August 2000 respectively, President Clinton became the first U. S. President in over two decades to visit Africa (Schaefer, 2009). It was also during his presidency that he signed into law in the *Africa Growth Opportunities Act (AGOA) of 2000*—a legislative initiative designed to renew and strengthen bilateral trade and economic relations with 34 Sub-Saharan African nations. In essence, AGOA provides for duty-free access for most goods from eligible sub-Saharan Africa countries.

President George W. Bush also visited Africa twice in 2003 and 2008 to reinforce America's renewed interest in the continent, and met more African heads of state than any other U.S. President in history (Mills, 2006; Schaefer, 2009) and created in 2003 the President's Emergency Plan for AIDS Relief (PEPFAR) as the largest commitment by any country for an international health program dedicated to a single disease. It was also during the Bush presidency that in 2005 the U.S. launched the President's Malaria Initiative, a program designed to decrease by 50% the mortality rate of the disease in 15 African countries. Then, last year, in July 2009, the media inundated the airwaves with President Barack Obama's visit to Ghana as the first African-American President after only several months in office (allAfrica.com August 2009).

Africa growing strategic importance to the U.S. is founded on her role as a significant source and supplier of U.S. energy imports, an increasing economic and trade partner, and an indispensable geopolitical ally capable of using its representation in international organizations to advance or resist U.S. policy and interests. Not surprisingly, to cultivate goodwill, trust, and friendship, the U.S. has intensified its attention to the continent along many fronts. Between 2000 and 2007, the U.S. tripled its development assistance to sub-Saharan Africa in real terms to $4.6 billion, and in recognition of the region's growing strategic importance, the U.S. established a new, unified combatant command for Africa in 2007 (Schaefer, 2009). U.S. interest in Africa transcends ideological and political lines and some commentators have noted the remarkable continuity in policy between the Bush Administration and the Obama Administration as far as relations with sub-Saharan Africa is concerned (Schaefer, 2009). However, others are skeptical about renewed American attention to Africa arguing that it may not be motivated by a genuine interest in the continent, rather, Western governments now recognize Africa's geopolitical position as a strategic asset worth securing in an age of global terrorism.

Besides the United States, the European Union's (EU) has also in recent years demonstrated their interest in Africa in many ways. Encouraged by former British Prime Minister Tony Blair's Africa Commission, G-8 heads of governments at their 2005 meeting at Gleneagles decided to increase their aggregate aid to developing nations to $50 billion by 2010, of which 50% would be earmarked for Africa. In addition, the 25 members of the European Union (EU) committed to doubling their aid to $80 billion to Africa by 2010; and in September 2005, 15 members of the United Nations agreed to commit to the organization's 0.7 percent aid/GDP target; and initiated a debt cancellation policy to the tune of $55 billion that will benefit 18 countries including 14 African nations (Schaefer, 2009). Chinese interest in Africa, until recently, was relatively modest but is increasingly becoming aggressive. For example, while between 2001 and 2004, China's Foreign Direct Investment (FDI) in Africa was only $1b of the aggregate $96b in FDI stock (two-thirds of it European—half British or French—and one-fifth North American), however, it grew exponentially to 800% by late 2006 and is projected to become one of Africa's top three FDI providers, an initiative enabled by the recent 2006 Forum on China-Africa Cooperation and a $5b China-Africa Development Fund designed to stimulate PRC investment in the continent (Sautman & Hairong, 2007). Prior to the 1990s, China's trade with Africa was an insignificant portion of their aggregate $1.76 trillion in world trade at 2006 but grew exponentially from $3b in 1995 to $10b in 2000; $40b in 2005, and $55b in 2006 (Harsch, 2003; Konopo, 2005; Shinn & Eisenman, 2005; Thomsen, 2005; Thiong'o (2006); Sutte, 2005; Pan, 2006). This exponential growth in trade and investments has been mediated by over eight hundred Chinese enterprises in Africa in 2006 including 100 medium and large state-owned firms (*Xinhua* 2007). While China's FDI in Africa is only a fraction of the continent's aggregate FDI ($3.6b in 2004 and $6.9b in 2005), however, investments by Chinese firms have increased to $135m and $280m, respectively, in those years. China is Africa's third largest trading partner after the U.S. and France, and while trade with the continent represent only one-tenth of Africa's world trade, China has embarked upon aggressive efforts to increase the volume of trade with the continent (Sautman & Hairong, 2007).

These encouraging trends and developments have attracted the interests of global corporations. For example, IBM performed its newest role as an institutional broker in 2007 by organizing a series of conferences—*Global Innovation Outlook (GIO)*—across several cities in Africa, Europe, Asia, and the United States with the goal of not only creating strategic partnerships among governments, business/industry, and academic/research institutions in recognition and exploitation of new and emerging opportunities on the continent, but also bringing a holistic orientation and collective action to the development agenda *(IBM Global Study, 2006).* . .

Africa has also had its fair share of attention from foundations, philanthropists, and/or celebrities. Some such as Bill Gates, Oprah Winfrey, and Bono, have either individually or through their foundations donated millions of dollars to fund major development projects on the continent, particularly, in the educational and health sectors.

In spite of these developments, the question of why Africa has lagged behind other regions of the world in economic development and social progress is a puzzling paradox that has bewildered many. It has stimulated an intense ideological, intellectual, and pragmatic debate among many scholars, researchers, policymakers, and practitioners who have prescribed a variety of economic development approaches and strategies to emancipate the continent from her social and economic woes.

Economists such as Jeffrey Sachs (cited in Boettke 2007) have argued that Africa's is geographically isolated and this comparative disadvantage erodes her capacity to eradicate poverty from gains in trade alone. Thus, it is necessary for developed nations to transfer wealth transfer to developing nations on a massive scale to reduce poverty, alleviate human suffering, curb diseases, and improve living standards in Africa. Sachs' position is strongly supported by Peter Singer and colleagues of the Global Justice School who argue that developed nations have a responsibility and obligation to shift assets and capital to developing countries—a moral imperative. Still, others such as Glenn Hubbard (former U.S. under Secretary for Treasury in the George W. Bush regime), have proposed a "Marshall Plan" for Africa on the grounds that the continent is poorer now than twenty years ago, therefore, a comprehensive reconstruction project is necessary to lift Africa from her economic crisis (Financial Times, November 5, 2007).

In contrast, opponents such as Boettke (2007) reject the moral reasoning argument by pointing out that it is a "consequentialist" justification that lacks empirical evidence. In addition to perpetuating a "beggar" mentality among African nations, wealth transfer—aid—creates a chronic dependency that focuses on external sources rather than internal search for solutions to Africa's development challenges. Moreover, aid does not usually provide autonomy for African nations in terms of their discretionary use of the resources. Rather, analysts have observed that much of the aid from developed nations is provided under restricted terms and conditions that benefit donor nations economically and politically (Hirvonen 2005: Sautman & Hairong, 2007). As a result, "tied aid" is not a particularly efficient form of development assistance because it fails to help developing nations improve their economies through new business formation and job creation. Instead, by mandating the purchase of goods and services from the donor, "tied aid", not only contributes to the survival of donor's industries but also prevents access to identical goods and services at competitive prices from domestic producers or world markets.

Thus, while proposed solutions to Africa's social and economic predicament may have some merits, they are also inherently flawed in many ways. First, conceptions of solutions to Africa's economic development challenges are framed at the macro-level and attributed to structural factors. Consequently, they emphasize a hierarchical planning orientation that deemphasizes and devalues micro level processes of development and individual autonomy.

Second, proposed intervention strategies emphasize the role and contribution of international financial institutions and international donor or aid organizations such as the World Bank, IMF, and the United Nations to the exclusion of the indigenous representation, empowerment, and participation of Africans in Africa's economic development policy and agenda. Unfortunately, many have raised questions and concerns about the reenactment, efficacy and ideological relevance and compatibility of macro-level interventions—structural adjustments—prescribed by the World Bank and IMF in previous decades that did not and has not really helped Africa. Melamed (2005) and Woods (2006:141–78) have both argued that African industrialization was severely damaged following the imposition in the 1980s and 1990s of World Bank/International Monetary Fund (IMF) Structural Adjustment Programs (SAPs). Others such as Fine and Jomo (2005) have pointed out that Western involvement in Africa has been premised on ideological and institutional frameworks such as the Washington Consensus (WC) and Post-Washington Consensus (PWC) (a paradigm that adds to WC neoliberalism a discourse of democracy, good governance, and poverty reduction) that have not improved the lot of Africans because they may have been ideologically, culturally, and institutionally premature and incompatible. The outcomes of these institutional mechanisms are decades of chronic crisis and decline in African wealth linked with WC privatization, liberalization, deregulation, and austerity policies (Teunissen & Akkerman 2004; Ahmed 2004; Broad 2004).

Finally, besides their emphases on a macro-level planning orientation and the role of external agencies, conceptions and frameworks of solutions to Africa's development challenges neglect and alienate the grassroots representation, empowerment, and participation of Africans in economic development policy and agenda. Africa's development is the fundamental duty and responsibility of Africans. This reality was stated by the United Nations almost two decades ago: *"African development is primarily the responsibility of African countries themselves. The continent is rich in resources and the challenge is to develop them in the most beneficial way"* [The United Nations Program of Action for African Economic Recovery and Development, 1986-1990: *(UN Chronicle, 1993)*]. It was reechoed by President Barack Obama in his historic address to the Ghana's legislature last year when he stated: *We must start from the simple premise that Africa's future is up to Africans*—(Remarks by President Barack Obama to the Ghanaian Parliament Accra International Conference Center, Accra, Ghana July 11, 2009). More specifically, conceptions of solutions to Africa's development challenges disregard and diminish the growing importance of Diaspora Africans who have unique social and cultural ties with the continent, own and control a collection of indispensable resources, and occupy positions as boundary spanners that could be mobilized and leveraged to catalyze and capitalize Africa's development. Until recently, international development agencies and even African governments themselves have not paid attention to the potential role and contribution of Diaspora Africans much less formulate viable strategies aimed at harnessing their resources to accelerate Africa's development.

The purpose of this paper is to examine Africa's economic development challenges and opportunities from the perspective of entrepreneurship. This is predicated on the notion that entrepreneurship is an indispensable factor in economic development (Baumol, 2002) as well as the conclusion that "the entrepreneur is the single most important player in a modern economy" (Lazear, 2002, p. 1). However, "entrepreneurship is not planning by groups or management decisions by corporate bodies, but the exploitation of perceived opportunity by individuals based solely on personal judgments and visions that others either don't see or can't bear the risks of acting on" (Formaini, 2001). Second, given that development rests on a foundation of multiple institutions (Boettke, 2007; North, 1990; Phelps, 2001), the paper the urgent need and opportunity for the creation of new and transformation of existing institutions designed to nurture and facilitate entrepreneurship. Third, I explore the role and contribution of Diaspora Africans in Africa's economic development policy and agenda. Finally, I discuss implications for theory and policy.

The paper makes several contributions. First, by advancing entrepreneurship as a strategic tool of economic development, the paper accounts for why and how Africa's economic development could be revolutionized by policy and agenda centralized on entrepreneurship. Second, although it is widely accepted, and empirically validated that entrepreneurship is a an indispensable factor in economic development which is also dependent on a foundation of multiple institutions, however, analysts have paid less attention to conceptual, theoretical, and empirical linkages between entrepreneurship and institutions. Thus, by integrating conceptions and analysis of entrepreneurship with institutions in this paper, I show how the creation of new institutions and/or the modification of existing institutions is an entrepreneurial project pioneered by the creative and innovative actions and behaviors of entrepreneurs. Finally, I show how Diaspora Africans, are uniquely positioned to occupy roles as ‘institutional entrepreneurs’ and execute roles as boundary spanners in catalyzing much needed institutional change on the continent.

I begin in the first section by briefly juxtaposing Africa’s economic development problems and challenges in previous decades with recent encouraging developments and trends. This provides the background and context for appreciating and understanding the unprecedented economic and social transformation occurring on the continent. I discuss the need, opportunity, and urgency of entrepreneurship in terms of the role of entrepreneurs in Africa’s economic development in the second section. The third section discusses Africa’s institutional vacuum and analyzes why and how the creation of new and/or the modification of existing institutions represents an entrepreneurial project. Emphasis is placed on the role and contribution of Diaspora Africans in pioneering new and/or transforming existing institutional frameworks to accelerate Africa’s economic development. I conclude with a discussion of the theoretical implications for policy and practice.

Africa’s Problems and Challenges: The Past, Present & the Future

Many sub-Saharan African nations gained political independence from colonial rule about four or five decades ago under charismatic leaders. In his sympathetic and retrospective analysis of the cause and consequences of Africa’s problems and crisis, Ali Mazrui (2001) argued that Africa’s *“leaders of liberation”* who catalyzed the wave of political independence that swept across the continent in the late 1950s and 1960s were not necessarily *“leaders of development”.* Similarly, Hetherington (1994) acknowledged that “Political liberation is important, but you cannot eat politics. Economic liberation feeds people. Economic liberation allows everybody to create wealth; to earn their own living; to feed, clothe and house their families; and buy better education for their children. Parliaments have their place but markets are more important” (p.72). Decades of political independence have not brought economic freedom because of the failures and flaws of Africa’s leaders. Thus, while it is obvious that Africa desperately needs a new generation of leaders who will prioritize development and focus on improvements in the living standards of Africans, Africa also needs markets and institutions that will facilitate job creation, income generation, and wealth accumulation at all levels of society. Fortunately, Africa’s is endowed with abundant natural resources that are more than capable of economically supporting development on the continent. Unfortunately, most of Africa’s natural resources and wealth have always been exported as raw materials. As imports in developed nations, value is added through various processes that creates jobs, generates income, and accumulates wealth for others. This has been the hallmark of Africa’s economy in the post-independence era of the 1960s, 1970s, 1980s and 1990s.

Not surprisingly, on almost every traditional benchmark of development, sub-Saharan Africa is identified as the least developed region in the world (Schaefer, 2000). According to *World Development Indicators* (World Bank, 2000), sub-Saharan Africa’s per capita gross national product (GNP) in 1998 that averaged $535 in constant 1995 U.S. dollars decreased $52 from the 1970 average of $587. Africa was the only one in the world to experience a decline in per capita GNP over this period. In fact, in each of the decades of the 1960s, 1970s, 1980s, and 1990s, sub-Saharan Africa witnessed declining rates of economic growth; from 1961 to 1969, average annual growth in GNP was 4.96 percent; from 1970 to 1979, it was 3.79 percent; from 1980 to 1989, it was 2.15 percent; and from 1990 to 1998, it was 2.05 percent (Schaefer, 2000; World Bank 2000).

Africa's unimpressive aggregate economic performance is more compelling when relatively "wealthy" nations—South Africa ($3,829 per capita GNP), the Seychelles ($6,810), Mauritius ($3,999), Gabon ($4,115), and Botswana ($3,460) are excluded from the analysis because per capita GNP declines to $451 for most of the remaining countries. In fact, 21 of the world's 30 poorest countries are located in sub-Saharan Africa and thrive on between $1 and $2 a day (Pralahad, 2006; World Development Report 2005). Perhaps, even more significant, the aggregate economic output of the 48 sub-Saharan Africa countries is less than the individual economies of six U.S. states: California, Florida, Illinois, New York, Pennsylvania, and Texas.

Declining economic performance usually has adverse implicates for many other social and economic sectors. Not surprisingly, Africa's low life expectancy lags behind other regions of the world and has been attributed to political instability and poor health care systems. The prevalence of diseases on the continent, for example, evident in the rapid spread of the HIV/AIDS epidemic in Africa more than any other part of the world, is a significant threat to the continent. According to the World Bank, 15 countries with the highest incidence of reported cases of HIV/AIDS all are in Africa (Madavo and Sarbib, 2000; Schaefer, 2000; World Bank 2000). Although the general level of education in sub-Saharan Africa, as evidenced from adult literacy rates, increased from 28 percent in 1970 to 59 percent in 1998, it still lags behind other regions of the world. Because significant low levels of education hinder the growth of a skilled domestic labor force and the ability of a country to take advantage of skills and knowledge more readily available in the global economy (Madavo and Sarbib, 2000; Schaefer, 2000; World Bank 2000) , Africa's education sector deserves high-level priority.

Not surprisingly, Hoffman (1996, p.83) concluded that the continent is "saddled with debt, riddled by war, plagued by drought, famine, disease, and unparalleled natural disaster" and overcoming these "daunting" challenges required substantial investments in the redevelopment or development anew of her physical, human, and organizational infrastructures as well as the replenishment of her institutions and civil society". By the late 1990s, the unimpressive economic performance of post-independence Africa coupled with the abysmal failures of development and social progress, amidst the promise, hope, and contradictions, led the *Economist* (May 11th, 2000 print edition) to identify Africa as the "hopeless" continent.

Africa's economic development challenges and crisis did not occur overnight but have evolved over several decades and diagnosed from a variety of perspectives based on the peculiar focus and interest of analysts and have typically been separated and isolated. For example, in the 1970s, analysts argued that Africa lacked competent managers, and the absence of qualified managers was one of the four main obstacles hindering industrialization and economic development on the continent (Sabot 1972). Others contended that the inability of African national governments to "train capable managers for their industrial, commercial and service organizations" was a fundamental impediment to substantive economic development and social progress (Safavi 1978, 1981). The lack of competent managers, in turn, was attributed to chronic crises in

Africa's higher education sector, a calamity that reached unprecedented levels in the past decade and required urgent attention (Atteh, 1996). In the 1980s and 1990s, Africa's problems were attributed the economic prescriptions of macro level policies emanating from the Structural Adjustment Programs (SAPs) imposed by World Bank/International Monetary Fund (IMF) [Melamed (2005); Woods (2006], and ideological, economic, and cultural prescriptions of Washington Consensus (WC) and Post-Washington Consensus (PWC) linked with privatization, liberalization, deregulation and austerity policies (Teunissen & Akkerman 2004; Ahmed 2004; Broad 2004). While the role of external actors in contributing to Africa's economic and social malaise is dated and may be traced to the colonial, pre-independent era, African leaders must accept blame and responsibility for internal conflicts, corruption, genocide, and other social evils that have done more than good to the continent. In his address to the Ghanaian Parliament, Barack Obama acknowledged, "*In many places, the hope of my father's generation gave way to cynicism, even despair. Now, it's easy to point fingers and to pin the blame of these problems on others. Yes, a colonial map that made little sense helped to breed conflict. The West has often approached Africa as a patron or a source of resources rather than a partner. But the West is not responsible for the destruction of the Zimbabwean economy over the last decade, or wars in which children are enlisted as combatants. In my father's life, it was partly tribalism and patronage and nepotism in an independent Kenya that for a long stretch derailed his career, and we know that this kind of corruption is still a daily fact of life for far too many"* (Remarks by President Barack Obama to the Ghanaian Parliament, Accra International Conference Center, Accra, Ghana July 11, 2009).

Africa's Problems and Challenges: Hope in the 21st Century?

In spite of these discouraging results, recent years have witnessed the emergence of gales of unprecedented change blowing across the continent and catalyzing unprecedented social and economic transformation. The International Monetary Fund (2007) calculated that while the world economy grew 3.2% from 1988 to 1997 and 4.4% from 1998 until 2008, in contrast, Africa's economy registered a 5.1 percent growth in 2004, 5 percent in 2005, and 4.7 percent in 2006, the most favorable performance for many years (Mills 2006). According to Mahajan (2007) "The wealth of African Nations" is rapidly changing and "Africa is defying its image as a charity case, prompting entrepreneurs and entrepreneurial businesses to invest in it as they presciently did in India two decades ago". Mahajan (2007) has concluded that Africa is wealthier across the continent that India, and the national economies of dozens of African nations are growing at healthy rates (IBM Global Studies, 2006).

Moreover, like her Southeast Asian and Eastern European counterparts, Africa is witnessing a resurgence of entrepreneurship that is laying the foundation for imminent economic growth. The average gross national income (GNI) per capita across all 53 nations on the continent in 2005 was about $954, over $200 higher than India (Mahajan, 2007). 12 African nations (with 100 million people among them) out of 53 had a GNI per capita greater that China's. Moreover, twenty African nations (with a combined population of 263 million) had a GNI per capita that was greater than India. Businesses across Africa are showing tremendous potential possibilities by generating a phenomenal demand for consumer goods or services, from cell phones to banking to televisions. The fact that “China conducts $55 billion a year in trade within Africa and the economies of dozens of African nations are nations are growing at healthy rates prompted optimism, and led the President of South Africa to conclude that “The economic outlook for Africa is the best in 30 years, growth is averaging 5.5% to 5.8% across the continent, and there is ample reason for of African nations are growing at healthy rates, prompted optimism. The African continent has emphatically and irreversibly turned the corner” (IDEAS from IBM, 2007).

This is not to say that Africa’s economic crisis is gone with the wind. Arguably, Africa is the continent where the social needs are greatest. Life expectancy in Africa is still only 50 years on average (and as low as 38 years in some countries), gross national income per capita averages US$650 (and drops as low as US$90) and the adult literacy rate is less than 20% in some countries (2002 figures; World Bank 2004). At the current pace of development, sub-Saharan Africa would not reach the Millennium Development Goals for poverty reduction until 2147 and for child mortality until 2165; and, as for HIV/AIDS and hunger, trends in the region are heading up, not down (UN 2004; Lundy & Visser 2003; Visser, Middleton & McIntosh, 2005).

Besides improvements in economic performance during the past decade, many other positive changes have been witnessed across Africa. Democracy is gaining ground and political stability is improving. Prior to the 1990s, appointments of national leaders tended to be characterized by military or party affiliations. In contrast, between 1990 and 1994, democratic leadership transitions occurred in 11 countries (Visser, Middleton & McIntosh, 2005). The result is that today, 40 percent of African states have elected democracies, and regional co-operation is being enhanced by a new generation of leaders such as South Africa’s President Mbeki, Nigeria’s President Obasanjo and Senegal’s President Wade, who have begun taking responsibility for Africa’s economic recovery through initiatives such as the formation of *New Partnership for Africa’s Development* (NEPAD) [Lundy & Visser 2003; Visser, Middleton & McIntosh, 2005).

Governance has become a priority of this new agenda (Mills, 2006) and one of the important goals envisioned by African leaders through NEPAD is the development of a reliable, continental database to assess the scale and scope of regional problems, the promotion of collaboration between Africans abroad and those at home, and the creation of the "necessary political, social and economic conditions that would serve as incentives to curb the brain drain." Thus, one of NEPAD’s priorities is the development of Africa's human resources as a strategy to reverse brain drain.

This is not to say that Africa has turned the corner of crises and development because many of her citizens continue to be afflicted by war, poverty, disease and dictatorships. However, the spread of democracy and governance as well as growth in many national economies at unprecedented rates and extension of basic services to many of the continent’s poorest populations give hope to the hopeless and reinforced the reality that Africa is ready for economic renaissance. It is therefore imperative for African governments to create and sustain the relevant environmental conditions that will facilitate entrepreneurship and nurture the development of institutions that generate desirable social and economic outcomes to flourish. In the next section, I draw from extant research to establish linkages between entrepreneurship and economic growth and development.

THE RESURGENCE OF ENTREPRENEURSHIP

It is widely acknowledged that we live in an 'entrepreneurial age' (Bygrave & Zacharakis, 2007; Farrell 2007) where the dominance of entrepreneurial activities across nations, societies, and cultures represent one of the most remarkable and influential developments on the global social and economic landscape in recent decades has been documented in many forms. According to the *Global Entrepreneurship Monitor* [GEM] (Bosma, Jones, Autio, and Levie, 2007) entrepreneurial activities flourish in both developed and developing economies. The prevalence and persistence of entrepreneurship across the globe has transformed the structure of many national economies. For example, beginning in the 1970s, the structure of the U. S. economy transitioned from an "industrial" to 'information" economy (Acs 1999) where the role and contributions of entrepreneurs, early stage firms, and small businesses are increasingly becoming indispensable to regional and national economies. Analysts and commentators have proposed many labels to depict this dynamic economic transformation including the "entrepreneurial economy" (Drucker 1985), "new economy" (Atkinson 1998), "network economy" (Kelly 1997) "digital economy" (Tapscott 1997), and "knowledge economy" (Romer 1990; Powell & Snellman, 2004), among others. While these metaphors may be indicative of the multiple forms and facets of a new and emerging economic order, scholars and practitioners share the consensus that the economic future of any region will be determined by her ability to create and preserve wealth by promoting entrepreneurship, creativity, and innovation (VanGundy & Naiman 2003).

This is because local, regional, and national entities are witnessing the effects of a global economy and face the challenge and opportunity of crafting their own economic destinies. The overwhelming forces of globalization are flattening the world in such a way that few, if any, local, regional, or national economies are exempt from the forces of globalization which can bring growth and development, or decline and increased poverty (Friedman, 2005). It has become imperative for both poor and wealthy localities to craft their own economic destinies based on these new realities. Globalization, characterized by increasing integration and convergence of national and local economies into one global economy, has accelerated growth in the gross world product. According to the International Monetary Fund (2007) the world economy grew 3.2% from 1988 to 1997 and 4.4% from 1998 until 2008. This was accompanied by continued growth in the share of world income that went to individuals (gross domestic product per capita), with persons in the newly industrializing and emerging market countries gaining at a higher rate.

Globalization, by altering the locus of firms and work for all nations rich or poor, presents tremendous opportunities for entrepreneurship in Africa because multinational corporations (MNCs) are involved in a constant search for and evaluation of new places for the design, production, and distribution of products and services. Globalization has adversely impacted manufacturing employment in the West over the last two decades. However, more recently, the effects of globalization have escalated to the offshoring of service jobs resulting in the erosion of about a million service jobs (Blinder, 2007). As a result, workers and regions across the United States have been losing control over their economic destinies as the nation has increasingly become tied to global rather than national and local forces. Africa is positioned to catalyze on the wave of globalization by diversifying her economies to better attract investment, recruiting entrepreneurs to introduce new innovations and applications development that will create jobs, generate incomes, accumulate wealth, and ultimately, improve standards of living.

As President Barack Obams reiterated, *"The 21st century will be shaped by what happens not just in Rome or Moscow or Washington, but by what happens in Accra, as well. This is the simple truth of a time when the boundaries between people are overwhelmed by our connections. Your prosperity can expand America's prosperity. Your health and security can contribute to the world's health and security. And the strength of your democracy can help advance human rights for people everywhere. So I do not see the countries and peoples of Africa as a world apart; I see Africa as a fundamental part of our interconnected world —as partners with America on behalf of the future we want for all of our children. That partnership must be grounded in mutual responsibility and mutual respect. And that is what I want to speak with you about today. We must start from the simple premise that Africa's future is up to Africans* (Remarks by President Barack Obama to the Ghanaian Parliament Accra International Conference Center, Accra, Ghana July 11, 2009).

ENTREPRENEURSHIP AND ECONOMIC DEVELOPMEMT

Schumpeter (1934) conceptualized entrepreneurship as the capacity to recombine existing activities in a new ways. His analysis of the "entrepreneurial function" rather than the identity of the entrepreneur led him to propose five types of innovative activity that results in the (1) the introduction new products (2) new methods of production (3) new sources of supply (4) new markets, and (5) new methods of organizing. While the first four categories are obvious, Schumpeter did not provide any detailed analysis and examples for the latter, however, Hwang and Powell (2005) have argued that "new methods of organizing" may depict the emergence of a new industry, the reorganization of an existing one, or the introduction of new organizational practices or structures. . These creative and innovative activities are the domain of entrepreneurs.

Africa is desperate for entrepreneurs who will act as agents of economic and social change, and be responsible for the creative recombination of existing materials and structures in new ways that extend existing applications, create value, and generate desirable outcomes. While Schumpeter (1934) emphasized the process—"the entrepreneurial function"— in contrast, Maslow (1968) focused on the psychological needs and motivation of the entrepreneur by hypothesizing that the "most valuable 100 people to bring into a deteriorating society would not be economists, or politicians, or engineers, but rather 100 entrepreneurs (Maslow, 1968 p. 623 cited in Nelson 1977). Entrepreneurship has been identified as an indispensable factor in economic growth (Baumol, 2002) and the "entrepreneur is the single most important player in a modern economy" (Lazear, 2002, p. 1). These economic realities have been empirically validated by several studies that link entrepreneurship to economic growth (Holtz-Eakin and Kao 2003; Audretsch, Keilbaych, and Lehman, 2006). It does not come as a surprise therefore that the "entrepreneurial index" (Fairlie, 2008) has emerged as a new socioeconomic indicator to track new business formation rates, self-employment trends, and other demographic and psychographic changes indicative of new drivers of economic change and catalysts of economic development.

Entrepreneurship is eclectic and has been productively investigated from several perspectives including economics (Schumpeter, 1934; Baumol, 1990; 1991, 2007; Kirzner, 1997) management (Drucker, 1985; Venkataraman, 1997; Shane and Venkataraman, 2000), and sociologists (Aldrich, 2002; Swedberg, 2000), among others. More importantly, entrepreneurship has been identified as a driver of national economies (Acs, 1999; Baumol 1990), facilitated by innovation (Acs & Audretsch, 1988; Klepper & Simons, 2000; Schumpeter, 1934) and constituted by a process of identification, evaluation and exploitation of opportunities (Kirzner, 1997; Klepper et al., 2000; Shane, 2000; Shane and Venkataraman, 2000). Venkataraman (1997) and Shane and Venkataraman (2000) noted that the ability of individuals to recognize opportunities depends on the level and nature of information possessed. At any one time, only some people will recognize a particular opportunity (Venkataraman, 1997). This is because the ability to recognize opportunities is related to the distribution of information in society (Eckardt and Shane, 2003; Jacobson, 1992; Kirzner, 1997).

Entrepreneurship is a versatile phenomenon with a wide range of applications in diverse institutional, social and economic contexts. This versatility has contributed to the evolution of multiple forms—"corporate entrepreneurship" (Burgelman 1983, Kanter 1989; Miles & Covin, 2002; Kuratko, Ireland, & Hornsby, 2001; Kuratko, Ireland, Covin, & Hornsby, 2005; Morris & Kuratko, 2002; Zahra, Kuratko, & Jennings, 1999); "women and minority entrepreneurship" (Chaganti & Greene, 2002; Greene, Hart, Gatewood, Brush, & Carter, 2003;Gundry & Welsch, 2001); "immigrant or ethnic entrepreneurship" (Chaganti & Greene, 2002), "institutional entrepreneurship" (DiMaggio 1988); political entrepreneurship (Dahl, 1961), intellectual entrepreneurship (Cherwitz, 2005), moral entrepreneurship (Becker 1963) and social entrepreneurship (Austin, Stevenson & Wei-Skillern, 2006; Davis, 2002; Dees, Anderson & Wei-Skillern, 2004; MacMillan; 2005), and technology entrepreneurship, (Shane 2006; Dorf & Byers 2005), among others.

The reality is that "entrepreneurship is not planning by groups or management decisions by corporate bodies, but the exploitation of perceived opportunity by individuals based solely on personal judgments and visions that others either don't see or can't bear the risks of acting on (Formaini, 2001, p). Rather, entrepreneurship is characterized by innovation, defined as "the act of introducing something new: something newly introduced" "the introduction of something new" a new idea, method or device; the successful exploitation of new ideas, change that creates a new dimension of performance (Hesselbein, 2002) or the successful implementation of creative ideas within an organization (Amabile et al., 1996).

Given the diversity and depth of Africa's social and economic problems, Africa has an immense need for different forms of entrepreneurship. However, given her peculiar economic development challenges, while there may be ready and ripe for different forms all entrepreneurship in her economy and civil society, institutional entrepreneurs, actors who own some requisite resources, occupy significant subject positions particularly important to institutional change and processes, are of immense importance to Africa because advances in economic development is predicated on the presence and effective functioning of new institutions.

In the next section, I discuss how institutions are indispensable for entrepreneurship, and the how the work pertaining to the creation of new or the modification and maintenance of existing institutions is the domain of entrepreneurship.

INSTITUTIONS AND ECONOMIC DEVELOPMENT

The previous section recognized the dawn of an 'entrepreneurial age' (Bygrave & Zacharakis, 2007; Farrell 2007) characterized by the dominance of entrepreneurial activities across nations, societies, and cultures. The *Global Entrepreneurship Monitor* [GEM] (Bosma, Jones, Autio, and Levie, 2007) found that entrepreneurial activities flourish in both developed and developing economies. However, not all environments are witnessing the resurgence of entrepreneurship. Rather, entrepreneurship thrives in environments characterized by the availability and accessibility of resources—networks of people and capital (Aldrich, 1989; Aldrich & Waldinger, 1990; Ruef, Aldrich, & Carter, 2003; Uzzi, 1997, 1999). These resources are typically owned, controlled, and embedded in a multiplicity of institutions.

Institutions are "humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions and codes of conduct) and formal rules (constitutions, laws and property rights)" [North (1990: 97]. That institutions are critical for stimulating economic performance was underscored recently by economics Nobel laureate, Edmund Phelps, who argued that Europe's persistent lag in economic performance behind the United States can be attributed to fundamental differences in entrepreneurial culture. In a recent editorial (Opinion Journal, Wall Street Journal (wsj.com February, 12, 2007) he wrote:

> There are two dimensions to a country's economic model. One part consists of its economic institutions. These institutions on the Continent do not look to be good for dynamism. They typically exhibit a Balkanized/segmented financial sector favoring insiders, myriad impediments and penalties placed before outsider entrepreneurs, a consumer sector not venturesome about new products or short of the needed education, union voting (not just advice) in management decisions, and state interventionism. Some studies of mine on what attributes determine which of the advanced economies are the least vibrant--or the least responsive to the stimulus of a technological revolution--pointed to the strength in the less vibrant economies of inhibiting institutions such as employment protection legislation and red tape, and to the weakness of enabling institutions, such as a well-functioning stock market and ample liberal-arts education.
>
> The other part of the economic model consists of various elements of the country's economic culture. Some cultural attributes in a country may have direct effects on performance--on top of their indirect effects through the institutions they foster. Values and attitudes are analogous to institutions--some impede, others enable. They are as much a part of the "economy," and possibly as important for how well it functions, as the institutions are. Clearly, any study of the sources of poor performance on the Continent that omits that part of the system can yield results only of unknown reliability.

Africa's economy has grown in recent years at an averaging of 5.5% to 5.8% across the continent (Mahajan 2007; IBM 2007), however, the lack of new institutions and/or ineffectiveness of existing ones may hinder the ability to sustain these encouraging levels of growth. The lack of institutions may also impede the recruitment and retention of entrepreneurs who will unleash their creative and innovative to create new institutions or catalyze the transformation of existing one. This is because development is enabled by the presence of institutions (Boteke 2007, North 1990; Phelps, 2007). Moreover, the creation of new and/or the transformation of existing ones is an entrepreneurial project requiring the actions and behaviors of entrepreneurs. Recent years have seen an upsurge in scholarly interest in understanding the role of actors in the creation of new or transformation of existing institutions. This idea has been conceptualized as institutional entrepreneurship (Eisenstadt 1980; DiMaggio 1988). DiMaggio (1988: 14) advances the notion that institutional entrepreneurs are central to institutional change and processes, because “new institutions arise when organized actors with sufficient resources (institutional entrepreneurs) see in them an opportunity to realize interests that they value highly”. By focusing attention on the approaches and strategies employed by interested actors to influence their environments through a wide range of strategies such as lobbying for regulatory change and discursive actions, institutional entrepreneurship links agency to institutions (Fligstein 1997; Hoffman 1999; Garud et al. 2002; Maguire et al. 2004).

The role of actors in the transformation of existing institutions and environments has also attracted significant interest in institutional research where studies have documented the ability of actors, particularly those with some key strategic resources or other forms of power, to have significant impacts on the evolution of institutions and fields (Clemens 1993; Holm 1995; Oakes et al. 1998; Greenwood et al. 2002), including both institutional transformation and deinstitutionalization (Oliver 1992; Ahmadjian and Robinson 2001). The reality is that institutions thrive on the actions and behaviors of individuals and organizations for their reproduction over time (Berger and Luckmann 1966; Giddens 1984).

Africa’s colossal development challenges creates opportunities for a myriad of interventions that will create new and transform existing institutions with new laws, rules, regulations; norms, routines, ideologies, cognitive schema, scripts, organizational forms, organizations, values or code of ethics that can positively impact Africa’s economic development.

However, it must be recognized that whatever new institutions are required or old ones that need to be restructured will not happen overnight but must evolve through experimentation, facilitate the development of an entrepreneurial culture and the creation of desirable social and economic outcomes. In other words, whatever laws, rules, regulations, policies, and institutional frameworks that are formulated and implemented may have to be tested in new environments. Innovation requires experimentation because the organizational capacity to innovate is predicated on a series of experiments which regardless of the failure or success facilitate the creation of new products and services or improvements in old ones that create value (Thomke 2005). The ability of African governments to facilitate entrepreneurship, innovation, and creativity may be contingent upon experiments through pilot programs that help create new institutions that provide a catalyst for economic development. Experimentation represents the vital linkages between the design and testing of new prototypes and often is preceded and accompanied by failure, analysis, evaluation, and more experimentation (Thomke 2005).

Nevertheless, experimentation facilitates the emergence of new practices while obsolete ones decline and disappear. It is an evolutionary process characterized by trial and error. This evolutionary process was recognized by former U.S. Treasury Secretary and ex president of Harvard University Lawrence Summers (Henig 2000):

> What evolution teaches you is that improvements in innovation come in many different forms. That evolution is an invisible-hand process rather than a guiding-hand process. So it inclines one

> toward a set of public policies that support a very dynamic and competitive economy with a lot of different people trying to do a lot of different things, rather than an approach of trying to have people in an office figuring out what's right a laying out a blue print for the future.
>
> The essence of the Newtonian system was that you could predict where Saturn would be in AD 3800. The essence of the Darwinian system is that you can't make the same kind of predictions. And I think that imparts a certain humility to government as we make economic policy. On the one hand, it inclines us toward deregulation, and on the other hand, it teaches us that the broadest environment is the best parameter in which evolution is allowed to operate….It's not an accident that Silicon Valley happened in the United States rather than someplace else, it is a reflection of American public policy.

Summers may be reiterating Formaini's (2001) assertion that "entrepreneurship is not planning by groups or management decisions by corporate bodies, but the exploitation of perceived opportunity by individuals based solely on personal judgments and visions that others either don't see or can't bear the risks of acting on" Entrepreneurship is characterized by innovation—new combinations—which thrive on experimentation.

In Africa many of these institutions taken for granted in developed nations do not exist. However, their absence creates tremendous opportunities for the rise and emergence of institutional entrepreneurs in all sectors of the African society. It is therefore imperative that economic development policy makers and practitioners create conditions, identify resources, and broker productive and collaborative partnerships among networks of human and intellectual assets in the communities across the continent in order to bring a holistic, community-based perspective and collective action to the economic development agenda.

Africa is desperate for a myriad of institutions in a wide range of social and economic sectors. The absence these institutions creates tremendous opportunities for institutional entrepreneurs to emerge and facilitate the continent's social and economic transformation. Such policies will be aimed at securing private property rights, promoting sound monetary and fiscal principles, advancing free trade, enhancing economic independence, and contributing to economic growth and development. In contrast, unprotected property rights, uncontrollable inflation, high taxation and protectionism lead to economic stagnation (Boettke 2007). African leaders and governments have the responsibility and obligations to create conditions and institutions that will facilitate the recruitment and retention of entrepreneurs who will pioneer innovations that will accelerate Africa's development and improve the living standards of her people. Many of these innovations and institutions that are transforming and accelerating development on the continent have been catalyzed by Diaspora Africans. In the next section, I briefly discuss micro-level development initiatives catalyzed by Diaspora Africans and show how they are uniquely positioned to occupy roles as 'institutional entrepreneurs' and execute roles as boundary spanners in pioneering much needed institutional change on the continent.

THE ROLE & CONTRIBUTION OF DIASPORA AFRICANS IN AFRICA'S ECONOMIC DEVELOPMENT POLICY & AGENDA

Africa is the most resource-endowed continent (Sautman & Hairong, 2007). As the second largest continent with a population of 930 million (IBM Global Study 2006; Mills, 2006), and the fact that 21 of the world's 30 poorest countries are located in sub-

Saharan Africa and thrive on between $1 and $2 a day (Pralahad, 2006; World Development Report 2005), tremendous opportunities exist for the design, production, and distribution of goods and services for this huge market. However, the potential for such a huge demand in goods and services will be irrelevant if the citizens cannot afford to purchase them to improve their living standards. This suggests that the most important priority for African leaders and governments is to create conditions that will facilitate the recruitment and retention of entrepreneurs and investors to apply their creative and innovative drives to respond to this market.

Africa needs develop her human capital by improving their capacity to respond to the demands of a knowledge economy as well as engaging the private sector. While African nations are beginning to recognize the importance of generating more value from the continent's resources through value chain activities, there is still more to be done. Africa needs to also leapfrog into the 21st century by expanding internet access and deploying state-of-the-art communications technologies that will boost productivity and support the development and expansion of a services economy.

Access to capital, especially microfinance is critical for leveraging and expanindg her informal economy. Many of these sectors represent tremendous opportunities for Diaspora Africans. The African Diaspora has been defined as consisting of (i) people of African heritage who "involuntarily" migrated to North America, Europe, the Caribbean, Brazil, and Latin-America; and (ii) people of recent 'voluntary' migration from Africa (World Bank, 2007). Similarly, Mazrui (2001) distinguishes between the "Diaspora of Colonialism" from the "Diaspora of Enslavement". The latter includes survivors of the Middle Passage and their descendants while the former represents survivors of the partition of Africa in exile and their descendants. The Diaspora of Colonialism are casualties of displacement caused either directly by colonialism or by the aftermath of colonial and post-colonial disruptions (Hine & McLeod, 1999; Bute, 1997; Harris, 1996; Coniff, 1994).

The Diaspora of Enslavement, the so-called African-American group constitutes about 12% of the U.S. population while the "new African immigrants" group in North America and Europe represent about 3 million – one million in the U.S.A., 282,600 in Canada, and 1.7 million in Europe (Laryea & Hayfron, 2005; Tettey & Puplampu; Meyer, 2001). The former has been very active in advocating and shaping U.S. policies toward Africa through the Congressional Black Caucus, and other national African-American institutions and NGOs such as the Constituency for Africa. They have lobbied the U.S. administration to respond to major challenges in Africa. For example, some of their most notable advocacy on behalf of Africa resulted in the enactment of the *African Growth and Opportunities Act (AGOA),* and substantial aid for preventing the devastation of the HIV/AIDS pandemic that is decimating the continent.

The African Diaspora has an impressive human capital. A survey of African PhD students in the U.S. and Canada in (1986-96) showed that about 44% decided to stay in the host country after completion of their advanced studies (Meyer, 2001) contributing to significant increases in their population in the last 10 years, and resulting in the fact that more than one third of Africa's highly qualified human resources are presently in the Diaspora (*Financial Times*, 16 July 2004, cited in IOM World Migration Report 2005). Conversely, the high rate of highly educated Africans who opt to stay in their host nations has had an adverse impact of African public and private sector institutions. Public services and businesses lack qualified and competent human resources. Many university faculties have high student-faculty ratios. Many state-owned enterprises have has serious management and financial difficulties and failed, and service delivery is considered the least effective in the world. As a result, African countries rely on high rates of international consultants for implementing Bank and donor-funded projects. Quite often, the performance of these projects is poor as some of the expatriate experts lack the knowledge of the local factors which are necessary for successful implementation. There is recognition by Donors and development partners that given the high level of expertise among African immigrants, mobilizing a small fraction of these capacities would provide a significant contribution to the development efforts in Africa (Meyer, 2001; World Bank 2007).

The role and contribution of Diaspora Africans in Africa's economic development policy and agenda is predicated on the acquisition of professional knowledge, skills, and competences as well as the gain attainment of extensive experience and exposure working in the advanced economies and access to problem-solving methodologies and perspectives compared to counterparts at who remained at home. Most African immigrants in North America may have acquired their elementary, secondary, and undergraduate education in their native countries. Graduate and professional education and socialization in developed countries provided them with an added dimension to problem-solving and knowledge of the way things are done, which enable them to discern between state-of-the-art practices and the way things are done in their home countries. In essence, Diaspora Africans have been exposed to, and participated in the multiple institutions of their host developed nations. As a result, the potential role and contribution of the African Diasporas lies in the institutional innovations they can introduce in their home countries concerning the problem solving techniques and technologies, heuristics, protocols, and standard operating procedures. Their aggregate capacity for institutional innovation has been evident in the contributions and applications development they made in their countries' acquisition and exploitation of new tools of communications in media development.

The African Diaspora is involved in many activities which benefit their home countries. Besides their human capital, Diaspora Africans, as a collectivity, are financially endowed and providing regular remittances which catalyze many development projects. A World Bank estimate of documented remittance flows to Sub-Saharan Africa in 2003 is $4 billion (Sander & Maimbo, 2005; World Bank 2007) These remittances provide much-needed finances for ensuring household security and alleviating poverty. Remittances also help siblings, kin, and friends to start or expand businesses; build houses, and undertake self-financed projects and investments. As social networks, African Diaspora are organized and mobilized through hometown associations and groups for community development and execute roles as cultural ambassadors, maintaining and extending public infrastructure (schools, hospitals, health centers and roads), and donating clinical equipment, computers, books, generators etc., for public use. As networks of professionals, entrepreneurs, and investors, they share information with peers, and organize periodic field visits to home countries to provide services in areas of expertise. These activities are small-scale and hardly coordinated. Moreover, the impacts are not measured or are the lessons learned shared for the replication of good practices.

The social and cultural capital of Diaspora Africans is characterized by the relations they sustain with the continent through kinship, friendship, and other professional ties. Although

African Governments and the African Union have begun the process of engaging the Diaspora, the lack of a viable public policy to harness these underutilized resources is a serious concern for many especially when compared with global practices elsewhere. As a result, institutional relationships and mechanisms of engagement between home countries and the Diaspora are very weak or non-existent. The search for practical global policy solutions to tap Diaspora resources recently caused the World Bank (2007) to study the issue and explore the development of mechanisms designed to engage the African Diaspora.

There are several modes of engagement with the Diaspora which will determine the success of the program. These include: (a) *permanent return* to the home country. This is suitable for those immigrants who are approaching retirement and would like to return to their home country; (b) *short and long-term placements*. This is also conducive to some Diaspora who has commitments in their home countries because of family, children education, mortgages, career advancement, etc.; and (c) *virtual 'return'* of talents and skills. The ubiquity of ICT creates opportunities for year-round and intensive knowledge sharing and virtual service delivery between the Diaspora and home country actors for local capacity development e.g. clinical diagnosis, student supervision, and policy consultations. The above depend not only on addressing the obvious economic cost of return, but also on mitigating the relevant emotional, social, and professional costs.

The argument advanced in prior decades that Africa lacked competent managers may no longer be acceptable in the 21st century given recent empirical studies confirming increasing human capital capabilities and competencies of Diaspora Africans, many of whom have acquired advanced education and professional expertise in developed nations, and create and sustain relations with the continent based on their moral and social obligations. For example, Meyer (2001) found that 44% of African PhD students in the U.S. and Canada between 1986 and 1996 opted to stay in the host country after completion of their studies, and that the election to stay in their host country has increased in the last 10 years resulting in the reality that over a third of Africa's highly qualified human resources are embedded in the Diaspora (*Financial Times*, 16 July 2004, cited in IOM World Migration Report 2005). The increasing frequency of highly educated Africans who elect to stay in their host nations after their studies has had a significant adverse effect on the performance of public and private sector institutions in Africa including the lack of competent and capable human resources; high student-faculty ratios; grave management and financial challenges and failures of state owned enterprises; and suboptimal service delivery in the world.

It does not come as a surprise therefore that the dependence by African nations on qualified international consultants is high when it comes to the implementation of Bank and donor-funded projects (World Bank, 2007). Frequently, most of these projects underperform because expatriate experts lack local knowledge critical for successful implementation. As a result, international development financiers and donors now recognize that the recruitment and mobilization of even a fraction of the high level of expertise of African immigrants would provide a significant contribution to the development efforts in Africa (Meyer, 2001; World Bank, 2007).

MICROLEVEL PROCESSES OF DEVELOPMENT: DIRECT AND INDIRECT INITIATIVES OF DIASPORA AFRICANS

Fortunately, the winds of change are blowing swiftly across the continent. A recent study (IBM Global Report 2006) found that Africa has the world's highest growth rate in high school attendance and many students have strong aspirations to enroll in universities. Meanwhile, in response to growing demand, Africa's higher education institutions are pioneering many institutional innovations. According to the Secretary General of the *Association of African Universities*, Professor Akilagpa Sawyerr, *"One thing that's quite striking is the degree to which virtually every university is innovating to cope with their problems…to try to make the most of the conditions they confront."*

Principally, the African Diaspora, like other immigrant groups, contribute to home country in many significant ways: providing much-needed financial support to family and communities, establish small businesses, put private commercial vehicles on the road, stimulating new home constructions and artisan enterprise development, serving as cultural ambassadors, helping to extend and maintain public infrastructure such as schools and hospitals, and their fledging sector-thematic networks are beginning to deliver services in the health and education sectors in particular. While African governments have not been able to use their Diaspora remittances in manners that other regions have (e.g., in securitization), the few immigrants who use official banking channels to remit their families have helped expand banking services, thereby increasing the number of rural people who find it necessary to open and maintain bank accounts, a process toward improved credit access by rural people. These efforts might also have contributed to improved performance of rural banks and possibly breaking the myths about formal banking sector among rural people. Although African Governments have begun to recognize the potential contributions of their Diasporas to home country development, serious efforts on the part of government in terms of strategies and instruments to harness these potentials are lacking, beyond the use of catchphrases (Africa news media are replete with phrases such as "turning brain drain to brain gain") or creating ministerial positions in cabinet or within the Presidency to be responsible for Diaspora affairs but without strategies that engage the Diaspora. As a result, institutional relationships between home country and Diasporas are weak. The highly intellectual and resourced African immigrants however make their own efforts to relate to colleagues who have remained or returned to home country institutions such as universities or research centers, providing them with current literature and occasionally linking them with research interests in the advanced countries.

Most of the initiatives catalyzed and capitalized by the African Diaspora consist are "are essentially private, personal and informal" rather than public and professional (World Bank 2007). Hence, they initially focus on immediate and extended family but eventually evolve to institutions such as schools and churches that sponsor and support programs, activities, and events designed to empower them with the education, knowledge, skills, and competencies designed to make them economically viable and independent. In doing so, the African Diaspora, like other Diasporas of the developing world, transfer desperately needed financial resources to needy audiences at the household unit, particularly to rural family levels where donor activities, typically focused on national governments and the formal sector are not able to reach effectively.

A substantial portion of Diaspora remittances are geared toward education and health services for family members including parents, siblings, and their children as well as investments in small scale family businesses, especially in agriculture and trading. As a result, Diaspora remittances have contributed tremendously to the education of young girls, improved family health, and reduction in infant mortality rates.

Several small business development initiatives have been pioneered, sponsored, and financially supported by African Diasporas. Many of these small businesses facilitate the self-employment of their immediate and extended families and including hairdressing, fitter-mechanics, masonry, carpentry, arts and crafts, etc. – and family businesses, usually agriculture and retail sectors. For example, the demand for shea butter, an organic recently discovered substance from a plant source with amazing dermatological and therapeutic properties that grows only in West Africa, has also indirectly contributed to improved food processing, packaging, storage, and supply-chain logistics. For example, the demand for *fufu* by some African immigrants has led to development of canned oil palm pulp, and cassava / yam flours replacing the traditional pounding with mortar and pestle. Inspection of food imports into the host countries has uncovered some malpractices, e.g., artificial coloring of oil palm produce with dangerous chemicals, etc., thereby improving quality of foods sold in the home.

Besides direct investments in family agricultural businesses, Diaspora Africans demonstrate a preference for their ethnic foods in the foreign locations. This demand has contributed to an increasing proliferation of ethnic food retail outlets across the nation, especially, in geographical areas—cities and towns—where a significant population of African immigrants reside. The increasing demand for African ethic foods and the corresponding supply has contributed to the creation of jobs, the generation of incomes, and accumulation of wealth, both home and abroad. In addition, it has contributed to the growing popularity of African dishes and the number of African restaurants and chains specializing in African dishes in host nations. A recent New York Times article (date), for example, featured *Papaye*, a new and emerging restaurant chain in the Bronx, New York specializing in Ghanaian dishes. Moreover, the demand for African ethnic foods has also indirectly contributed to improved food processing, packaging, storage, and supply-chain logistics. Similarly, the demand for *fufu* by some African immigrants has led to development of canned oil palm pulp, and cassava / yam flours replacing the traditional pounding with mortar and pestle. Inspection of food imports into the host countries has uncovered some malpractices, e.g., artificial coloring of oil palm produce with dangerous chemicals, etc., thereby improving quality of foods sold in the home market as well.

Many African Diasporas belong to Hometown Associations in their host nations which are organized along towns, villages, and ethnic lines. Through these organizations, African Diaspora contribute to community development by providing financial, human, and other resources to support development projects pertaining to the construction of schools, hospitals, libraries, and public service units in their hometowns and villages – much more consistently and to a higher level than delivered by governments and donors through community-driven development (CDD) instruments. For example, members of the Council of Ewe Associations of North America (CEANA), an umbrella group of Ewe people of Ghana, Togo and Benin recently (July 2007) provided communal labor and $25,000 toward construction of three-unit classroom complex for a junior secondary school in Ghana. CEANA had in the past undertaken various activities, including donation of about $3.4 million worth of medical equipment to ten hospitals in Ghana and Togo. The items included an electro-cardiogram and large quantities of hospital supplies. Many African immigrant groups operate scholarship programs for needy students pursuing secondary education in their home communities.

Contributions by Diaspora Africans in basic infrastructure are especially evident in real estate development. This is because a substantial number of new home constructions in many urban centers in Africa belong to Diaspora Africans resident overseas. This has boosted the construction industry and increased and number and diversity of small businesses specializing in the manufacture of brick, masonry, electrical materials, woodwork, carpentry furniture, roofing industry, doors and window frames, etc. Besides real estate development, Diaspora Africans, especially those in Europe have contributed to the growth band expansion of private commercial vehicle ownership in the home country, making transportation to rural areas where the bulk of farms and commercial agriculture developments are located.

Perhaps, the most significant contribution of Diaspora Africans in According to the area of national economic growth and development may come from the economic power of their aggregate remittances. Remittance flows represent the largest source of financial flows to developing countries after Foreign Direct Investment (FDI), and exceed FDI flows for many countries. They are also more stable than other capital flows such as FDI, ODA and capital market flows. According to the World Bank (cited in Sander and Mainbo 2005) out of the $88 billion recorded in remittance flows across the world, Africa attracted about $12 billion in officially recorded remittances in 2002, or about 15% of global remittance flows to developing countries in 2002. Sub-Saharan Africa received $4 billion, or or 5% of the global total, while North Africa alone accounted for about $8 billion (10%). But the recorded remittance flows to sub-Saharan Africa do not reflect the true picture of the contributions African immigrants make to their economies as unrecorded flows are exceptionally high. In Sudan, for example, informal remittances are estimated to account for 85% of total remittance receipts. Remittances can significantly improve the recipient country's credit ratings.

We live in an information economy. Not surprisingly, the development of new infrastructure, especially, in information and communications technologies (ICTs)/Internet, is critical for accelerating Africa's development. This sector has witnessed the role and contribution of Diaspora Africans in facilitating the transition and transformation of their home countries
home countries to state-of-the-art . For example, Africaonline, was started by Kenyans who were then students at MIT. Today, as a business, Africaonline has become of the major ISPs on the continent. Similarly, Ghana's Network Computer Systems (NCS, owners of www.ghana.com) was the brainchild of a Ghanaian who had spent some time in the U.S. In the same vein, some members of the Association of Nigerians Abroad - ANA) are reported to have put their expertise in electrical engineering at the country's disposal when this sector was being privatized.

As the continent of Africa rides on the wave of major institutional change, advocacy is increasingly becoming a viable strategy to facilitate economic development in all sectors of society. Advocacy is indispensable for the creation of new institutions and/or the modification of existing ones and has been defined as the the mobilization of political and regulatory support (Elsbach and Sutton, 1992 through direct and deliberate techniques of social suasion (Galvin, 2002). The increasing presence, recognition, and visibility of the role and contributions of Diaspora Africans in the economic arena, through their remittances, has led to their call and demand for formalized mechanisms that will create opportunities for their representation and participation in the political process of their native countries, especially in the promotion of good governance. For example, in recent years, Diaspora Africans have begun demanding participation in the home country political process and many have sought or are increasingly seeking elected office in their home countries, including as members of their national legislatures and even as presidential aspirants. The formation Diaspora Voters Committee (DVC) by a group of Ghanaians resident abroad has aggregated and channeled advocacy and lobbying of the Ghana Government for implementation of the Representation of Peoples Amendment Act (ROPAA, passed by the country's Parliament in 2005) to enable Ghanaians abroad vote in the 2008 general elections. The leaders of the DVC undertook careful study and research of the laws of other countries such as the Philippines and Senegal on best approaches to implementation. DVC, in anticipation of the country's Electoral Commission guidelines, has prepared unofficial Questions and Answers for public information, education and discussion. Sometimes, fundraising banquets are organized by Diaspora Africans.

In the health and education sectors, Diaspora Africans have contributed to the provision of access to basic services. Several evidence points to the establishment of links by highly educated Diaspora Africans with academic and research institutions in home countries to supplement instruction, tutoring, collecting and distributing materials (books, computers, medical supplies, etc.) and mobilizing their host countries to assist in these efforts. Several notable examples abound. The formation of collaborative partnerships between academic and research institutions in host and home countries is increasing. For example, the Ghana Institute of Management and Public Administration (GIMPA) has for the last couple of years recruited Diaspora African faculty from American universities to design MBA curriculum as well as provide instruction on compressed schedules during June/July and January/February. In addition, Diaspora African faculty at American Universities have engaged in study abroad tours to Africa. In some cases, foreign students have also conducted part of their thesis research in Africa while African faculty gain opportunities to interact and build professional relationships with colleagues in North America.

For example, a Biotechnology Internship Program was designed to expose faculty members from historically black universities in South Africa to cutting-edge biological research in the U.S. The program facilitated the formation and development of collaborative arrangements between six African faculty from six different institutions and their counterparts at Towson University's department of Biological Sciences. The program was k part in this program, which was fully supported by the U.S. Information Agency. Similarly, a South Africa Professors Summer Research Program was also funded by USAID; A similar Summer Research Program—a collaborative partnership between the James Madison University (Virginia, U.S.) and University of Cape-Coast (Ghana),sponsored by the National Science Foundation, enabled undergraduate students at James Madison University to conduct selected research in sub-Sahara Africa, extending their educational experiences at the global level in areas such as ecology, environmental science and conservation biology.

CONCLUSION

Africa is at the cross roads where important long term investments in economic development policy and agenda would have to be executed to lift the continent from crisis and decline. Therefore, the fundamental duty and responsibility of African leaders and governments is to create the conditions and institutions that will facilitate the recruitment and retention of entrepreneurs who will pioneer innovations that will accelerate Africa's development and improve the living standards for her people. This paper has identified the flaws and weaknesses with proposed solutions to Africa's development challenges and offered entrepreneurship as a strategy of economic development. It has also argued that entrepreneurship offers tremendous opportunities for the continent. In addition, it has discussed how Africa's institutional vacuum creates opportunities for institutional entrepreneurs and emphasizes the indispensable role and contribution of Diaspora Africans can play in accelerating development on the continent. It behooves African leaders and governments to embrace and adopt entrepreneurship as a strategy for advancing economic development on the continent through policies and practices that facilitate the recruitment and retention of entrepreneurs.

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