

Local entrepreneurs empowering Africa and reconstructing African identity

By: Anna Carle

I remember visiting Addis Ababa in the spring of 2013 and how astonished I was sitting in the boiling van, observing the chaotic and hectic streets of this vibrant urban city, known as the political capital of Africa. Coming from the spotless and strictly systematized city of Stockholm on a first time visit to Africa, my first impression of the continent was not the best. I saw thin cattle walking on the streets, huge piles of garbage, and deprived locals sitting by their market stands on the dirty outskirts of the busy roads. Little did I know that I was visiting a city that was in the midst of blossoming entrepreneurial activity. It was after my first meeting with a UN ambassador in the gardens of the UN centre in which I understood that my first observation of the city and its inhabitants was a complete misjudgement. The ambassador informed us that these simple market stalls and the cattle walking in and out of the city are signs of local entrepreneurial activity. The inhabitants of the city are taking their own initiative to gather crops from the fields, or manufacture their own baskets and sell in their own stalls. These are clear examples of independent actions that are not only happening in Addis Ababa but in many other African regions, which is now encouraging empowerment and reconstructing the African identity.

‘Empowerment’ is the process of gaining freedom and power to do what you want or to control what happens to you¹. It is necessary to emphasize here the importance of African empowerment being a process of gaining freedom and power independently in order to achieve it truly. Through independency, Africans themselves get the opportunity to create their own identity. These two concepts are intertwined, as African empowerment today is constructing and reproducing African identity.

Declaring the issue of independency the debate about foreign aid can be addressed. Western humanitarian aid is one example of external initiatives that have in many cases inhibited rather than fostered growth in Africa. Since the 1950s, international aid agencies have sent one trillion dollars of aid to the African continent in attempt to

¹ <http://dictionary.cambridge.org/dictionary/english/empowerment>

reduce poverty (Acemoglu & Robinson, 2014). However, seventy years later African nations still top the rankings of the poorest countries in the world (Gregson, 2017). In *Dead Aid*, Moyo presents the major issues that monetary donations are causing; not only does it encourage corruption, but it also kills local entrepreneurship. By donating aid without requiring interest, the demand for domestic production decreases. It causes the state to become dependent on healthcare and necessities from wealthier countries, without encouraging leaders to initiate health and education programmes independently. As a result, the African notion of identity has become globally associated with poverty.

However, today one can see local initiatives being made on grass root level, independent of Western aid and influence. Ekewke (2016) discusses how the spread of local entrepreneurship in many African nations is caused by the collapse of the commodity boom, which has forced citizens to find different ways to survive. The Great Recession led many African professionals living in the U.S. and Western Europe to return home to their native countries. These individuals who have had international experience, started partnering with local professionals. Together they have engaged in solving local problems and have come to create own innovations, competing on the international market. Obonyo (2016) argues that the high amount of unemployment and weak economy has led people to start small business in order to provide for themselves and their families.

The African Development Bank Group (AfDB) launched this year their African Economic Outlook (AEO) report, which presented that 22 % of Africa's working age population are starting new businesses, topping the ranks of any other region in the world. Small and medium enterprises (i.e. those with less than 20 employees and maximum 5 years of experience) comprise the largest providers of the formal sector jobs in sub-Saharan Africa (Copley, 2017). Together, Nigeria and Zambia constitute 39.9 % of the top 10 countries with highest percentage of adults starting a business. Malawi and Ghana take third and fourth place after Ecuador, with 28.1 % and 25.5 % respectively. Additionally, the African population shows to have the least fear of failure compared to others; Zambia, Uganda and Malawi have rates as low as 15% compared to the United States with 31% and the UK (36.4%) (Kermeliotis & Veselinovic, 2014).

African leaders have come to recognize these local initiatives and are implementing policies to encourage and facilitate entrepreneurial activity. Governments are moving from engaging in necessity entrepreneurship, to opportunity entrepreneurship as well. The government of Uganda, for example, has implemented an entrepreneurship strategy that focuses on skills development, resource provision and access to markets. The country now has taken place as one of the top ten on the entrepreneurship list (Obonyo, 2016). However, there are still many obstacles that hinder entrepreneurship in the continent, for example expensive electricity supply and restricted access to finance (Copley, 2017). African governments must initiate policies such as tax relief, expanding firm's access to financing, and passing laws and regulations that favour entrepreneurs. This will create more employment opportunities and stimulate economic activity, empowering not only local entrepreneurs but state governments as well.

It is through these independent initiatives, on local and governmental level, that are empowering the African nations and their people. Through entrepreneurship African citizens are themselves deciding the course of their own future, and are given the opportunity to empower themselves independently. In this process African identity is becoming constituted and reproduced, as a stronger, more liberated one.

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