Chapter Sixteen


Anita Spring

Introduction
This chapter discusses the “new generation” of African entrepreneurs who were organized into the West African Enterprise Network (WAEN) between 1993 and 2003, as a creation of a project funded by the United States Agency for International Development (USAID) and other donors. The aim was to “strengthen private sector capacity to pursue regional and international business opportunities and to develop and implement a reform agenda targeting trade and investment.” There was not an absence of trade between the United States and various African countries before this intervention, but some of the changes that this intervention accomplished (e.g., enhancing interregional communication and changing cumbersome trade regulations) were helpful to the participant network members themselves and to subsequent trade and interaction between West African countries and the US. It also helped regional trade.

Unlike small-scale informal-sector vendors and other large formal-sector African businesses, WAEN members were and continue to be business globalists. WAEN at its height included thirteen West African country networks. (Two other regional enterprise networks in East and Southern Africa, and a Pan-African network also were formed between 1998 and 2003.) This chapter discusses how data were collected from a sample of men and women network members in Ghana, Mali, and Senegal (interviews were also carried out with members from ten additional African countries in Eastern and Southern Africa). The analysis shows that WAEN members, as their counterparts in the networks in other regions, differ from many other formal-sector entrepreneurs within their own countries because they stress financial accountability and transparency, hold to good business ethics, hire employees outside of kinship affiliation, stress efficient business management and organization, and use the latest technology. They view themselves as players in the global economy and advocate for changing trade regulations. The findings show that WAEN aimed to be the engine of development through private sector expansion using global business methods and ethics.

In the 1980s, one kind of development intervention funded by donor agencies focused on capacitating government policy makers as a means of enhancing trade capacity to strengthen the private sector. However, this brought little success. In the early 1990s, there was a change of focus and US project interventions targeted young, successful entrepreneurs to build business networks as a means of enhancing the private sector. Another aim was to enhance Anglophone and Francophone business connections and break
down trade barriers between countries that often looked to former colonial powers and / or only to their English- or French-speaking partners. It should also be mentioned that the type of interventions changed again in the late 1990s / early 2000s to partnering of businesspersons (business match-making) between business owners in the US and West African countries.

This chapter discusses the formation of a West African business network and its characteristics. It queries WAEN’s efficacy, and assesses how it functioned as role models for modernity and development. Finally, the achievements and weaknesses as perceived by network member, the US donors, and the researchers are discussed. Reasons for the demise of the formal networks are also discussed.

**Origin of the Network**
The creation of an African network of businesspersons stems from a 1991 conference sponsored by the Africa Bureau of USAID, the Organization for Economic Development (OECD), and Club de Sahel, a unit within it. OECD had carried out a study of private enterprise in the late 1980s in Francophone West Africa. It found there was mistrust of the private sector by government; financial lending was limited and short-term; “modern-sector firms” did not do cross-border trade; national markets were small; and private sector organizations were weak (e.g., chambers of commerce and employers’ federations were influenced by government). The conference brought participants from Francophone and Anglophone West Africa, and at its conclusion, participants asked for donor assistance to establish a private sector businesspersons’ network in West Africa. Funding came from two USAID Africa Bureau divisions, and the Implementing Policy Change Project (IPC) began at the end of 1992. As the intervention continued, additional funding came from the other main donors, the World Bank, and Club de Sahel of the OECD. In total, there were six bilateral and two multilateral donors involved, as shown in Table 1. This was the beginning of a ten-year run for WAEN in an intervention project that subsequently spawned an East African network (EAEN 1998–2002) and a Southern African network (SAEN 1998–2003/4) that were comprised of thirty-one national chapters, as well as a pan- African network (AEN 2000).

Table 1 USAID and other donor funding for WAEN and the other networks

<table>
<thead>
<tr>
<th>Year</th>
<th>WAEN</th>
<th>EAEN</th>
<th>SAEN</th>
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<tbody>
<tr>
<td>1993 (USAID)</td>
<td>$400,000</td>
<td></td>
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<tr>
<td></td>
<td>(7 networks)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994 (USAID)</td>
<td>$450,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(10 networks)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995 (USAID)</td>
<td>$450,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(13 networks)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996 (USAID, France, Canada, EU)</td>
<td>$550,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(13 networks)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 (USAID, France,</td>
<td>$550,000(13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Networks</td>
<td>Budget 1</td>
<td>Budget 2</td>
</tr>
<tr>
<td>--------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td>1998 (US, France, WB, Swiss, Belgium)</td>
<td>4 networks</td>
<td>$300,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>1999 (US, France, WB, Swiss, Belgium)</td>
<td>6 networks*</td>
<td>$250,000</td>
<td>$225,000*</td>
</tr>
<tr>
<td>2000 (US, France, WB, Swiss, Belgium)</td>
<td>7 networks</td>
<td>$300,000</td>
<td>$430,000**</td>
</tr>
<tr>
<td>2001 (proposed)</td>
<td>6 networks</td>
<td>$200,000*</td>
<td>$210,000</td>
</tr>
<tr>
<td>2002 (proposed)</td>
<td>6 networks</td>
<td>$160,000</td>
<td>$175,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$3,610,000</td>
<td>$1,240,000</td>
</tr>
</tbody>
</table>

*includes funds for regional conference, ranging from $40,000 (EAEN) to $100,000 (WAEN) per conference

**includes USAID technical assistance contract of $112,500 each for EAEN and SAEN

Source: Orsini (2001:25)
The IPC’s goals for WAEN were to: (1) create a West African regional and at least twelve national networks; (2) formulate strategic plans “for achieving policy reforms favorable to the private sector;” (3) formulate financial plans for sustainability; and (4) aid in information exchanges between the country networks. The timing of this project coincided with the liberalization of the political environment. Orsini noted that “formal private sector organizations...[had]...lost much of their credibility and the younger generation [was] seeking an effective forum for discussion and action.” Governments in the decades following independence operated state-owned enterprises (SOEs) and parastatals. They often imposed legal and regulatory frameworks on private enterprises both to collect revenues and to control them. For indigenous Africans, the private sector was limited, and the brightest and the best chose to be in government services or education. When the state divested some of its SOEs, government bureaucrats often were the first to buy them. Orsini, et al. wrote that the “state’s bureaucracy, run by an educated administrative class, enjoys a great deal of discretionary control over the formal private sector through an array of regulations and licenses.” This educated elite often used its power to extract “rents” from the private sector, which had to beg favors to escape government control.

By contrast, under the IPC, regional economic integration was a main objective of the networks; there was also hope for West Africa-US trade. There was nothing like a private sector network; the Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (UEMOA) were strongly criticized in the 1990s as being ineffective (although WAEN subsequently became a member of both). Most formal-sector transactions were with European markets rather than with neighboring countries, while the informal sector, by contrast, did much of the regional trade “outside the legal framework.” National priorities and the Anglophone and Francophone division contributed to a focus on national markets.

The IPC intervention provided ten years of technical assistance in West Africa to create recognizable national networks that could also have “active liaison with interested donors and U.S. and European private sector groups.” The country networks of Ghana, Mali, and Senegal (the three most successful networks) were constituted in 1993, followed by Benin, Burkina Faso, and Nigeria, while Gambia, Guinea, Mauritania, Niger, and Chad were constituted in 1994. In Nigeria and Gambia the political situation was not as favorable as Ghana, Senegal, and Mali, but the chapters endured unlike the networks in Chad, Guinea, and Togo that died out. Networks in East and Southern Africa were created in 1998 and lasted until about 2003. A Pan-African Network was founded at the Millennium Conference in Addis Ababa, Ethiopia in 2000 where 300 delegates from the three regional networks, as well as donors, agencies, and others met to elect officers and sign incorporation documents.

A two-person team (one from the US and the other from France) established the country and regional networks and also worked with the WAEN three-person executive committee. Representatives of the networks went to the US for international trade symposia. By 1995 there were four regional network conferences in West Africa. With start-up funds to capacitate country and regional secretariats, the consultants helped the country and regional networks to hold meetings and conferences; develop newsletters and websites; draft capacitating documents; and act as a business presence in their country and region. Ghana, the first network formed in 1993, became the site of the secretariat for West Africa. The
regional network secretariat coordinated donor and business programs, as well as all aspects of association maintenance. The country networks maintained websites and membership lists, promoted Internet connectivity, and disseminated information/newsletters. They involved themselves in providing capacity-building services (management audits and training), and a few raised venture capital funds (VCFs).

Network members were carefully selected to participate by the team and then by members themselves. Orsini and Courcelle noted the characteristics of the network members who were recruited as being between 30-45 years old; employing ten to fifty persons; averaging turnover of $1,000,000; and as not being active in other private sector organizations. Many were educated in the US and Europe and returned to start their own firms, usually by investing personal equity in their businesses. Others left salaried positions within their countries and also used their own funds to start their businesses. Still others were managing directors of large businesses. Many already had their own international networks. Many, but not all, had travelled abroad to study and work, but returned to Africa to pursue business opportunities rather than remaining in well-paying jobs overseas.

WAEN country chapters worked with their governments as advocates for the private sector and viewed themselves as players in the global economy. Participants saw the networks and themselves as the engines of development through private sector expansion. They had strong views on the need for financial accountability, utilization of global methods, and conducting business ethically; these were also criteria for network membership. Some had learned such techniques and believed in the concepts from education and formal-sector positions abroad; others had learned these in their own countries.

Another major criterion was that network members be apolitical. McDade and Spring found that network members were often personally acquainted and frequently met with presidents, cabinet ministers, and other important officials. They queried how this could be apolitical.13 The answer, repeatedly mentioned by members, was that they initiated and maintained dialog with powerful officials to reform the regulatory environment and rejected government patronage. A Senegalese member met with the president and other government officials in his role as head of a national professional association. He was hired by the government as a consultant on urbanization projects and was able to provide an independent opinion that differed from the government’s. WAEN members sought to interact with officials who supported good business ethics and financial transparency, and who were against “rent-seeking.” This made sense because these were criteria for network members themselves. One Senegalese member headed his country’s chapter of Transparency International. These characteristics set network members apart from other business people. Both the donor team and the members themselves sought out for network membership these like-minded business people who were trust-worthy in their financial dealings.

Most members served as advocates for the private sector and employed global business practices. Some had learned these practices in other formal sector employment, both outside and inside their countries. The Senegalese member of the WAEN secretariat said the larger issues of global strategies and informed economic policies were more important than simply brokering business deals (other members thought that business deals were more important, as explained below). A Ghanaian network member affirmed, “We want to achieve a voice and do business without being appendaged to government.” In 2000, the Ghanaian network highlighted the visibility of the private sector business community and presented recognition awards, including one to the then president, Jerry Rawlings.
Ghanaian members stated that an advantage of being a network member was the cooperation with other business owners. The network chair commented: “one of the benefits of the network is that members do not feel that they are working in isolation.” Data from a survey of sixty members from all regions carried out at the Millennium Conference in 2000 by the US Corporate Council on Africa reiterated this point; the data showed that network members kept in frequent communication by email and telephone, and consulted each other frequently about business problems.\(^\text{14}\)

There is a literature on WAEN and the other regional networks of several types: journal articles,\(^\text{15}\) book chapters,\(^\text{16}\) and a book in which several members were featured.\(^\text{17}\) Additional published materials were their own newsletters,\(^\text{18}\) magazine articles by network members,\(^\text{19}\) and the regional networks’ websites.\(^\text{20}\) The latter provided information on the networks in general, specific country networks, and individual members. As well, there were reports from conferences and funding agencies.\(^\text{21}\) WAEN also left “footprints” on the Internet.\(^\text{22}\)

There have been other USAID-funded projects and initiatives that focused on US-West Africa trade. The West Africa International Business Linkages Program (WAIBL), implemented from 1998 to 2005, focused on investment in seventeen West African countries including in Ghana, Mali, and Senegal, and was responsible for $220 million worth of trade between the US and West Africa.\(^\text{23}\) It sponsored fifteen conferences on agribusiness, shea butter, handicrafts, financing, renewable energy, marketing, and infrastructure, as well as forging public-private partnerships.\(^\text{24}\) It also recorded 611 business transactions between US and African firms and business persons.\(^\text{25}\) USAID’s Trade and Investment Policy Program (ATRIP) project matched individual businesspersons with US partners between 1998 and 2001. The National Summit on Africa (1997–2001) took as one of its causes lobbying for and making Americans aware of the passage of the Africa Growth and Opportunity Act (AGOA). It organized forty-eight state chapters and had a national summit in Washington D.C. to build an American constituency for issues related to Africa in terms of trade and development.\(^\text{26}\) AGOA was passed in 2000 and accelerated in 2004 (AGOA Acceleration Act of 2004).\(^\text{27}\) Annual progress reports (e.g., 2005 AGOA Competitiveness Report, 2005 Annual Report to Congress) and success stories highlight West African countries and particular entrepreneurs, but WAEN members are not mentioned. In 2000–2001, the WAEN newsletters urged network members to attend meetings held by the US Embassy trade unit explaining the bill’s provisions. However, no data were collected either by WAEN or for this study on whether or not and how network members might have benefited.

Finally, in 2005, the African Global Competitiveness Initiative (AGCI) was initiated by USAID. Its objectives were to improve policy, regulatory, and enforcement environment for private sector-led trade and investment; improve market knowledge, skills, and abilities of workers and private sector enterprises; increase access to financial services for trade and investment; and facilitate investment infrastructure. In West Africa it was operating in Accra, Ghana and Dakar, Senegal.\(^\text{28}\) Progress reports will appear in subsequent years.
Methods used and data collected on WAEN

Spring and McDade collected interviews with sixty-two network members from all three regions and ten countries that constituted over a 10 percent sample of the entire Pan-African network (about 550 members in total). Of the sixty-two, Table 2 gives information only for the third of the sample from WAEN (thirteen from Ghana, two from Mali, and five from Senegal). Ghanaian members were interviewed in 2000 both in their country by McDade and Spring and by Spring when WAEN was well represented at the Millennium Conference in Ethiopia; some were re-interviewed by Spring in 2006. McDade also carried out the interviews of network members in Botswana in 2000. Individual members from Madagascar, Swaziland, Zambia, and Zimbabwe were interviewed by Spring at the Ethiopian conference, a time when there was great anticipation of the Pan-African event.. Spring also interviewed Ethiopian and in South African members in their countries in 2000, and then again in 2004 and 2006 respectively. The Malian network interviews were collected by Delores Koenig in 2001 as part of her research there, and Spring also collected interviews in Tanzania in 2005.

Table 2 WAEN members interviewed by business position, business acquisition, and business enterprise

<table>
<thead>
<tr>
<th>Country</th>
<th>Members Interviewed</th>
<th>National Network Membership</th>
<th>National Business Position (n = 20)</th>
<th>Business Acquisition (n = 19)</th>
<th>Business Enterprise (n = 19)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Owner</td>
<td>Manager</td>
<td>Self</td>
</tr>
<tr>
<td>Ghana</td>
<td>13</td>
<td>44</td>
<td>13</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Mali</td>
<td>2</td>
<td>17</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Senegal</td>
<td>5</td>
<td>18</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>79</td>
<td>19</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Percent</td>
<td>25%</td>
<td>95%</td>
<td>5%</td>
<td>79%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: Adapted from McDade and Spring (2005:23, only includes data on WAEN countries).

Interviewees visited in their respective countries, as opposed to meeting them during conferences, were contacted by email, faxes, and cell phones. Lists of network members and their businesses were obtained from the WAEN website and secretariat in Accra. Data on individual entrepreneurs and their businesses were obtained by administering surveys and asking narrative questions, as well as through profiles that were in the newsletters and websites. The heads of the Ghanaian chapter, and the regional executive committee members from Ghana and Senegal, were interviewed for their perspectives on network structure, operational activities, and organizational constraints. Data from the surveys and narratives were analyzed using WINMAX® (a software program that organizes qualitative data into designated categories) to construct profiles of members and country networks. Summary statements were based on demographic characteristics, business activities and behavior, and network relationships. To understand the business climate in the countries involved, other
businesspersons, financial officers, and donors were interviewed in the countries visited. Secondary data were collected and evaluated from the publications and documents of these diverse sources, as well as through Internet searches.

**Findings from the Interviews**

Network members primarily financed their business start-ups with their own equity. They used savings from professional jobs and previous businesses, many of which were in the US. Their formal-sector employment facilitated their ability to obtain loans and credit. Some received loans and gifts from parents, other family members, and spouses. None reported receiving start-up funds from government agencies, although some received grants for product development and marketing from government business promotion units and international donors.

Almost all network members had bachelor degrees, and some had graduate degrees (MBAs, JDs, and PhDs). About 60 percent had received these degrees in the US or Europe. Many interviewed worked in major corporations outside Africa after completing their education. Others worked in their own countries in family, local, and international firms before venturing off on their own. A Ghanaian member received his MBA in the US, and then worked for a Fortune 500 financial services corporation in New York. After returning, he founded a financial services company and was a co-founder of the Ghanaian Stock Exchange. Some earned high salaries in firms such as Morgan Stanley and Goldman Sachs before returning to Ghana to start their own businesses. The Ghanaian chapter kept a list of “returnees” from the US in particular, and over half of the network members were part of this reverse diaspora.

The Ghanaian network being the oldest and largest had the most diverse businesses. These included manufacturing (glass bottles, furniture, toys and wood products), real estate and housing development, information technology (IT), public relations, agro-business (poultry, timber), consultancy services (educational, environmental impacts, etc.), financial and investment services, and office services and specialty printing. Of the Malian members interviewed, one headed a travel / tourism company and the other was a bank official who did not own his firm. Senegalese members’ businesses included: manufacturing (chemicals, furniture, and sanitation facilities), construction, consultancy services, IT, and professional firms (accounting, architecture, and law).

A common image of African entrepreneurs is ownership of several businesses to avert financial risks in uncertain economic environments. However, this practice was not prevalent among the network members interviewed. Table 2 shows that the majority (68 percent) owned and operated only one enterprise. The other 32 percent owned multiple enterprises, primarily in manufacturing, transportation, and agro-business, industries that may be associated with greater financial risks. However, instead of avoiding risk, some of these multiple enterprise owners said that they sought to expand their company's original function. This included a consultant who added manufacturing, and an accountant who added real estate, both in Senegal.

Revenue data were not requested because they were awkward to collect and often unreliable, although some owners volunteered this information. During site visits, information was gained on the value of company revenues and assets by observing physical facilities and equipment, type of products or services, and reported marketing and distribution strategies. The national coordinator of WAEN stated that revenues of members'
businesses ranged from US $300,000 to $10 million annually, although several newly established businesses did not reach $300,000.

As noted previously, members considered transparency and ethical business practices most important criteria in evaluating prospective new members. In Senegal, a network member also headed Transparency International’s national chapter that had 250–300 members. He helped write and implement a code of financial and accounting practices that was adopted by businesses in twenty Francophone countries. The networks created trust among members within each country, and between members in different countries and regions. The primary reason for the small numbers was because membership was selective; all members were carefully scrutinized in each country network to evaluate backgrounds and business practices to ensure that new members had good character and ethics.\(^\text{32}\) Hence, members felt that they could trust the advice of a network member in another country, even one whom they never met. Members who desired market expansion aimed to visit WAEN countries and interact with network members whom they trusted, “not only for business, but for everything.” Members often noted the main asset of the network was “the ability to pick up the phone and get the information you want from a network member, and that was forever, it doesn't go away.” One Senegalese member gave the example of being able to send his children to Ghana for a visit with a network member’s children. These sentiments were expressed repeatedly, and members believed that a major advantage of the networks was helping to build trust among African businesspersons. (Many still maintain these contacts, even though the networks have dissolved.)

The networks bought interactions between Anglophone and Francophone country members. “We don't know the other African countries. We're always trying to get things from Europe or America,” was a common refrain. One Senegalese member located Arabica coffee—not through Europe—but in Uganda and Ethiopia. For water bottling, he dealt with network members from Ghana and Ethiopia. Another cooperated with a company in Gambia to manufacture vinyl doors, and helped two network members in Mali do business feasibility surveys free of charge.

Women comprised 23 percent of the total network membership, but were 40 percent of the forty-five members in Ghana and 20 percent of the twenty-five members in Senegal. However, some national chapters, such as Mali, had no women members. Women network members were in all business sectors, and most said their sex was not a disadvantage for business or network status. They knew women faced gender issues such as childcare responsibilities, restrictions in credit access, lack of land ownership, and other gender biases, and they wanted mechanisms to address these topics. Some acted as spokespersons for women's issues in their countries, while others sponsored training courses for women entrepreneurs (from micro- to medium-scale businesses) and hired female managers. Still others assisted market women and traders with bookkeeping skills.\(^\text{33}\) In general, women network members focused on business innovations and expansion of their own businesses, like their male counterparts. All were in formal-sector, urban businesses, but were aware of the large number of women in informal-sector enterprises. They believed that improvements in the business climate, such as eliminating corruption, benefited all levels.

Most men and women network members were married and had children. In the Ghanaian chapter, many had spouses who were also in business, and some worked together. In a few instances, both spouses were network members, but had separate businesses. About a third had parents who were business owners, while some had parents who were
professionals or in management. Others came from families in which the parents were
government civil servants, political officials, or teachers. Social and professional
relationships among members were more likely to cut across kinship, ethnic groups, and
local area lines. Those interviewed in Senegal took time to explain the religious diversity in
their network in terms of Muslim and Catholic members, as well as between members from
the four Islamic sects in Senegal.

Network members believed they were in a position to effect changes to stimulate the
private sector and impact economic growth in their country and region. Their outward-
looking global business perspective and inward focus interpreted Africa’s economic crises as
fertile ground for business opportunities. As well, they were interested in developing markets
outside of Africa; as noted above, there was much discussion of AGOA in WAEN’s Trade
Flash, a monthly email newsletter, however, no data were collected on the member’s
participation, since this may have occurred after the network’s demise.

Network members lauded: (1) being financially transparent and having good business
ethics; (2) having efficient business management and organization; (3) using the latest
technology in business and professional lives; (4) trusting fellow network members; (5)
doing intra-Africa and South-South commerce / trade; (6) having an optimistic, “can-do”
attitude; and (7) cooperating with government, but not accepting patronage or being in a
parasitic relationship. More than half also viewed themselves as players in the global
economy.34

Those who had studied or worked in the US were more likely to think of business
methods that worked in the US and some brought them back to their country. A fascinating
example was a Ghanaian member who put together the idea of an electronic trade discount
service for Ghanaians who had access to the Internet. He started the one of the first websites
(bestbuyghana.com) where people could purchase goods without the use of credit cards
(there were no credit card services operating in Ghana, although some people had
“international” ones).35 Local firms (most were in Accra) paid to list their retail stores,
products, and services on his website. Anyone with Internet access could download a
discount coupon (he and the vendor also received copies). The buyer could then go to the
business location and pay for the items or services and receive a 20 percent discount. He
noted that, unlike American companies, these businesses did not have to worry about
merchandise being damaged in shipping or deal with returned merchandise, the downfall of
many “dot coms” in the US in the late 1990s and early 2000s.

WAEN members discussed constituting a number of sub-networks (e.g., accounting,
law, transport, consultancy services, etc.) that would link the Anglophone and Francophone
countries together to solve common problems and be more in line with US standards.36
However, only one sub-network, NetForce, was actually constituted. Beginning in 1994, a
woman network member from Senegal (who owned one of the largest accounting firms)
constituted a professional sub-network of accounting firms across seven countries. There was
one participating firm per country (Benin, Burkina Faso, Ghana, Guinea, Niger, and Nigeria)
and two from Senegal for a total of eight members. NetForce standardized training,
procedures, and formats across the region, essentially harmonizing formal accounting
standards and methods for firms throughout West Africa. It trained trainers and produced
manuals on quality control and auditing in both French and English. By 2003 NetForce no
longer met, but it still functioned for members and their firms to cooperate on business
services.
In 2000, WAEN established the West Africa Enterprise Fund (WAEF) to raise $30 million for investment in network member businesses. Borrowers who agreed to abide by global standards could access it.\textsuperscript{37} Two year later, WAEF invested capital in a bank in The Gambia, The Trust Bank Ltd. This investment was the first cross-border listing on the Ghana Stock Exchange, and within a year’s time, it almost doubled in value. However, after three years in which only $6 million raised, WAEF was abandoned.\textsuperscript{38}

WAEN members paid dues and expended their own funds to attend network conferences, another criterion for membership. They were optimistic and enthusiastic about their businesses, network contacts, and business prospects. Up until 2001, they were optimistic and enthusiastic about the networks. Compared to network members, other entrepreneurs interviewed expressed the feeling that they were pushing against government entrenchment, their country’s poverty, and many business constraints (e.g., corruption, lack of a trained work force, or effects of HIV / AIDS on employees).\textsuperscript{39} In difficult situations, by contrast, network members felt both empowered and self-confident, and able to carry out their realistic business plans.

**Achievements of WAEN**

From 1995–2001, a combination of WAEN newsletters and donor agencies’ reports were produced evaluating the networks and WAEN. Both network member and donors (Table 3) acknowledged all types of successes, such as changes in regulations / policy reform, membership in organizations and agencies, business deals, providing a country presence for commerce, and information dissemination.

WAEN members pointed mostly to business activities accomplished, the formation of a private-sector business network, and social / business friends made. Some mentioned the sub-network, NetForce, attempts at a VCF, regulatory changes, and memberships in various agencies. WAEN gained official observer status at the regional economic organizations (e.g., ECOWAS and UEMOA) and signed memoranda of understanding with multilateral agencies. Others mentioned how country chapters lobbied for and succeeded in changes in government regulations in selected countries and sectors.

By contrast, project reports for USAID tended to focus on private sector activities in terms of regulatory reform, policy work, studies undertaken and information disseminated, and linkages and memberships in regional economic bodies and agencies; some business deals were mentioned.\textsuperscript{40} The emphasis reflected the differences between business people who need to show profits and keep their companies functioning, in spite of being project participants, and the US’s goal of changing the business climate for regional and international trade. Generally the network members’ achievements and the implementing donor’s list (Table 3) vary in emphasis.

<table>
<thead>
<tr>
<th>Table 3 WAEN illustrative achievements according to implementing agency</th>
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<tbody>
<tr>
<td>A $15 million, privately-capitalized West African Enterprise Fund set up to promote regional trade and investment in the ECOWAS region;</td>
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<tr>
<td>WAEN organized four regional conferences to promote intra-regional trade linkages and debate regional integration issues;</td>
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</tbody>
</table>
WAEN created a professional cluster, Netforce, of indigenous auditing firms in the region to improve professional standards and obtain regional contracts;

WAEN members utilize the Network to identify skilled labor in other countries (managers, construction supervisors);

WAEN was active in the launch of a regional consultative entity on economic integration policy, the Forum West Africa (FOWA), that brings together key regional players (ECOWAS, UEMOA, CILSS and WAEN) to share information on regional integration initiatives, to discuss, research and establish positions on technical aspects of regional integration and make preliminary designations and commitments for action among the entities;

WAEN carried out a special study on the cost and speed of intra-regional monetary transfers, via regional banks such as BOA and Ecobank, to encourage more efficient transfers within the ECOWAS region;

WAEN proposed to the Forum West Africa and interested donors the creation of an observatory of border crossing practices, to track anomalies and report them to national authorities (customs, immigration, police, etc.), and is participating in its implementation;

WAEN was asked to contribute to the debate on the proposed redesign of the ACP-EU convention and on the UEMOA unified investment code;

WAEN created a Regional Trade Information Center (RTIC) in 1995, to collect and disseminate trade information at the request of its members, create a website and publish a quarterly bilingual newsletter, the Networker.

Source: Adapted from Orsini (2001:20).

**Weaknesses of the Networks**

WAEN members, donors, and researchers had differing ideas of the weaknesses and successes of all three networks. The donors and implementers of the IPC tended to focus on successes and recommendations for the future, while the members themselves mentioned both problems and accomplishments.41

McDade and Spring42 considered the stated views of network members and the literature about business networks in Africa and elsewhere. The weaknesses identified included the following. First, the number of members at country, region, and pan-African levels was too small. Ghana was the largest with forty-five members, while Senegal had twenty-five. Others varied from eight to fifteen members. Second, network members’ businesses were not representative of the main sectors of their country’s economy. There were more service-sector business than manufacturers. Third, there were countries that had no or too few women members in the national networks even though there were women company owners and managers who met the membership criteria (e.g., Ghana and Senegal
had women members, but Mali did not). Fourth, network members expended little effort to establish linkages with traditional entrepreneurs through such mechanisms as membership in chambers of commerce. WAEN members believed these large inclusive organizations included too many business levels to be useful. Fifth, network members’ businesses did not have enough sustainable large-scale business activity with each other, probably because there were too many service-sector businesses in the networks. Finally, network members’ lofty goals may not have made enough impact, and their impacts at country levels were difficult to measure.

WAEN members were disturbed by the demise of the networks. First, they pointed to the implementers’ contracting methods in terms of the ways that interventions concerning the networks were contracted. Members were upset with the donors (USAID and OECD) when they realized that most of the IPC funds went to the implementing agencies in the form of salaries for consultants and overhead charges (both are standard procedures for development implementing firms). The difference is that in most projects, participants do not have the ability to provide their own technical assistance. But WAEN members were a highly educated group, and many had consultancy businesses themselves. Second, WAEN members commented that the donors recruited more network members with service-oriented businesses when there should have been more manufacturers who produced goods, purchased inputs, and required market outlets. Such manufacturers would have produced jobs, supplier networks, and marketing channels.

Third, they criticized the donors’ interest in conferences and meetings, rather than in concentrating on business transactions. By definition, the implementing consultants were not business owners and did not have expertise in doing business transactions. WAEN network members tired of the meetings and conferences, and wanted to “do actual business.” (Some of the other USAID projects focused on business matches and “deals.”) Fourth, they noted that the accounting of funds was not transparent. They wanted each network to be run by the members, rather than the donor support unit. Each national networks collected membership dues and contributed annually for the secretariat. The donors wanted to use these funds to pay for conferences, while WAEN members wanted to use them to operate the secretariat and national chapters. A final problem was structural; only the secretariat, not the individual country chapters, could negotiate with the donor support unit. Some country chapters wanted direct access to the support team. To change the situation, WAEN reorganized the secretariat and tried to redirect the funds to its operations. At this point, according to WAEN members, the IPC decided to focus on the Southern African network (SAEN).

The donor support group wanted to focus on change issues, while the network members wanted to do more practical business. They also became less interested in changing the macro-environment after the first 4 or 5 years of the network, and much less interested in conferences and network meetings, once they were already acquainted and networking in dyads. However, the two “sides” were not completely at opposite poles, since their interests overlapped in terms of taking advantage of business advocacy opportunities. WAEN lasted ten years, a relatively long life-span for USAID and other donor-financed projects. Donor agencies policies alter due to changes in their personnel, as well as to the political situation. Hence, it was not surprising that the IPC ended, and new interventions and projects were begun.

Conclusion
Business constraints in WAEN countries included poor physical infrastructure and utilities, little land reform and security of property investments, limited foreign exchange and capital, and inadequate production capacity. As a result, both US companies and network members saw constraints to Africa-US trade. For some, it was difficult to obtain US visas for business and trade shows (especially mentioned by Malian network members); there was lack of information about US markets; lack of linkages and contacts in US; difficulties in servicing large US orders; and lack of information among US business persons about market opportunities in Africa. The IPC focused on creating networks within Africa and could not change midstream to address these issues or to move into greater trade with the U.S. after AGOA passed. The IPC had ten years of donor funding, and other USAID projects such as ATRIP and WAIBL were begun during its final years, while new initiatives continue to be created (e.g., AGCI). The former two were mostly concerned with matching trade partners between the US and Africa and changing bilateral tariff regulations, while the latter continued networking but added trade and investment. Hence, many of the issues that WAEN and the other regional networks had about the IPC never were resolved.

However, for the decade starting in 1993, it seemed from the US business technical assistance perspective that changes in regulations would help open the private sector in Africa. The US was also keenly interested in the harmonization of laws, and WAEN through NetForce and other actions accomplished some of this. From the participants in WAEN, it seemed like their businesses were special in terms of financial transparency and ethical, global business practices, the criteria for membership. The enterprise networks helped them meet like-minded private-sector businesspersons who could open the door to regional trade, business interaction, and communication. Building a cadre of like-minded, successful, global entrepreneurs throughout the continent proved to be an interesting intervention with a variety of accomplishments.

Many lessons were learned in the IPC for both West Africans and USAID. First, the idea of building national, regional, and pan-African business networks was successful in that it was carried out in thirty-one countries, three regions, and a continent. The networks were exclusive (not inclusive like the large chambers of commerce). Members were chosen because they were medium- to large-size firm owners and managers, were practitioners of good business ethics, and held to financial transparency. They had global perspectives and avoided government rent-seeking and political patronage. Second, this group of young business persons were easy for the donors to work with and for participants to work together because of their education, formal sector work experience, and shared values of global practices and forward-thinking methods. Fourth, women were members of many country networks with total acceptance as businesspersons. Fourth, the networks provided a visible private sector presence that was substantial, although difficult to measure numerically in such terms as effect on GDP and international trade. Sixth, in a number of countries, trade regulations and policies affecting the private sector werebettered, studies were carried out, business information was disseminated, venture capital funds were generated, and the networks gained membership in important regional economic entities (Table 3).

Network members and their businesses continued after the IPC ceased. As in such networks everywhere, members maintain social and business ties when convenient and mutually remunerative. For a ten-year project to accomplish this is a tribute to the participants. In the end, other activities / projects concerning US-West Africa trade and
West Africa inter regional trade followed. AGOA became a US focus, and partner-matching was the mechanism for its accomplishment. Future research is necessary to determine if the new projects and activities that followed also produced desired results, and if network members were participants.

Notes

1. I would like to thank the Opportunity Fund and Center for International Business Research and Education (CIBER) at the University of Florida for funding, and the network members for sharing their information. My colleague, Dr. Barbara McDade and I worked together on collecting and analyzing much of the data.


5. Ghanaian and Senegalese WAEN members mentioned to me in 2000 and 2003, respectively that some of them were already meeting in 1991, so the time was right.


9. Ibid. 6.


20. The original websites of the three regional enterprise networks were: WAEN (http://www.waenonline.com), EAEN (http://www.ugandacapitalmarkets.co.ug), and SAEN (www.saen.net). Since about 2002, the sites have not been active, and the WAEN domain name was for sale.


26. I chaired the State of Florida delegation during this time period, as well as serving as one of the reporters for the national meetings.
29. Spring and McDade 2005
30. He was also discussed in Fick. 2000:24–5.


34. McDade and Spring 2005.

35. The website is currently defunct.


38. Personal communication with WAEF founder, 2003. Several other countries networks (e.g., Kenya and Zambia) also had venture capital funds, but they too were smaller than desired.


42. McDade and Spring 2005.

43. Spring 2002.