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POLITICAL INSTABILITY AND AFRICAN ENTREPRENEURSHIP

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NOT TO BE QUOTED UNDER ANY CIRCUMSTANCES.

SUMMARY

Several close observers of African economic development believe that political instability (PI) has stunted economic progress in Africa by decreasing private entrepreneurial activity. However, whether African entrepreneurs themselves regard PI as an obstacle or an opportunity, how they respond to it and how it affects their behaviour as entrepreneurs are questions yet unanswered. This inquiry is the central focus of the paper. The evidence from the African business and political literature, periodicals and daily newspapers suggests no simple, direct relationships between PI, the volume of entrepreneurial activity and national welfare. On the other hand, different kinds of PI tend to create different sets of opportunity conditions for profitable entrepreneurial initiatives. African entrepreneurs have responded rationally to potentially high private pay-offs resulting from PI and resorted to survival strategies to offset perceived and real obstacles. A considerable part of these initiatives are socially unproductive, suggesting the need for African governments to forge mutually beneficial coalitions with entrepreneurs in order to increase national welfare. The real problem is whether reliable coalitions are feasible.

1. INTRODUCTION

The African historical record lends no support to the familiar idea that political instability (PI) decreases entrepreneurial activity. However, the evidence does confirm that different kinds of PI encourage or deter different forms of entrepreneurship. As a result, three decades of unstable political climate in sub-Saharan Africa have changed the character of its indigenous business sector. Indeed, the identity of entrepreneurs, the formality or informality of their enterprises and their degree of creative adaptation, expansion or innovation have all been determined in part by political instability.

Those who see political instability as a curb on enterprise argue that it induces frequent and unforeseeable changes - and hence uncertainty - in the rules of business activity. This interferes with politically feasible sets of coalitions assembled by the entrepreneur and so prevents him or her from operating profitably in the legal or formal economy. Under conditions of instability, state controls intensify excluding the entrepreneur from the mainstream economy and leaving him to carry on his activities underground. The resulting reduction in formal economic activity reduces the state's limited tax base. Moreover, continued instability often leads to withdrawal of foreign financial assistance. As a result, economic development is stunted (Mbaku 1989, pp.58-59). Another version of this thesis asserts that uncertainty arising from PI diminishes the entrepreneur's rewards and contribution to the economy by reducing the availability and marginal productivities of factors of production and disrupting the timing and organization of the production process. Production failure is usually accompanied by increased risk of capital loss and emigration of entrepreneurial and managerial expertise to escape financial hardships and personal political harassment. In this way, the scope of entrepreneurial activity is curtailed (Fosu 1992, pp.830-831).

A major conceptual problem underlying many investigative studies on Africa is that they are based on simplified assumptions about the nature of political instability (McGowan and Johnson 1984; Mbaku 1987; Fosu 1992). Fosu's study, for example, applies an index of political instability at the elite level, taken to mean successful, attempted or planned coups d'état as proxy for political instability in multiple regressions based on a production function framework to show that political instability has a deleterious impact on economic growth (and entrepreneurship) in sub-Saharan Africa. It ignores other important kinds of PI which are the outcome of contradictions in the role of the modern African government.

The present paper defines political instability as "the condition in political systems in which the institutionalized patterns of authority break down and the expected compliance to political authorities is replaced by violence intended to change the personnel, policies or sovereignty of the authorities through injury to persons or property. It is the result of conflict between different groups over the values according to which rewards are allocated in the political system" (Morrison 1989, pp.122-123). Five types of conflict - elite, factional, communal, mass and popular - are examined. The definition of entrepreneurs used here is taken from Marsden as those who "innovate and assume risks. They hire and manage labour forces. They open up markets. They find new combinations of materials process and products. They initiate change and facilitate adjustment in dynamic economies" (Marsden 1990, p.1). The aim of the paper is to examine from the available literature how seriously African entrepreneurs regard the problem of political instability, how they respond to it, and how it affects their behaviour as entrepreneurs. In the next section the origin of PI is traced

to the fragility of modern African governments. The opportunity conditions so created are outlined in a descriptive model in section three. Section four examines entrepreneurs' responses to these conditions and section five concludes the paper.

2. POLITICAL INSTABILITY AND THE MODERN AFRICAN GOVERNMENT

Clapham (1991, p.91) suggests that the modern African government typically contradicts itself in exercising its functions (the purpose for which it exists), its power (what it is able to do) and its accountability (the relationship between itself and the people it governs). First, the state provides basic public needs and the opportunity for individuals to pursue their own goals. However, it frequently grants favours and opportunities for individuals and groups at the expense of their fellows. Second, the country's economic power base and the government's legitimacy, or the moral basis for government, are usually weak, which means it either exercises too much power to survive or too little for fear of rebuttal. Third, its own values and those of civil society which it governs are often irreconcilable. These contradictions usually leave the government fragile and at odds with civil society. The government naturally resorts to the politics of control rather than practise political democracy in order to safeguard its stability and power. Private enterprise, the means by which individuals acquire wealth and power outside government, becomes a threat which must either be frustrated or lured to subjugate to government control. The conflict that ensues is not only between government and private business but also between government and other social groups - students, professionals, academics, chiefs and religious leaders - who are affected by government action. Another dimension of the conflict takes place among a broad range of social groups competing to influence political decision (Chazan *et al.* 1988).

This kind of conflict is classified as elite conflict and takes the form of lobbying, petitions, demonstrations and strikes in a vicious interaction of bad politics and poor economic management. When intense it escalates into *coup* attempts and successful coups d'état. And when injudiciously handled the elites themselves organise their constituencies on the basis of class and ethnic identity to make factional demands. For example, divisions frequently arose between ideologues and technocrats in Nyerere's Tanzania and in Mobutu's Zaire, in which party functionaries, senior civil servants and military personnel contested among themselves to curry favour with the president. The continuous factional conflicts in Nigeria, Cameroon and Sudan are caused by ethno-regional leaders competing for political control. In Kenya, Zambia and Nigeria government has responded to factional conflicts by appointing factional leaders to political decision-making positions. Some military regimes in Ghana (between 1969 and 1979) and Nigeria (in 1979) avoided factional conflicts by succumbing to demands to transfer power to civilian governments. However, the Biafran succession from Nigeria (1967-70) resulted from failure of the Federal Government to accede to factional demands.

To the extent that the Biafran succession developed into a full-scale war, it may be classified together with the Katanga succession in Congo (1960-63), the Sudanese civil wars (1955 and 1962-72) and the civil wars in Chad as communal conflicts. By definition, they are "violent actions by members of one or more communal groups to challenge the state's territorial integrity and protest existing distribution of authority and reward with the aim of redistributing them among communal groups or between communal groups and the national government" (Chazan *et al.* 1988, p.191; Morrison, 1991, p.123).

Another type of PI is mass conflict and involves revolts or revolutions in which insurgents of a political movement attack agents and supporters of

established political authority (Morrison 1991, p.124). Mass conflict is rare in Africa with exceptions such as the Ethiopian revolution which transformed the entire social order following the overthrow of the monarchy. However, popular conflict, in the sense of popular acts of protest and disengagement from formal authority by communities and groups who are socio-economically dislocated, is widespread in Africa in the form of "informal" activities. This form of response reflects a quest for protection from uncertainty, an attempt to control accessible resources in as many ways as possible and a willingness on the part of the deprived to reduce susceptibility to misery (Chazan *et al.* 1988, p.199). In Ghana, Nigeria, Somalia, Zaire, Kenya, Angola and elsewhere, the informal activities are organised through various institutions such as trading alliances, craft guilds and women's associations. But they are not always non-violent. Anti-social activities ranging from armed robbery and gangsterism to black market activities have thrived in the past three decades (Chazan *et al.* 1988, pp.199-200).

No African country is free from any one of these five kinds of political conflict. Different types of conflict appear in different combinations in various countries at stages of the process of political maturing. Political instability does not necessarily have a negative impact on the entrepreneurial role. Out of the various types of conflict, new kinds of political coalitions appear and new entrepreneurial opportunities emerge. The next section explores this thesis.

3. OPPORTUNITY CONDITIONS FOR AFRICAN ENTREPRENEURSHIP: A DESCRIPTIVE MODEL

The following model is based on suggestive evidence from the entrepreneurship literature and defines the theoretical basis of the paper (Broehl 1982; Wilken 1987; Baumol 1988):

(a) Entrepreneurs will generally undertake activities most likely to yield personal wealth and position regardless of whether the activities contribute to productivity increase, economic growth or increase in per capita income (national welfare).
(b) As entrepreneurship is not always productive, it is likely to influence national welfare not only by its size but also by the direction it takes.
(c) The size and direction of entrepreneurship are dependent on the entrepreneurs' private profits or the rewards and incentives offered by current institutional arrangements.
(d) In less developed areas, such as Africa, entrepreneurs seek and realize business advantage more often through political coalitions than through market interactions. Private profits can be substantial under conditions of political instability.
(e) Profits are a function of the type of political conflict which in turn determine the degree of threat to the security of government. The degree of insecurity of government determines the extent of government control, the nature of government-business relationships, and so the security of person and property of the entrepreneur, uncertainty and risk of capital loss.
(f) The government-business variable appears in a general model of entrepreneurial supply (the size of entrepreneurship) as S, where productive entrepreneurship (+E) is equated with national welfare (Y) and is a dependent variable on the function of economic conditions (X) and non-economic conditions (Z) and S such that:

$$+E = Y = f(X, Z) + S$$

The S variable is assumed to be promotional, protective or corrective of business or antagonistic to it. Moreover, it is exogenous and so influences all other variables namely Z X and E.

(g) Determinants of the X variable are the availability and quality of production factors and size and composition of the market. They influence E and Y to the same extent.
(h) The non-economic factors in Z which promote entrepreneurship include: social integration and mobility, non-marginality, high entrepreneurial legitimacy and pro-entrepreneurship ideology and high institutional (social and political) security.

The relationship between insecurity arising from political conflict and entrepreneurship has received diverse interpretations in the literature. Many authors believe that insecurity of all forms increases governmental interference and control, creates uncertainties and threatens the entrepreneur with unnecessary risk as asserted by the primacy of the PI thesis (Easterbrook 1949; Brozen 1954; Brandenburg 1964; and Katzin 1964). Peterson and Berger (1971) as well as Kirzner (1973) hold the opposite view that entrepreneurship is more likely to be enhanced under turbulent conditions than under stable conditions. However, others believe that a minimal security or moderate certainty is necessary (Cole 1959; McClelland 1961 and Kuznets 1966). These viewpoints contrast the Schumpeterian idea that the essence of entrepreneurship is to create insecurity in stable conditions (Schumpeter 1961). But, Redlich (1958) suggests that insecurity does not necessarily decrease entrepreneurship, although it may result in business loss or fear of intimidation by some entrepreneurs who will be unlikely to increase their insecurity by assuming a more entrepreneurial role. We add that as different kinds of political conflict generate a different mix of political coalitions and opportunity conditions, different levels of private pay-offs become attainable which in turn determine the direction and size of entrepreneurship.

We now examine specific entrepreneurial responses to the mix of opportunity conditions generated by political instability in Africa.

4. ENTREPRENEURIAL RESPONSES TO POLITICAL INSTABILITY

The pre-independence historical record of African entrepreneurship reiterates four themes: First, African entrepreneurship was positively elastic to political action. That is, the role of political authority was critical to its success or failure (Iliffe 1981; Hopkins 1988). Second, the continent's entrepreneurs were drawn from diverse social, economic and ethnic groups. Third, the majority of entrepreneurs showed considerable originality in adapting to their external working environments. Fourth, the entrepreneurial spirit stimulated a wide range of activities in trading, artisanal work, farming, transport and small scale manufacturing (Hopkins 1983). These entrepreneurial activities have shifted strategically since the time of independence to take advantage of political instability or to avoid its potentially ill effects. Also, the political role of African entrepreneurs has changed from passive to active agents for reform. The classic idea of Milton Friedman (1962) that "the business of business is business" no longer applies here.

African entrepreneurs have performed this new-found role with considerable self-interest. After nearly two decades of PI and revolutionary climate in South Africa, characterised by boycotts, worker stay aways, international sanctions and administrative breakdown in black residential areas, private sector organisations have formed alliances to promote the cause of political reform. Even so, these organisations, including black business, local white business and foreign business, pursue different strategy sets reflecting their different power bases and constituencies. Black business supports and promotes protest strategies but white business rejects them and rather restricts its involvement to economic issues. Foreign business,

however, deals with a more eclectic range of issues and a wider variety of strategies. This diversity restrains successful involvement (Lee *et al.* 1991, pp.116-124).

Elsewhere in Africa the private sector has largely failed to bring pressure to bear on governments to relax their domination of public policy for a more consultative approach. In 1984, the Rawlings Provisional National Defence Council (PNDC) administration in Ghana decided that the share of the private sector must exceed that of the public sector by 1991 (Tangri, 1991). Despite this commitment, the security and revolutionary arms of government continued to harass indigenous entrepreneurs for unproven offences. The government failed to protect them from the impact of its market-based reform policies including devaluations of the local currency, positive and high interest rates, and unfair competition from cheap imported goods. Further, government intervention strengthened through stringent rules and regulations in employment, taxation, investment and import-export procedures. The private sector responded with anger and frustration and by 1992 more than 500 local industries had closed down (West Africa 1992, p.1572).

According to a recent World Bank report reflecting a vision of Africa's economic future, the central role of its entrepreneurs is to stimulate demand for low-cost products and services that they produce by creating jobs (World Bank 1989). There is, however, considerable difference of views on which entrepreneurs, formal or informal, are better disposed to perform this task. Formal or modern entrepreneurs are those who hire labour and are part of the formal economy; and informal entrepreneurs are the self-employed or micro-entrepreneurs who employ unpaid family members and who usually operate outside official regulations (Marsden 1990, p.2).

The report projects that informal sector employment will rise by 6 percent annually from 1990 to 2020. The sector's contribution to GDP will rise by 7.5 percent annually and its labour productivity will increase by 1.5 percent. However, labour productivity in the formal sector is expected to grow marginally at two percent annually. This means that the formal sector's contribution to total GDP will decline from 47% to 32%.

This scenario - the expansion of informal entrepreneurship and contraction of the formal - can also be inferred from the evidence of the response of Africans in production, commerce and the services to the various types of political instability. Generally, high intensity political instability constrains large-scale production and creates the environment conducive to micro and informal production. Low intensity political instability such as popular conflict induces informal entrepreneurship in all sectors. Consequently, the dualistic structure of entrepreneurship tends to shift towards the informal.

Elite Conflict

In several African countries, elite conflicts explode into military coups d'état to usher in new governments with new macro-economic policies including: price management/liberalisation (such as exchange rate adjustment, reduction or increase in subsidies); budgetary reform and institutional restructuring (such as entrepreneurship policy). Invariably, African governments differ in their attitude toward indigenous entrepreneurs. Some, like the Rawlings regime, the governments of Guinea, Mali in the 1960s under Keita, Benin, Congo Brazaville, Angola, Mozambique, Somalia and Tanzania discouraged indigenous African entrepreneurs from emerging. The obvious response was the growth of informal, parallel or black markets. Some used political power to acquire private property and business interests. This is parasitic capitalism typical

of Zaire and Zambia under Kuanda, the last years of Tubman and the early years of Tolbert of Liberia. However, the political leaderships in Kenya and Nigeria have always allowed local entrepreneurs to play an important economic role (Iliffe 1982, pp.77-87).

Frequent changes in economic policies usually affect public servants, wage earners and the unemployed the most. Their response is to drift to the informal sector, thus creating competition and reducing their earning capacity. To adjust their tastes to match their declined purchasing power, they embark on innovative local repairs. When goods become expensive or scarce, or commodity prices offered to producers are low, informal market activities are the popular response. Producers and speculators smuggle to and from neighbouring countries (Chazan *et al.* 1988, pp.254-256).

An alternative response, quite popular in Ghana and Nigeria, is for displaced urban dwellers to "go back to the land", that is return to their villages of origin to undertake subsistence agricultural production. A few cases of urban professionals turning to plantation agriculture have, however, been reported (Ewusi 1987; Chazan *et al.* 1988, pp.254-256).

Large-scale migration, another adjustment strategy, is dominant in West Africa. During the early years of Rawlings' rule, many Ghanaians migrated to Nigeria and Côte d'Ivoire. This meant, in effect, a flight of entrepreneurial talents to the host countries. However, most immigrants are usually restrained from undertaking large-scale, formal business and are obliged to mount informal enterprises.

Factional Conflict

The political conflict in South Africa may be considered as a special case of factional conflict,taking the form of a racial conflict between blacks and whites. At the corporate level, it is a conflict between the black owners of labour and white owners of capital backed by a racist government. As a result, the private sector functions in an unstable, hostile environment, characterized internally by the sanctions of political uncertainty at the workplace and outside it and externally from international economic isolation. Decades of living under siege have made the industrial sector structurally uncompetitive and entrepreneurs are concerned more with protection and survival than with expansion (Financial Week, April 2-8 1992, pp.24-25).

Given the importance of political stability as a consideration for investors, South Africa ranks 59th just behind China, Poland, Hungary, Israel, Saudi Arabia and Hong Kong (41st) in the 1991 International Country Risk Guide of 129 countries of which the US places ninth. In view of South Africa's relatively unimpressive ranking, its private sector suffers severely from flight of capital and lack of foreign investment.

Communal Conflict

The evidence on entrepreneurial responses to communal confict is rather inconclusive. Large-scale agriculture has been difficult under war conditions although small-scale farming has had mixed fortunes. During the Mozambican war Lonrho, a multi-national, committed about $20 million in agribusiness joint venture and was earning about one million dollars profit annually by 1989. However, it spent 15% to 20% of its production cost on hiring private militias to protect its estates from Renamo attacks. High security cost meant that only large-scale investment in agriculture could be profitable (African Business, June 1991). The war destroyed traditional coping strategies among farming communities and undermined the existing exchange entitlement network

(Mozambique Information Office 1992, p.2). The Sudanese experience was however, different. In the midst of the civil war, the besieged people of Juba turned faeces-ridden waste ground in the city into food plots to produce about a third of their basic food requirement (Daily Times, 6 January, 1992, p.10).

War conditions could also stimulate profitable entrepreneurial initiatives in eco-tourism and the ivory trade. The rebel war in Rwanda boosted neighbouring Uganda's tourist industry when bush fighters sent Rwanda's mountain gorillas scurrying for safety across the border into Uganda. The Ugandan government responded by inaugurating a profitable eco-tourism programme (Africa Analysis, 18 Sept. 1992, p.14). Similarly the war in Mozambique launched a buoyant ivory trade, for guns and war material but drastically reduced the country's elephant population from about 55 000 in 1974 to 13 350 in 1992 (New Ground, Spring 1992, pp.18-19).

In mining and general trading, the civil unrest in Zaire and the war in Angola gave mixed business prospects for South African entrepreneurs. By November 1991 the turmoil in Zaire had sent cobalt prices from $15.50 in September to $25.27 (the average price during the 1970 unrest was $70). Stocks fell fast and as Zaire dominates world production the situation benefitted South African producers - Rustenburg Platinum and Impala Platinum - who extract it as a by-product of platinum. South African exporters found lucrative business in Zaire, from fresh produce, mining and manufacturing equipment to processed foodstuff, taking advantage of the superior quality and cheaper prices of their products. The South Africans appeared also in newly accessible Mozambique, rebuilding hotels, breeding cattle and seeking contracts for the supply of commodities ranging from plastics to shipbuilding items (The Star, 9 October 1991; The Citizen 23 April 1992; Business Times, 10 November 1991). However, the $125 million trade between Zaire and South Africa frequently came to a temporary standstill during periods of looting, arson and riots in Zaire.

The Angolan war created many other unforseen business opportunities for the unemployed, Zairean immigrants and local merchants. The brief return to peace and stability in that country in 1992 meant that patrolling soldiers in key diamond areas be withdrawn to ensure free mobility. When the government introduced a law to legalise the right of Angolans to own and sell diamonds with the aim of mopping up diamond stocks among the population, the unemployed expressed their entrepreneurial proclivity and did a $500 million-a-year business in diamond sales (Southern African Economist, October 1992, p.40). At the onset of the war in 1975, most of the Portuguese immigrants who had dominated the private sector left the country. The openings left in a wide range of skilled and unskilled vocations were filled by Zairean and other immigrants. Parallel markets opened up everywhere to supplement the centrally planned economy which could not afford to provide the people's needs. When the traditional caravan network of long-distance trade collapsed from the destruction by the war of the country's communication infra-structure, the merchants in the highland areas grasped the opportunities of air-transport to ferry goods to other provincial areas. This private enterprise expanded to reach supply sources in Lisbon, Rio de Janeiro and Paris (Birmingham, 1988).

Other parallel market operations were illegal and inimical to economic growth. Refugees from the Mozambican civil war flocked to the country's informal sector. But it became ruled by Mafia-style entrepreneurs, taking advantage of the poor and war-displaced people, by hiring them as hawkers to evade tax. Similarly, the parallel market in politically unstable Sierra Leone became so pervasive that it impinged on the functioning of the formal economy. Most foreign exchange transactions including exports, imports and

migrant remittances were channelled through this market due to lack of confidence in the country's political and economic management (African Economic Digest, 13 July 1992).

Popular Conflict

Socio-economic conditions in most African countries reveal *sustained* deprivation and neglect. These circumstances induce collective informal entrepreneurship within community groups. The groups conduct self-help schemes, operate occupational collectives and undertake profitable commercial ventures. Others, however, run smuggling and black market syndicates which could be socially undesirable. The frustrations of popular conflict manifest themselves also in petty thefts, industrial sabotage, embezzlement, armed robbery, thuggery, tax evasion and other forms of criminal entrepreneurship (Chazan *et al.* 1988, p.199).

The policy of apartheid illustrates an extreme case of this type of conflict. Apartheid literally means that the black communities in South Africa were relatively deprived of basic human needs. Their response was to evolve a distinctive, informal sub-culture, an informal means of human expression and survival. For example, they introduced *shebeens* as underground focal points for recreation similar to the British public house and the American speakeasy, when the white regime prohibited the consumption of "European" alcohol (Nkosi, 1965, p.14; Sampson, 1956, p.703; Nakasa, 1975, p.57; Hart, 1991, p.77). Similarly *stokvels* or rotating savings and credit associations became an immensely popular means by which blacks acquired venture capital in a society where they were deprived access to formal sources of finance. The informal culture is so deep-seated that transforming informal, black entrepreneurship into formal types, is one of the major problems in South Africa's transition to a non-racial, economic democracy.

5. CONCLUSION

A curvilinear relationship between political instability and private entrepreneurship can be implied from the African experience. Entrepreneurs operating large manufacturing enterprises have been adversely affected particularly by high-intensity political instability such as wars. Prolonged interruptions to production, insecurity and uncertainty have squeezed many out of business. At the same time the trading business has become lucrative. Also, both high and low intensity PI have provided favourable sets of opportunity conditions for micro and informal entrepreneurship. The evidence suggests further that socially unproductive black-market activities are widespread, which means that private profits are considerable. In effect, African entrepreneurs have reacted rationally to a wide range of politically unstable situations.

Political instability has modified features of African entrepreneurship in various notable ways. Industrial entrepreneurs have reacted to the disastrous impact of instability on their sector by consulting more frequently with their governments than ever before to influence public policy. However, the interactions are not always cordial. Besides, two changes have accompanied the preponderance of informal business. First, a new breed of operators has joined the sector. This includes well-educated or highly-skilled public-sector workers who have lost their jobs, those seeking to supplement their incomes, and families displaced by conflict particularly the more vulnerable women and children. Moreover, the new breed are more sophisticated in their innovations such as substituting for imported inputs and creating new markets under chaotic political conditions.

The expansion of the informal sector indicates the capacity of the entrepreneurs for adjustment and survival. But the sector alone provides neither the panacea nor the basis for sustained economic development. African entrepreneurs have shown also that given growth-directed incentives from the mixed fortunes of political instability, they have the potential and dynamism to undertake productive economic activities on a wider scale. A successful policy to promote productive entrepreneurship will depend on government-business coalitions accomplished to protect the interests of both parties while seeking to maximize national welfare. Nonetheless, this scenario is improbable for practical reasons.

We have depicted the modern African government as a fragile, insecure institution constantly drawn into various types of institutional conflicts with its constituencies. Consequently, it is difficult to imagine that governments will engage their business sectors in mutually trustworthy coalitions. Coalitions are least likely in Tanzania, Ghana, Benin, Angola and Mozambique where evidence of African socialism or anti-entrepreneurship policy is common. In Zaire, Ivory Coast and Zambia where parasitic capitalism was practised by the political elites any coalitions are likely to be shaky. The most probable scenario could be found in Nigeria and Kenya where post-independence governments have consistently nurtured indigenous entrepreneurship (Iliffe 1983, pp.64-87). Ultimately, African governments will have to show transparency, openness, predictability and the rule of law to win the confidence of their entrepreneur class.

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