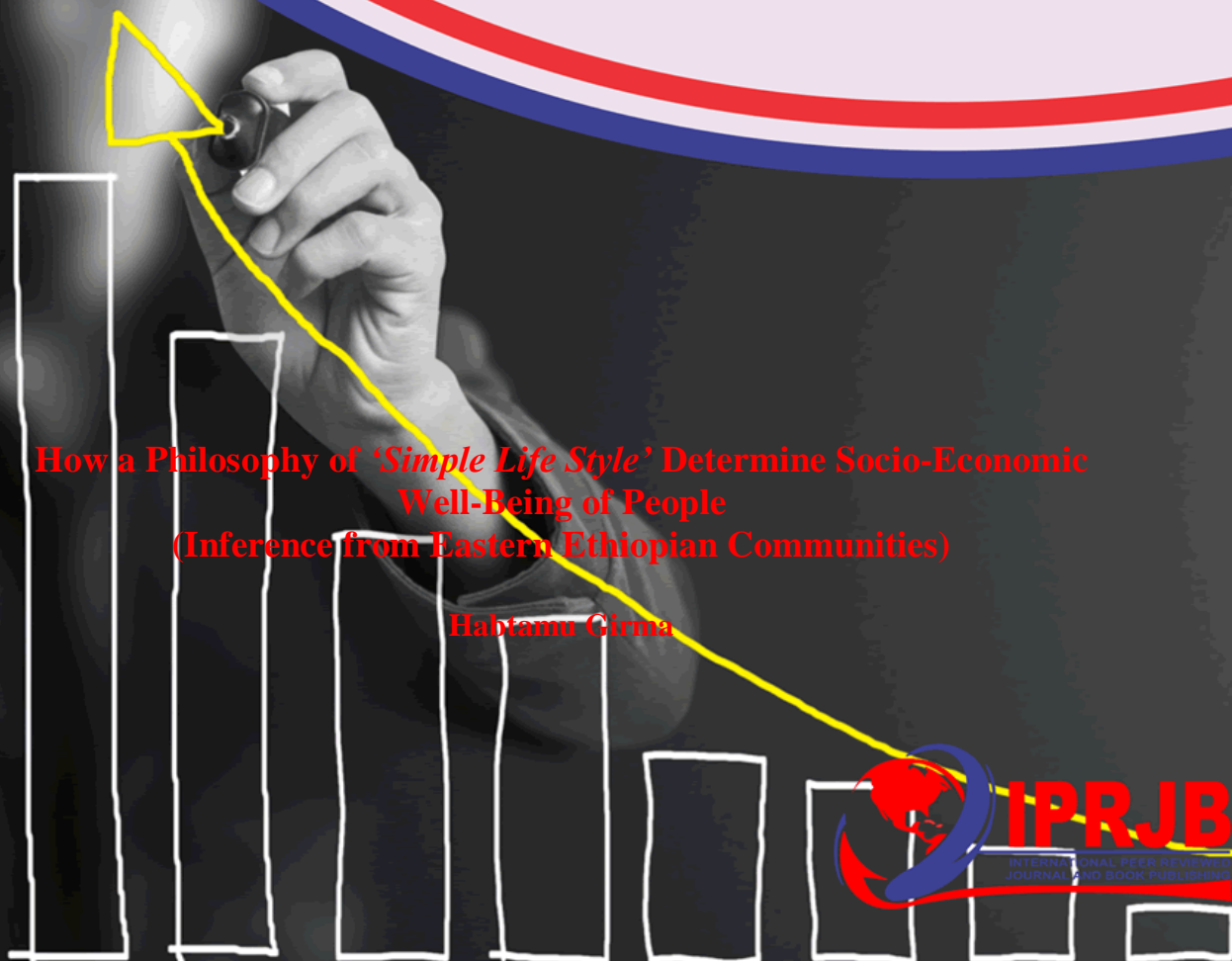


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**How a Philosophy of 'Simple Life Style' Determine Socio-Economic Well-Being of People  
(Inference from Eastern Ethiopian Communities)**

**Habtamu Girma**



## How a Philosophy of ‘*Simple Life Style*’ Determine Socio-Economic Well-Being of People (Inference from Eastern Ethiopian Communities)

Habtamu Girma\*

*\*Lecturer, Department of Economics, Jigjiga University.*

*Corresponding email: [ruhe215@gmail.com](mailto:ruhe215@gmail.com); [hab200517@yahoo.com](mailto:hab200517@yahoo.com) .*

*Tel:- (+251)- 912- 06 40 95.*

### Abstract

**Purpose:** Norms, values and social capital are powerful governing forces than conventional rules and principles in the context of eastern Ethiopian communities. By assessing the socio-cultural environment specific to the area, the study tries to make inquiries into the nature, sources and implications of those norms and values.

**Methodology:** Both primary and secondary sources of information were employed, with in depth Interviews (IDI), focus group discussions (FGDs), key informant interviews (KII) were the major sources of information. As the researcher is involved in the community for over five years, personal observations was integral. The study is conducted based on the principles that features a formative research. To understand the nature, causes and socio-economic implications of the prevailing norms and values in eastern Ethiopian communities, the study consulted psychological, anthropological, sociological and economic theories. To further deliberate and consolidate the issue, FGDs and KII were made with community leaders, elders, residents, and government officials living and working in the major cities in east Ethiopia. Moreover, the issue was discussed and debated in the Third Annual Conference on Eastern Ethiopian Economies, where scholars specializing in different disciplines: economics, management, marketing, public Administration, sociology, psychology, anthropology, agronomy, among others, belonging to the three universities operating in eastern Ethiopia, namely Haromaya University, Jigjiga University and Diredawa University were in attendance.

In due course of making analysis and explanations, the study employs descriptive technique of data analysis.

**Study results and conclusions:** The study concludes that the philosophy of life cherished in east is an easy life style, as its adherents prefer to call. Such a life style conducts the behaviors of people by making them develop norms and values, which are characterized by three inter-related aspects. As such, people that value this life style: a) have a tendency to over-simplify things; b) lack the minimal patience and considerations required before decision making or acting; c) tries to avoid the negative aspects of their decisions. These three values further install into the community a social fabric that is ultimately designed to avoid risk or uncertainties in life. A social capital, which reveals itself in mutual help, interdependence and information flows is the pillar of the installed social fabric that define people’s material and spiritual well-being. That explains why norms, values and social capital are powerful forces that regulate the social and economic life in the communities of eastern Ethiopia.

**Policy recommendation:** This paper further tries to make some inferences implied by these shared norms, values and social capital in the context of peoples' socio-economic life. In this regard, the valued life style in east has a number of positive and negative implications that can potentially attract the attentions of academicians and policy practitioner. In this regard, integrated and inter-disciplinary approach is relevant while conducting researches, or designing policy frameworks that aimed at enhancing the socio-economic well-being of the people. Government offices and development partners working to promote the socio-economic well-beings of people in eastern Ethiopia should consider those variables integral while designing and implementing policies, programs and projects.

**Key Words:** *Simple Life Style, Norms, Values, Social Capital, Eastern Ethiopian Communities*

## 1.0 INTRODUCTION

What factors explain the socio-economic development? or what factors define the very existence of such an environment which is conducive to bring development? A bunch of interdependent variables of Socio-cultural, political, economic, demographic, geographical, sociological or any other have hands in explaining socio-economic development (McClelland, 1961).

Many researches that are preoccupied by the 'modernity' thinking have regarded ritual practices related to local informal institutions as traditional and 'backward'. Hence, there has been little attention given to understand a variety of rituals performed by local people. It is, however, impossible to thoroughly understand socio-economic setups of people without having insights into some of the local institutions and related rituals, which form some of the components of social capital (Degefe, 2009).

Ethiopia is endowed with diverse ethnic, languages and cultural identities. Indigenous institutions particular to different communities has been governing the socio-economic and political life for generations. The importance of these variables to the well beings of communities is vital. In this regard these variables have to be integral in policies aimed at social economic progress. Hence, it is expected from academicians and researchers how to deal with these variables in a way to complement the conventional policy tools.

The implication of socio-cultural institutions to development is a topic left unexplored in the context of Ethiopian. The existing few related researches are attracted to looking at the role of socio-cultural institutions to the livelihood of rural households (see Degefe, 2009; Tewedaj, 2006) and community development endeavors, like their role in addressing the problem of HIV/AIDS (Selamawit, 2005), soil conservation works (Mintiwab, Abebe, Zenebe and Liyusew, 2013).

Similar studies conducted so far in the context of eastern Ethiopian communities are too inclined to looking the role of social capital to households' food security (see Hassen, 2014; Ahmedin 2014; Ahmed, 2014).

Apart from the aforementioned dimensions, the importance of Socio-cultural institutions to development has another interesting dimension, where it explores how these institutions mould

the behavior of people, which in turn implies to the socio-economic progress (see Sunstein 1997; Young 1998; Weiss and Fershtman 1998; Parakesh, 2002). Hence, if these variables makes people develop traits that are progressive or retrogressive should be enquired. How these traits in turn shape people`s decision making behavior in their social and economic transaction needs to addressed. Such a look has got little empirical response in the context of Ethiopia in general and the Eastern Communities in particular. This paper is meant to fill this gap. By exploring the nature, roots, importance and implications of these institutions to socio-economic development, the paper calls for interdisciplinary studies to develop ways to best optimize these resources to development. The paper further connotes why policy practitioners and other agents working in the area of community development have to integrate socio-cultural institutions in their endeavors.

### **1.1 Objectives**

The general objective of this paper is to explore the nature, roots, importance and implications of norms, values and social capital in relation to the socio-economic life of the eastern Ethiopia communities.

#### **1.1.1 Specific Objectives:**

- i. Explore the governing philosophy of life (social, cultural, economic, political life) of inhabitants of Eastern Ethiopia.
- ii. Whether the philosophy of life cherished help develop the most important traits important for change and development like: personal development, a sense of responsibility, planned life, efficient use of resources like time, money and other tangible and intangible resources is explored.
- iii. With a particular emphasis on the Somali communities, how the social capital in eastern Ethiopian communities understood and managed.
- iv. How norms, values and social capital affect the labor market and unemployment
- v. Invoke the wider intellectual circle and policy practitioners to give the necessary attention to these variables in their respective careers.

### **1.2 Organization**

The paper is organized into four parts. The first part is more of introductory. The second part reviews related literature on socio-cultural values & norms, social capital in relation to socio-economic development. Part Three addresses values, norms common to people of eastern Ethiopia communities. This part further looks into the possible ways and channels the prevailing norms, values and social capital cherished by easterners turn against the socio-economic development. The fourth part concludes the paper by summarizing and figuring out of some implications of the findings.

### **1.3 Sources of Information and Methodology**

#### **1.3.1 Source of Information**

The paper used information from both primary and secondary sources. The primary sources are entirely relied on Focus Group Discussions (FGDs), in depth Interviews (IDI) interviews. In this regard, people from different walks of life living and working in major cities of eastern Ethiopia:

business people, government employees, investors running different projects, elders, and community leaders were interviewed. Discussions with those who have rich experience of the area, academicians, and intellectuals conducted studies in the communities were important as it added insights over the issue considered. Personal experiences were also key sources of information.

The secondary sources of information includes among other: review of related empirical studies; documents and reports of different projects and programs undertaken so far in the eastern communities,

### **1.3.2 Methodology**

In addressing the problem at hand, the paper relied entirely on descriptive analysis technique. To consolidate issues raised a critical look into economic and sociological theories and related empirical evidences were referred.

### **1.4 Limitations**

This paper is primarily developed to highlight the socio-economic and cultural landscape of Eastern Ethiopian communities. As such, it is designed to give those actors (academicians, governmental and non-governmental offices or any other) who seek to undergo socio-economic studies and/or interventions in eastern Ethiopia. As a formative research, the paper might not stick to strict procedures that empirical research might requires.

Moreover, given the fact the explanations as to how socio-economic norms and values implicates to development is subject to variation across different disciplines (like sociology, anthropology or other related studies), readers have to understand that the discussions and explanations made in this paper is in the context of economics.

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Review**

#### **2.1.1. What are Norms and Values?**

Social norms are established by the (positive or negative) values, beliefs, attitudes and behaviors that dominate across a community group. For example, social norms may mean going to school, getting a job, playing sport, respecting elders and others in family and community, and maintaining a safe home environment (NSW/ACT, 2012).

#### **2.1.2 How different are Norms from Values?**

Although the distinction between norms and values looks *prima facie* intuitive, it is difficult to find clear and decisive criteria by which to distinguish between the two. One of the most general distinctions in the normative domain is that between norms and values. Paradigmatic types of norms are duties, directives, moral norms, positive laws, rules regulating specific practices like games, reasoning and language, rules of etiquette and customs. Instances of values are goodness, intelligence, courage, injustice, inefficacy and awfulness (Sindzingre, 1999).

Philosophers have tried to individuate properties distinctive of each domain. However, there is disagreement about whether the suggested criteria can provide sufficient conditions to individuate and distinguish each domain from the other. In his work entitled '*How to Distinguish*

*Norms from Values*, Fassio (2014) used various criteria to differentiate norms from values, as depicted and summarized in the table below.

**Table 1: The difference between norms from values**

<b>Specific Criteria</b>	<b>Norms</b>	<b>Values</b>
<i>Lexical differences.</i>	judgments about norms can be expressed by imperative claims (compare “it is forbidden to trample on the grass” and “don’t trample on the grass!”). This is not the case for judgments about values.	Terms expressing values are linked amongst themselves and organized around the general terms “good” and “bad”.
<i>Psychological distinctions.</i>	Norms don’t entertain so strict a relation with emotions. The notions of obligatoriness and permission do not have corresponding notions in the domain of emotional states.	Values seem to be related to affective and emotional states. For example, admirability and shamefulness are connected to the emotions of admiration and shame.
<i>Syntactical differences.</i>	Judgments expressing norms often possess a logical form involving operators which take propositions or predicates (e.g., “it is forbidden [to trample on the grass], “it is obligatory that [drivers stop When the light is red]”).	On the contrary, normally evaluative concepts figure in judgments in a predicative position. Consider, for example, “the conduct of John is admirable” or “the film was boring”
<i>Gradability.</i>	Gradability is not the case for norms: there are no more or less permitted, forbidden or obligatory actions.	Gradability is a distinctive feature of values. Things can be more or less good, interesting or ugly.
<i>Domain.</i>	norms seem to bear uniquely on actions	Values range on every sort of entity (objects, actions, properties, states of affairs) while
<i>Principles regulating norms.</i>	Norms are committed to constraints bearing on the abilities that agents addressed by norms are supposed to	Values are not committed to principles. We can attribute values to things independently of any relation with human

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possess.e.g if an agent is under some normative commitment, then she must be in the position to comply with such a commitment. More precisely, she must be in the position of freely choosing whether to conform to the norm or to violate it.

agency and human capacities, and we can attribute values to necessary and impossible things. It makes perfect sense to assess as beautiful a necessary law of mathematics or wishful the happening of an impossible fact.

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*Source: Own Compilation Based on Fassio (2014) p.197-202*

### **2.1.3 Norms and institutions**

The institutions are the humanly devised constraints that structure political, economic, and social interactions. They consist of informal constraints (sanctions, taboos, customs, traditions, codes of conduct) and formal regulations (constitutions, laws, property rights). They take the form of regulations as well as ethical and behavioral norms. Regulations and norms can be either formal or informal, and they can have opposing or congruent goals and values. Social norms are standards of conduct, and they differ from cultural norms which are standards of belief based on ethical codes (Sindzingre, 1999).

### **2.1.4 Norms, Values and Socio-Economic Development**

Development can encourage norms that are efficient and more or less egalitarian vs discriminatory in their distributive implications. Norms can reflect the preferences of interest groups. They may or may not move towards improving social justice, as in the case of education where cultural norms frequently slow it down. Norms can regulate excesses of poverty or wealth, and help to reduce inequalities, as well as they may create discrimination and exclusion. Social norms can be either opportunities for, or obstacles to, well-being; legislation can in that case modify these norms if they diminish autonomy, for example, by discouraging individuals to educate themselves or to expose themselves to different concepts of good. Institutions facilitate collective action but also encourage the maintenance of the status quo. Individuals can follow norms from which they derive no benefit, and poverty can perpetuate passiveness and social withdrawal (Johnson 1997; Sunstein 1997; Young 1998; Weiss and Fershtman 1998).

### **2.1.5 Social Capital: Basic Issues**

In today's World, While the global economic system continues to perform efficiently, social development does not how satisfactory results. Economic growth is accompanied by increasing poverty and inequalities worldwide. Too many people are marginalized by globalization. It also makes certain challenges more acute, such as managing immigration and refugee flows, combating environmental degradation and health problems (e.g. HIV/AIDS, Malaria, Ebola) and the possible increase of social and political deterioration. Therefore the economic policies and strategies needs to be revisited in that the individual should be at the centre of development, calling for sound economic policies aimed at social development and eradication of poverty. Today, there is broad agreement that economic development is embedded in social and political

development. As a result, we are witnessing a burgeoning of interest in, *inter alia*, social capital and discussions about applications of the concept across sectors and disciplines (UNESCO, 2002, 7)

The term social capital is subject to many interpretations and definitions. Scholars define social capital in different context. According to Putnan (1993) social capital based on its values, in that societies that has values like generalized reciprocity is more efficient than a distrustful society. Accordingly its benefits lie in its ability to facilitate collective action. For Fukuyama (2000), the norms provided by social capital promote cooperation between two or more individuals and when used for economic spheres, it reduces transactional costs. World Bank (2002) uses the concept in similar way with those of informal institutions. According to the banks development report such institutions compromise social norms or networks that supplement formal laws and institutions; where they work well, they can lower the costs and risk of economic transaction and spreading the risks.

There are two aspects of social capital: cognitive and structural .The former is established and developed through the course of time and well entrenched into the customs and traditions of particular communities. Structural social capital on the other hand is an association established through defined rules and regulations that is supposed to govern members.

### **2.1.6 Social Capital and Conventional Capital**

Putnam defines it something divorced from capital, in the literal economic sense, stripped of power relations, and imbued with the assumption that social networks are win relationships and that individual gains, interests, and profits are synonymous with group gains, interests and profits. For other social scientists like social capital is like other forms of physical capital in the sense economics understands.

### **2.1.7 Approaches to Social Capital**

Social capital is a bundle of concepts rather than a single entity, which may be an advantage in that it is accessible through different disciplinary approaches and traditions. Social scientists have relied on three main approaches to social capital, by focusing on: a) Elements of social structure and networks; b) on the norms and attitudes of individuals; or c) on local governance and political institutions. Each of these approaches has distinct advantages and limits.

According to the first approach, this is predominantly provoked by sociologists, so trust is endogenous to, or is generated within, social structures. Context counts critically to the social interactions that are at the heart of social capital. The second and the third approaches, which attract many political scientists and economists, consider social capitals as interactions facilitated by the density of horizontal or egalitarian civic associations, and/or by specific qualities of political institutions and governance (Prakash, 2002)

## **2.2 Empirical Review**

### **2.2.1 Norms, Values, Social Capital and Socio-economic Development: (The Ethiopian Context)**

The essence of social capital may take different forms for instance, enabling mountain farmers to deal with external shocks through risk-pooling (Rhoades 1988; Prakash 1997; Jodha 1993), in



constituting common regimes for the collective management of local environmental resources, such as forests and water (Jodha 1986; Ostrom 1990; Bromley 1992), or in constructing trans-local associations and social movements to protest against inappropriate and technocratic development (Prakash 1997; Bandyopadhyay and Shiva 1987; Agarwal and Narain 1989).

Despite its importance to socio-economic development, the topic of norms, values and social capital is far less investigated in the Ethiopian context. The existing literature over the issue is largely focuses on how they determine the livelihood of rural households (see Degefe, 2009; Tewedaj,2006) and other community development works, like their role in addressing the problem of HIV/AIDS (Selamawit, 2005), soil conservation works (Mintiwab, Abebe, Zenebe and Liyusew, 2013). All these studies conclude social capital as significant variable for socio-economic development.

In taking the best out of socio-cultural norms values and the social capital the academic circle, the policy practitioners and development agents has to consider these variables in their respective careers. Below is some of the responses from these different stakes in the context of Somali Region.

#### **2.2.1.1 Responses from the empirical Studies**

The link between socio-cultural elements and socio-economic development is far less explored in the context of eastern Ethiopia communities. Hassen (2014) tries to integrate social capital variable (taking community transfers through food gifts as a proxy variable to social capital) as one of the determinants of household food security in the pastoral and agro pastoral communities in Awbere district in Ethiopian Somali Regional State (ESRS). Its finding reveals that social capital positively and significantly determines food security at household level.

In his study entitled *The determinants of household food insecurity* in the case Erer district, Shinele zone of the Ethiopian Somali Regional State, Ahmedin (2014) hypothesized the institution of social capital as one potential determinant among other conventional determinants. The study found out social capital a significant determinant of household food insecurity, where households with better social capital are less likely to be food insecure.

Ahmed (2014) concludes that for the Somali communities the institution of social capital is key to the livelihood of pastoral communities. As such, it works like the modern *credit card system* ensuring households from uncertainties of life that poses threat to their food security. Most importantly, the prevailing social capital fits the socio-cultural context to Somali communities. Given the Somalis are socio-culturally organised in to clan basis, where the clan organisation sets rules and regulations that help a smooth socio-economic order, the social capital facilitates the dissemination and execution of these rules and regulations.

Socio-cultural norms, values and social capital have interesting implication for socio-economic progress as they shape the behaviors of people. These variables largely affect development by implicating on people`s outlooks and perceptions like: punctuality, personal development, a sense of responsibility, planned life, work spirits, innovativeness, efficient use of resources like time and money. Such a look is far less explored in the empirical studies.

Referring to Eastern Ethiopia communities, this paper tries to explain the possible links between socio-cultural norms, values & social capital and development. Also, it shades light on the

importance of integrating the variables in their respective endeavors so that they could be important ingredients as well as facilitators of development.

### **2.2.1.2 Response from the Policy Practitioners and other Development Partners**

There are very limited efforts so far in integrating norms, values and social capital in development endeavors and policy frame works. Initiatives to inscribe these assets in endeavors that would enhance the people`s well-being is forwarded in section 4.1

## **3.0 NORMS, VALUES AND SOCIAL CAPITAL: CASE OF EASTERN ETHIOPIA COMMUNITIES**

### **3.1 Nature, Source and Implications of Norms and Values**

There are two distinct instances where values are understood: *ethical values* (normative level) and which the social sciences may adopt vis-à-vis poverty and *societal values* (descriptive level), which are diverse but include the minimum, universal and ethical principles (Sindizingre, 2001). In this paper, values are understood as in the latter sense. There are bulks of evidences in the literature that norms, values and social capital can be developmental or counter developmental. In this part, the positive and negative implications of the prevailing norms, values and social capital in connection to socio-economic development of the eastern Ethiopia communities is addressed.

#### **3.1.1 The Governing Philosophy of Life in Eastern Ethiopia**

Social norms and values differ from community to community and family to family (NSW/ACT, 2012: p 42). As there prevails varied norms and values across different communities within eastern Ethiopia, still there are norms and values commonly shared by all. Those shared norms and values are simply manifestations of the common philosophy of life cherished by people. The governing principle of life for many easterners commonly could be reflected as in the following:-

- ✓ There is a sense of over-simplifying things and decides accordingly.
- ✓ People don't have that patience and interest to critically evaluate on issues before making decisions.
- ✓ People are less interested to hear or see the negative aspects of their decision

The three interrelated traits (norms and values) pin-pointed in the previous paragraph in turn makes people develop traits of risk aversion. To that end, the communities designs and establish a social fabric that produces a shield from all uncertainties of life. Such explains the genesis of a social capital, which manifests itself in mutual help, trust and fast flow of information, which in fact fits the nature of social capital prevailing among eastern Ethiopia communities.

#### **3.2 Socio-economic Implications Norms, Values and Social Capital.**

This part explores if the commonly shared norms, values and social capital among the eastern Ethiopia communities could be positive or dysfunctional in relation to the socio-economic development. Whereas the positive aspects are forwarded in the first part, the second part highlights some negative implications of norms, values and social capital.

### 3.2.1 Some Positive Aspects of Norms, Values and Social Capital

#### 3.2.1.1 Facilitates Community Development Endeavors

The role of social capital for community development is stated in many empirical studies (see Puntam, 2000; DeFillipis,2001). The existing fast flow of information, mutual trust and cooperation in east is key facilitator of community development works undertaken by the regional government and other non-governmental development partners. Such is observed in different programs aimed at soil and water conservation programs, livelihood development interventions (like the Disaster DRR, animal and human health development programs).

#### 3.2.1.2 Brings About Social Harmony

The virtue of good communication and tolerance brings about harmony. A sense of togetherness and rich social life is a healing to many with economic, psychological or any other social problems.

#### 3.2.1.3 Income Inequality and Related Social Evils are Less Likely to Prevail

Socio-cultural institutions have massive importance in poverty reduction, guaranteeing just economic order, and more democratic society (see UNICEF, 2002).

The prevailing norms and values in eastern communities endow a sense of trust and togetherness among people, such institutions allow little room for class differences and income inequality. In such an environment social evils like robbery and other crimes are less likely to prevail. As such, norms, values and social capital can be key ingredients of development.

#### 3.2.1.4 Facilitates Business Activities.

#### BOX-ONE

#### *Social Capital: Key Ingredient for Community Development*

*"I am one of the DRR-LR program beneficiaries. The existing good interrelationship and mutual help among the beneficiaries and others is key aspect of the success recorded particularly in soil conservation and water development works, which are among the packages of the DRR-LR program that I am participating"*

Ali Mohammed Aden, DRR-LR beneficiary from kebribeyah district

quiet different pastoral and agro-pastoral communities, where social capital is in many respects is used productively. The interdependences of rural

For many who are engaged in the business, the prevailing social capital, which manifests in trusts and information flows, is a key resource that they don't want to dispossess to stay successful in business. Huge sum of money changes hands between business people. For business people in need of finances but can't access or qualified for banking services, it is their social capital that helps relieve their financial bottlenecks. Check box () is a note from one business man from city of Jigjiga, telling how social capital is important if to be successful.



### **BOX-TWO**

#### ***Social Capital: as a Collateral for Borrowers***

*“I have been in trading activities for more than a decade. Throughout my career, I borrowed from and lend to my fellow traders from few hundreds to hundreds of thousands of birr. It is usual that those in the trading business have such a trust that they not only share finances, but also key information about the market too. In all that, our collateral is our social capital.”*

*A trader in the city of Jigjiga*

### **3.2.1.5 Facilitates Public Sector Works**

The prevailing norms, values and social capital are important resources that could be used to facilitate the government sector works. The dense stock of social capital in east, which is manifested in fast flow of information, is instrumental in facilitating government services that highly require public participation, like in policing; community development works, making the public sector to be transparent and accountable. Although this resource is not taped to its potential, there are some initiatives to integrate these resources in public sector works, as established in the box below.

### **3.3 Some Negative Aspects of Norms, Values and Social Capital**

#### **3.3.1 Makes People Develop Dysfunctional Outlooks**

Looking at the good side of the governing values and norms of communities in eastern Ethiopia, it is also imperative to see these norms and values from the other dimension: the possibilities that it impede socio-economic progress. One possible way is that the prevailing norms and values could lead people develop a psychology not to look for the definite knowledge of the results of their choices. According to McClelland (1961) People develop such a psychology because “*Such knowledge is a source of anxiety because it provides not proof of success but also clear evidence of failure*” (page 99). To be specific, these norms and values could:

- a. Affect people's traits like lust for personal development, a sense of responsibility, planned life, vision and hope
- b. Make people to develop outlooks that lead inefficient use of resources like time, money and others
- c. Negatively affect the work spirit of labor force

- d. Affect the innovative and risk-taking behaviors, the two most important elements of entrepreneurship

As in the case of norms and values, there are instances where social capital may end up counter-productive. When social capital is integrated as input to development, we need to establish optimal dosage in the same way conventional production function establishes for optimal mix of physical capital with other inputs of production. Once that is established we can bring about efficiency and productivity with social capital. Otherwise, social capital would end up counter-productive as pointed out here under:-

- I. Misuse of social capital may result in over-dependence among people, and likely damage their work spirit
- II. Over use of social capital may damage the minimal level of individualism and hence deprives people freedom and power to decide in their personal or economic life.

### **BOX-THREE**

#### **Social Capital and Public Sector**

The Somali Regional state (ESRS) Bureau of Finance and Economic Development (BOFED) tried to optimize the prevailing social capital and norms of cooperation in a bid to live by one of its obligation, which is working for transparency in budget administration. The bureau designed a scheme that could fits the contexts of pastoral and agro-pastoral areas. In those areas where conventional communication networks are hard to reach the communities, one public figure in the locality would be in charge of leading the task of disseminating the local government`s annual budget and how the budge would be allocated to the wider public. The existing strong social ties and links facilitates for the information could easily reach the community members. One interesting issues of the scheme is that the allocated budget is depicted on the camel`s body, so that to pastoralists and agro-pastoralists to the limit the camel reaches could get the information, to get reach those who in case might not have access the

#### **3.3.2 Distorts the Product Market**

Behaviors to avoid the negative aspects of a decision do not fits the *economic man* assumption, which considers people have to make calculations- computing the gains and losses- before decision in economic transactions. The ill defined Simple life style may affect the proper functioning of a market malfunctioning of business activities and hence damages the proper market structure. This is because people takes little bargaining for prices while engaged in market transactions which opens a door for opportunist business men to make wider profit margins by inflating prices and delivering sub-standard products. Overall, the market fails and hence market distortion.

Where such behaviors on people prevails, fixing the market failure

### **BOX-FIVE**

#### ***Corrupt Norms and Values Corrupt the Goods Market***

*“Here the people are not interested to bargain for quality and prices of goods. This is an opportunity for many business men and traders; they can make prices as they please. That is why (not to forget some other reasons too) you may find frequent non-reasonable price increases. I observe price and quality control interventions by the government do not hold, which I can say, is because the community participation is loose, making the implementation of those measures difficult.”*

difficult. Consumer protection policies: like price control, price subsidies, quality and standard control would fail as people are likely be less active in the process of implementing the policies.

### **3.3.3 Distorts the labor market**

The philosophy cherished in east is likely to erode patience and spiritual strength to bear the challenges associated with work. People would avoid works that require higher physical and mental exertions and more attracted to occupations with minimal pain (lower risk and which require little effort). Such a case results in mismatch of labor demand and supply in particular sectors, making excessive labor supply in less painful jobs and shortage of labor in laborious and technical jobs.

The over-inter-dependence implied by the social capital could change the perception of people on work too. Even if unemployed, they feel employed i. e they don't accept they are really unemployed, hence little participation in the labor market. The end result is Wage mechanism in the labor market might not hold, and hence labor market distortions!

### **3.3.4 Labor Productivity**

In addressing issues related to production and productivity what comes first is quality of labor force. Beyond the conventional factors like skill and trainings, there are divergent elements that influence the quality of labor. Traits like industrious mentality, innovative minds, readiness of work forces to be governed by ethics and discipline a particular work requires are important variables greatly affecting the quality of labor. The ill defined simple life style would ultimately make people ignorant of these essentials of labor, which in turn goes against production and productivity.

### **3.3.5 Unemployment**

The over-inter-dependence of people coupled with the ill understood easy life kills the work spirit and industriousness of working hands. Moreover, employment policies aimed at tackling unemployment via skill development and filling financial gaps of work forces would likely be less effective. This is because people are less likely to tap the opportunities for employment and job creation: like availability of credit, technical training

## **BOX SIX**

### ***An Investor Unable to Get Disciplined Labor Force***

*I am an investor engaged in commercial farming in the Shebelle river basin. Currently I cultivated peanuts on 70 hectares of land, and is harvesting my produces. The regional investment bureau and other regional officials were very helpful; the biggest challenge for me was nothing but finding dedicated labor force. There are too many people unemployed around but many of them are unwilling to work, and the existing few who are willing to supply their labor are ill disciplined, with poor working mentality and less determination to work according to their contracts. Once they get their wages, they quit their job and fled to the town, spend their earning on Khat and entertainment, and the next day you see them desperately standing looking for job. Hence, it was too challenging for me to proceed with harvesting works with these workers that I decided to bring 20 labor forces from Babilearea(Eastern Harerghe), to fill my short run labor shortfalls and complete harvesting of my produces. Even if it is costly to do so, this is what I have to do. In the next harvesting season I am planning to have laborers from South Ethiopia, where I think I can get disciplined and dedicated labor forces.*

and other capacity building schemes provided by the government and other developmental agents.

### **3.3.6 Affects Entrepreneurial Efforts**

Risk taking behavior being a key element of entrepreneurship, the prevailing norms and values in eastern Ethiopia communities makes people develop traits to be risk averse. This makes entrepreneur minds to be scarce. Biased understanding of social capital can go to the extent of depriving the minimum freedom and power business people needs to possess in their business decisions.

### **3.3.7 Principal-agent problem**

Work ethics and discipline are the most important aspects in production and productivity. Value for time takes the centre in here. Mis-understanding of social capital and the adverse effects of the ill defined easy life style can damage the employer-employee relationships by promoting free-ridership. Punctuality, readiness to be governed by work rules and regulations is likely to be scarce while free ridership and shirking behaviors are in abundances, which in turn damages production and productivity.

### **3.3.8 Waste of Productive Resources**

A philosophy to avoid the negative consequences of decision implied by ill defined easy life style would make people deny value to economic resources, like money, time or any. Hence waste of productive resources is inevitable.

#### **3.3.8.1 Low Value for Time**

Time is the most important resource that seeks wise utilization if to be efficient in production. Where punctuality is not cherished production and productivity would be compromised.

#### **3.3.8.2 Low saving culture**

When the governing principle is little plan and a tendency to live entirely for the sake of today, little importance is given to such traits like saving money and other resources. Such a life style may give temporary relief, but would never bring lasting happiness. Rather, it erodes the hopes and vision of people, which in turn damages their work spirit.

### **3.3.9 Personal Development**

People celebrating easy life style in its biased form often spend much of their time, energy and resources for entertainment. This largely compromise resources that would otherwise be invested to develop one self, making the skills and know-how of people lag behind the level the

#### ***BOX-SEVEN***

##### ***Norms and Personal Development***

*“I was born, raised, educated in Jigjiga. I have also experiences in Harar and Diredawa. In east few are accustomed with reading. Even those who are well educated are rather attracted to entertainments. I believe such society cannot thrive.”*

*Gosa, resident in city of Jigjiga*



time requires. Such a case would go against policies aimed at enhancing quality of labor and make them likely be ineffective.

### **3.3.10 Social Transactions**

The values and norms of easterners, which manifest itself in the way of life people cherish has a number of implications in social transactions too. That in turn affects the economic life of people indirectly. The norms cherished by people among easterners in its worst case may create negligent minds, making people feel secured, when they are totally unsecured. People rather than guided by implosion (look inside) they will be guided by explosion (look outside) This implies people opt to develop adaptation mechanism, rather than develop the mentality of commitments to face and react problems. In such a community where people are passive and try to externalize their weaknesses, interventions to tackle any socio-economic problems are less likely to be fruitful, which in turn immerses communities in a pool of poverty.

## **4.0 CONCLUSIONS AND POLICY IMPLICATIONS**

### **4.1 CONCLUSION**

- Norms and values of easterners is built on the philosophy of *easy life style*, which manifests itself in good sense of cooperation, tolerance and open communications
- Social capital is not all the same among urban and rural communities with some differences in terms of nature, dimension and importance.
- So far as optimizing of social capital is concerned, there are differences among urbanites and rural people.
- Policy interventions to promote socio-economic status people( employment policies, community development programs or ay related) that failed to consider and integrate socio-cultural context of eastern communities may remain impotent.
- So far, very little efforts made to integrate norms, values and social capital in developmental endeavors.
- Little or no academic and research interest over the topic, despite its profound implications to socio-economic development

### **4.2 IMPLICATIONS**

#### **4.2.1 Implications to Academic and Research Community**

- Explore and identify progressive and retrogressive aspects of socio-cultural norms, values and social capital in relation to socio-economic development.
- Investigate the possible channels that these traits, norms, and values impact the developmental endeavors.
- Scientifically investigate how these socio-cultural elements define the whole sets of life, be it social, economic or political.
- Show the importance of these variables in complementing key developmental policies.
  - For example before studying the financial sector development in the region, it would be wise to explore issues related to saving. For example

before addressing topics related to banking and finances looking into the perceptions of people on the issue is relevant, hence asking:

- How saving is perceived by the community
- Whether people values of entrepreneurial mentalities: like traits to take risks, value for time, value for money
- If the norms and values that people cherish brings about diligence and innovative mentality
- Before practicing policy interventions meant to tackle unemployment, it would be appropriate to investigate whether:
  - Unemployment is really the problem of that particular community. In this regard, it is wise to ask if the people who are actually unemployed accept they are really unemployed or they feel they are employed.
  - Unemployment arises really because of lack of opportunities? Are the people ready to take the opportunities around, like availability of credit, technical trainings and others availed by the government and other developmental agents?
  - Those in the working age group show patience and are spiritually hard to bear the challenges associated with work?

#### **4.2.2 Implications to Policy Practitioners and Development Partners**

- The government and policy practitioners are expected to give the necessary minimal recognition, legitimacy, and rights to organize that allow them to represent the collective interests of poor communities.
  - Where that is not done, policy actors are unlikely to be considered trustworthy enough by the poor to do much more.
- Government and other agents of development should encourage and commit resources towards researches and developments over the topic.
- While policies that encourage progressive and positive aspects of socio-cultural norms, values and social capital are necessary, deliberate interventions are demanding in purging-out the retrogressive dimensions of these variables, if to bring socio-economic change.

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