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Behavior and Wellbeing**

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Institutional and Behavioral Modeling of the Economic Fabric of Urban Eastern Ethiopian Communities: *Shared Value System, Group Decision Making Behavior and Wellbeing*

Habtamu Girma Demieessie

Abstract—The essence of this study is to map the economic fabric of urban eastern Ethiopian communities. To that end, shared value system in the communities of interest was explored. The whole set of analysis and inferences were meant to hypothesize, conceptualize and/or characterize on key behavioral and institutional variables that defines the economic fabric of a particular society. Core behavioral and institutional variables subjected in this study that construct the group decision making behaviors were: life style (philosophy of life), rationality of economic agents, life satisfaction, individualistic motives, workmanship traits, consumption and saving behavior. The study is essentially framed based on the principles of hypothetical research. By way of making inferences, techniques/tools from institutional/behavioral economics were borrowed. Moreover, theoretical and empirical evidences from positive psychology, behavioral economics, social economics, economic sociology & social-anthropology were employed. The study found out that shared value system in the urban eastern Ethiopian setting manifests as in the followings: a) while making decisions, people often look the matter they supposed to decide in an absolute abstraction. It is customary that people are unwilling to look the pros and cons of their decisions. b) People try to disregard or even mitigate or ‘avoid’ the negative outcomes of their actions (decisions). The study inferred that the shared value system is a social construct meant to cope-up from uncertainties arising out of uncertain (risky) nature of prevailing fabric of life, which is a typical feature of urban eastern Ethiopia. Furthermore, the study explained and/or hypothesized on how those behavioral elements are interpreted into wellbeing of people. More importantly, the behavioral/institutional modeling made can be used to understand the fabrics of collective/communal societies in general. Therefore, academic and research circles are expected to give due emphasis to probing why/how the prevailing shared values/institutional system would be progressive or retrogressive to wellbeing of people and communities of interest of the study. Moreover, policy regimes should consider those variables their concern, where interventions in this regard are expected to overcome retrogressive behavioral and institutional elements and nurture those which are progressive to wellbeing.

Keywords—Eastern Ethiopia Communities, Group Decision Making, Involuntary Simplicity, Wellbeing.

I. INTRODUCTION

THE importance and implication of shared value systems, norms and socio-cultural institutions in shaping the behaviors of people in their decision makings that affect their well-beings is far less explored in the context of Ethiopia in

general. The existing few are limited to exploring the role of those variables as complementary, rather than explaining the whole fact or particular cases like the livelihood of rural households [1], [2] and in community mobilization works to preserve the natural environment; in the area of community response to prevent malaria & HIV/AIDS epidemics [3], [4].

There are empirical evidences showing that behavioral and institutional variables are powerful governing forces than conventional rules and principles in the context of eastern Ethiopia communities [5]. Despite, however, studies conducted so far in the context of eastern Ethiopian communities are too inclined to looking the role of socio-cultural institutions to households’ food security [6], [7]. This study, therefore, is meant to fill the mentioned gap. It is based on a fieldwork experiment study, and will infer & model shared behavioral and institutional elements and implications to hedonic, affective and eudemonic wellbeing of people & communities belonging to eastern part of Ethiopia. The behavioral and institutional aspects to be modeled having implications to wellbeing considered in the study includes: shared values or lifestyle, rationality of economic agents, meaning & satisfaction in life, individualistic motives, risk taking behaviors, attitudes to work & entrepreneurship, consumption and saving behavior of people.

A. Source of Information

As source of information, this study relies upon both primary and secondary sources. In the ethnographic aspect of the study, analysis & inferences were largely based on fieldwork and personal observations. In the formative aspect of the study, in-depth-interviews, focus group discussions (FGDs), key informant interviews (KII) were used. Moreover, the topic was discussed and deliberated through panel discussion and in the informal gatherings with individuals & scholars having good knowledge of eastern Ethiopia communities.

B. Objective

The objective of this study is to understand on unique behavioral and institutional elements ascribed to Eastern Ethiopia communities. More specifically, the study tries to address for the followings:

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- ✓ Inquire if there is commonly shared value system (philosophy of life) among communities within eastern Ethiopia
- ✓ Define pillars and peculiarities of valued lifestyle in eastern Ethiopia settings
- ✓ Forefront how the concept of simplicity is interpreted into hedonic and eudemonic wellbeing of individuals
- ✓ Infer on how better academic circle, policy regimes can address community development and collective wellbeing in general and in the context of Eastern Ethiopia in particular

C. Methodology and Techniques of Making Inferences

From methodological perspective, this study caters to interdisciplinary approach, with theories & empirics from diverse fields & strands of thoughts to be employed: positive psychology, social psychology, behavioral economics, institutional economics, economic sociology, economic anthropology, economic geography, political economy, geopolitics. Shared Institutional Behavioral and institutional modeling was based on ethnographic and fieldwork research techniques. The study also adopted principles of hypothetical research.

1. Theoretical Framework

The theoretical framework of synthesizing ideas in this paper is based on [8]. The framework is primarily developed to look the connection between economic structure and motivation of economic agents, the two aspects of the economy. The first aspect entails in investigating the possible linkages among economic institutions. The second aspect examines the motivation of people in various economic activities, and how that in turn shapes their behavior in their economic transactions.

In conceptualizing simplicity, the study will adopt a theoretical framework by [9].

2. Technique of Inference

The techniques of analysis and making inference made in this study involve a combination of ethnographic approach; technique of characterization, comparison & conceptualization and formative research approaches.

a. Ethnographic Approach

Ethnographic account entails attempts to investigate, explain and/or model the prevailing institutions & social fabric shared amongst eastern Ethiopia communities. In its ethnographic face, the study tries to explore and infer on shared norms, attitudes, value system, socio-cultural and demographic dynamics in the communities of interest.

Ethnographic account also involves an inquiry into the people and prevailing institutional arrangements that govern life among communities of interest. Doing so, the decision making behaviors of individuals (people) in different departments (aspects) of life can be framed. Furthermore, ethnographic approach helps depict on the essence, nature and workings of institutions for social, cultural, economic, religion (faith), security, governance, resource allocation, risk sharing

and diversification, among others.

In general, as the first objective of the study is meant to draw the shared value system among eastern Ethiopian communities, a technique of ethnographic study better helps to making inference.

b. A Technique of Characterization, Comparison and Conceptualization

In order to make inferences on some of the objectives of the study, a technique of characterization, comparisons and conceptualization is employed.

By way of characterization, the hypothesized shared value system was triangulated or attested with the prevailing realities ascribed to particular aspect of life in the communities of interest. Such triangulation is heavily dependent on the personal observations, informal discussion with people belonging from those communities and/or individuals having a good knowledge about people, fabrics and institutions in the communities of interest.

Where it is necessary, a comparative analysis among the divergent socio-economic and socio-cultural orders within and away from the communities of interest of the study is made to make inferences. In this regard, the major subjects of comparisons were cultural setups, social norms & value systems, faiths (religions), systems of governance, livelihood systems, family types & structures. Another area of comparative analysis subjected is time factor, where the study investigated on the fabrics of communities across different generations.

c. Formative Research Approach

Formative research is an activity conducted before making practical interventions, and often at the beginning of programs or project design process. It is used to gain insight into the overall socio-economic environment; relevant characteristics of primary and secondary audiences; communication access, motives, habits and preferences of people; and the main drivers of behavior.

In its formative aspect, this study tries to show why and how the shared value system depicted may end up progressive or regressive to individuals and communities. To infer on possible implications to wellbeing of a particular behavioral and/or institutional element, appealing (relevant) theoretical and empirical evidences were consulted from wider literature. Those efforts were also complemented by firsthand information gathered through personal observations, fieldwork anecdotes and informal discussions with individuals the author considered for having rich account on the people and institutions of Eastern Ethiopia communities. Furthermore, the topic was discussed and debated, when it was presented as a panel paper on the Third Annual Conference on Eastern Ethiopia Economic Development held in 2014.

D. Description of the Study Area

Though there is no administrative organization, at least in the current context, something as eastern Ethiopian communities, this article simply referred urban communities in the current eastern & western Hararghe zones of Oromia

regional state; city council of Dire Dawa; the Harari region; major urban centers in Ethiopian Somali Regional State.

The analysis is largely made through inferences made on the socio-economic structure, behaviors and motivation of people, institutions installed having importance to economic and social wellbeing of people prevalent in the following towns and cities: Assebe Teferi (Chiro), Harar, Dire Dawa, Jigjiga, Kebridahar and Godey. People & communities living in those cities and towns represent a typical socio-economic

order, socio-cultural mix and political dynamics in the case of urban eastern Ethiopia.

As the working of social fabric in those communities is largely conditioned by prevailing socio-cultural institutions widely functional in rural settings in particular, communities in rural part of eastern Ethiopia are within the domain of our analysis. Hence, inferences and generalizations made are based on the whole socio-cultural set-ups and economic structure of communities in mentioned towns and cities.

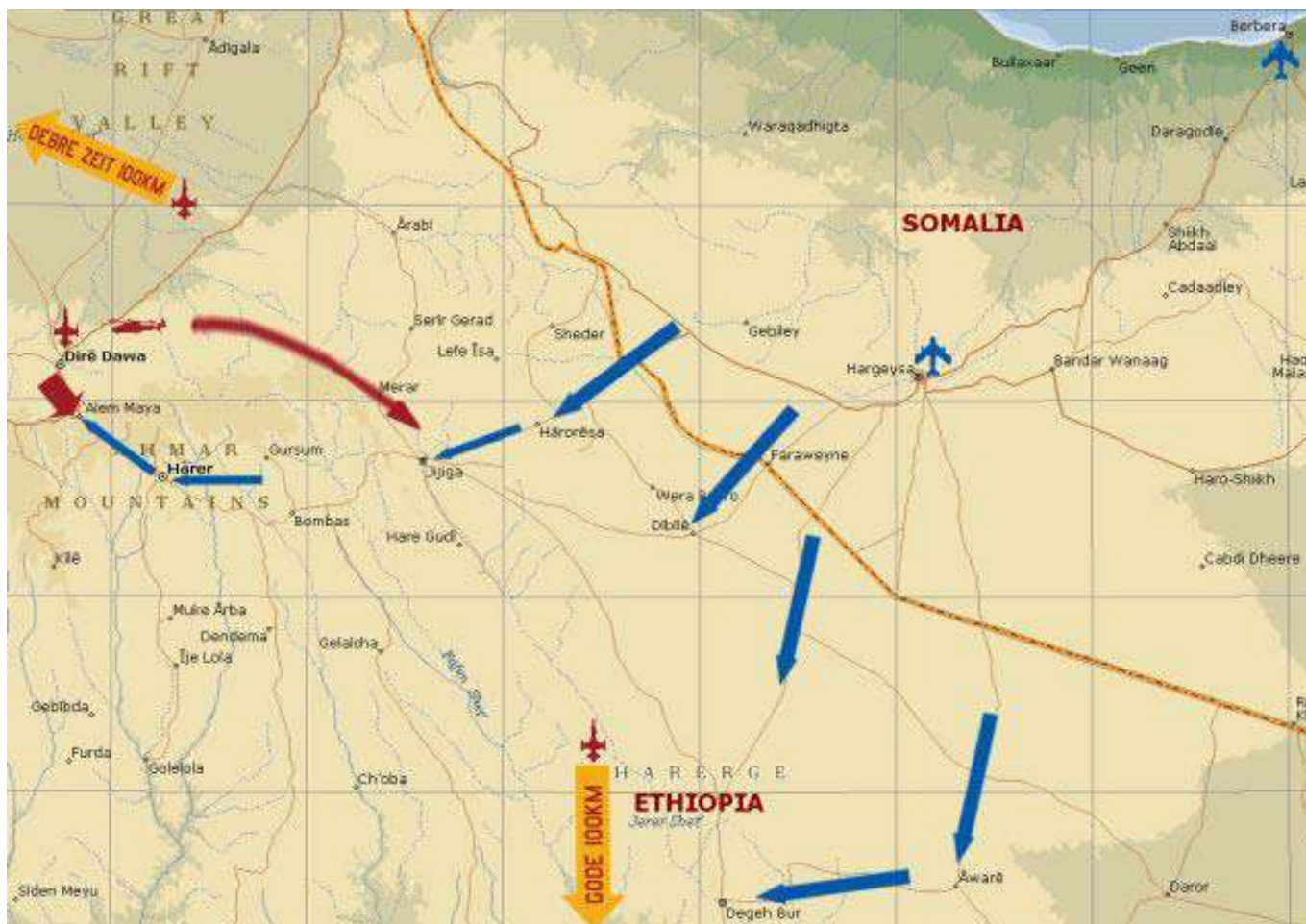


Fig. 1 Map of Study Area

II. DEFINING AND CHARACTERIZING SIMPLICITY IN THE EASTERN ETHIOPIA SETTINGS

A. Defining the Shared Value of Life

While defining the shared philosophy of life in the context of eastern Ethiopia, the study adopted a theoretical framework by [8] and [9]. According to Errouaki [8], using Fieldwork and Modeling Behavior framework, one can explore and map the essential constructs of mindsets of economic agents in a way that determine their behavior in their economic transactions in general. Elgin [9] developed a framework of behavioral inferences based on a particular value of people, conceptualized as voluntary simplicity.

In lieu of the two theoretical frameworks, the study hypothesized for the governing values (principles) of life, as

shared by individuals belonging to eastern Ethiopia communities, as follows:-

- ★ People are less interested to critically evaluate on issues before making decisions.
- Across much of Ethiopia, such state of mind is taken for granted typical behavior of individuals from eastern part of the country. The mentioned value is regarded pillar of a 'unique lifestyle' peculiar to easterners
- Psychological explanations for why people behave so entails a risk aversion mechanism, signaling people are faced with risky situations. For [10, pp.278–283], people taking such mode of risk aversion behave in 'Higher risk aversion in gains domain, more risk seeking in loss domain'.
- ★ People are less interested, and in many instances

deliberately avoid, hearing or seeing the negative outcome of their decision.

- Evidences from behavioral sciences indicate the mentioned behavioral response is triggered by an uncertain environment where people cannot manage and correct the associated risky circumstances by own personal effort alone. As a way out, individuals develop behavioral mechanisms to cope up with uncertain nature of life. According to [11, pp.99], 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”.

The behavioral and institutional deductions out of the mentioned two values in general, are akin to the concept of simplicity. The principle of simplicity is “we can work less, want less, and spend less, focus on truly fulfilling experiences, such as relationships with family and friends, creating things and be happier in the process.” [12], [13].

Though the valued lifestyle among eastern Ethiopia communities has a lot to share with principle of simplicity mentioned above, it has some peculiar features. As depicted under Section II B, simplicity in eastern Ethiopia settings involves some departures.

The conventional simplicity often holds at an individual level, where an individual may choose a life style based on his/her values. Also, the degree of simplification is a matter for each individual to settle for himself. Moreover, the goal of voluntary simplicity is not self-denial or austerity—on the contrary, voluntary simplifiers believe they are genuinely happier living with less [13].

As opposed to the conventional simplicity, which is understood at an individual level, simplicity in the context of eastern Ethiopia communities is understood at collective level. While conventional simplicity entails a lifestyle which is self-imposed or voluntary, simplicity peculiar to communities within Eastern Ethiopia is rather involuntary.

As detailed in Section II, simplicity in eastern Ethiopia context is a behavioral and/institutional mechanism individuals and/or communities developed to better shield (mitigate) themselves from risks of deprivations of material and/or spiritual (emotional) wellbeing triggered by the prevailing uncertain environment attributed to socio-economic, livelihood, geo-political, geographic and governance factors, among others.

B. Characterizing Shared value system

Characterizing shared value system entails exploring the possible links between the behaviors & motives of people on one hand and the wider environment prevailing in Eastern Ethiopian settings on the other.

1. Psychological and/or Behavioral Characterizations

Theoretical and empirical evidences from positive psychology entails the shared values identified so far as characterizing eastern Ethiopia communities are behavioral and/or institutional mechanism people and communities devised to cope up deprivations of affective wellbeing.

People develop a psychology not to look for the definite knowledge of the results of their choices as psychological tools to mitigate exposure for various forms of risks and associated emotional deprivations or negative affect. According to [11], 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”.

From behavioral perspective, simplicity shapes the moral value, ethical standard, life principles of people. Some behavioral manifestations of simple life includes: people value for openness and free communication, cherish the principle of living for today, disregard to hierarchy and status, among others.

2. Economic Characterization

The economic characterization of simplicity involves two: behavioral and institutional elements

a. Behavioral Aspect of Simplicity

The economic characterization of simplicity, in its behavioral aspect can be interpreted as the individualistic values and/or motives of people; consumption and saving behavior of people manifested; adaptive strategies communities designed to cope up with their economic problems.

i. Simplicity and Individualistic Motives

The study inferred that the underlying construct of the hypothesized two pillars of the shared value system is how individualistic motive manifests in the context of communities of interest. Hence, depicting the behaviors (motives) of people or exploring for the socio-economic and socio-cultural institutions amounts to explaining for individualistic motive of people.

Given that the study in general is meant to try to explain the motives (behaviors) and institutional set-ups of eastern Ethiopian communities, whose conceptualizations takes a name *a shared value system*, the characterizations on simplicity means characterizations the individualistic motives of people and communities. That version of individualism peculiar to eastern Ethiopia communities is quite different from the conventional individualism, which conceptualizes individualism as one`s motive for material acquisition. Easterners have their own way of individualism- where individualistic motive is reflected as one`s zeal for material-spiritual gain.

People and communities in eastern Ethiopia have their own way to maximize their well-being life. For an average easterner, acquisition of material and spiritual gain is how s/he tries to maximize his well-being. Hence, while making decisions in their transactions in life (social and/or economic), they calculate the cost and benefit analysis with respect to their material and emotional gains.

ii. Simplicity, Consumption and Saving Behavior of People

Looking at the social fabric of communities of eastern Ethiopia, one might conclude that they have poor saving culture. Such conclusion however would be misconception,

otherwise judgmental. Essentially, the institution of saving has quite unique features in the settings of eastern Ethiopian communities in general. In these communities for economic and cultural reasons, material acquisition alone does not explain why people save or dis-save. This is unlike the conventional understanding of saving, which entails people go saving either for material uncertainties and/or for further investment to scale up their material assets.

As people belonging to the communities of interest lives with high level of income poverty, the scope for saving is very much limited. Moreover, the communities we are referring struggle from host of uncertainties affecting their emotional and material wellbeing. Those risks and uncertainties have made life style of people to be more of a short run oriented. Hence, for an average easterner, life is essentially relieving oneself from present material and spiritual (emotional) deprivations. Hence, people and communities develop their mechanisms or strategies to mitigate and/or cope up with those uncertainties or risks.

Though the ways, workings and effectiveness of socio-cultural institutions varies in different settings, all variants of socio-cultural institutions have one common feature: serving for the *material* and *spiritual* wellbeing of people and communities. Those institutions for material sharing involves sharing of economic goods like cash (money), tools for productions resources in form of donation, gift or lending. Another aspect of material resource worth sharing in eastern Ethiopian communities is information. This is a particular case of communities in pastoral settings and/or urban traders, whose livelihoods in particular require higher dose of information.

Spiritual elements are also worth important for easterners to share. Shared social goods among people and communities involves social peace, order and harmony help the socially vulnerable groups like women, children, disabled and the elderly.

In general, the prevailing socio-economic structures, institutional settings, norms and value systems are important in shaping the motivations and institutional set-ups having influences in determining the structure and functioning of the consumption and saving among eastern communities.

b. Simplicity, Poverty and Income Inequality

Empirical evidences support socio-cultural institutions for having key role in poverty reduction; guaranteeing just economic order and more democratic society [14]. In this regard, prevailing institutions for mutual help and sharing of resources among communities of eastern Ethiopia can be considered indigenous social security system where people share resources to mitigating deprivations of wider sorts posed by natural and man-made factors.

One key area of importance of the institutional aspect of simplicity is in relation to food insecurity. That, in fact, is to the attestation of empirical evidences. For instance, urban and rural communities of eastern Ethiopia are relatively better off in terms of food poverty as compared to other measure (forms) of poverty like income poverty [15]. Moreover, value systems

and institutions for mutual sharing of resources are instrumental in promoting just social order, shielding people and communities from social evils associated to unemployment and income inequality like crime, theft and robbery. Prevailing socio-cultural institutions are also paramount in spurring important traits for social stability, like a sense of togetherness, mutual help, cooperation and trust.

3. Sociological and Anthropological Characterizations.

From sociological perspectives, simplicity in the settings of eastern Ethiopian communities is a social construct to deal with uncertainties arising out of man-made and natural environment. Hence, the communities design and establish a social fabric that produces a shield from all uncertainties of life. The essence of prevailing social capital, which manifests itself in mutual help, trust and fast flow of information, is a social insurance mechanism communities installed to deal with risks in life.

Sociological & anthropological variables also have implications to molding the behaviors of people in different ways, which can add or detracts to their wellbeing. Hence, while attempting to model the behavior (motives) and structures of institutions on such communities, it takes to looking on possible behavioral implications of the main livelihood system, i.e. pastoralism.

As detailed in subsequent paragraphs, pastoral way of life is likely to have behavioral manifestations that go in line with some behavioral characterizations of simplicity like: impatience to look at the possible pros and cons comes with decisions people make; value to live for today; tendencies to develop values as passive or reactive (rather than being active or proactive) when they faced with a particular problem in life.

Pastoralism is mainstay of considerable size of rural population in eastern Ethiopia. Though different forms of pastoralism are prevalent, nomadic pastoralism which is characterized by mobility of herders in search of water and grazing yards for their herds is a typical feature.

In pastoral communities life is such a spontaneous that people are always on standby to move from one place to the other in search of water points and grazing yards. Indeed it takes for pastoralists to wander in their minds on what to act and/or react to the possible shortages of water or grazing lands to their cattle. Hence, people making pastoral way of livelihood are not only move from one place to the other, but their life style triggers them lose their calmness, which may manifests itself in robbing their patience and hence their ability and willingness to deal with the pros and cons that a particular circumstance requires before making decisions.

While moving from one place to the other, pastoralists hold little material possession. The behavioral deduction from this would be pastoral way of life has little to do with tomorrow, making people develop such traits to live for today with little regards for tomorrow.

4. Geographical and geo-Political Characterization

Geographical and geo-political characterization involves exploring for human made and natural elements featuring the

surroundings of communities of interest which directly or indirectly breed uncertainties.

a. War

One important aspect of the recurrent instability in Eastern part of Ethiopia was the geo-political issue, where the area has been point for infiltrations of foreign elements that attacked the country at different times. As a result of continuous wars, the socio-economic progress of communities impeded. The consequences of war not only limited by claiming lives and destroying physical infrastructure, but also have social effects as it damages institutions by spurring illegal trade, destroying the social fabric and/or endangering civil liberties.

All in all, prolonged instability in east Ethiopia has stressed people and communities, whose consequences far reaching to affect their eudemonic wellbeing.

b. Contraband Trade

Apart from its effects on exchequers, there are evidences showing how smuggling of goods makes people develop behaviors (outlooks) that are retrogressive to well-being. Some of those behavioral deductions out of passing through smuggling of goods are in many ways akin to the behavioral and economic characterizations of simplicity. A study by Demieessie, H.G and Regassa, W.G. (2016) [16] specific to eastern Ethiopian communities found out that contraband has behavioral effects.

Accordingly, smuggling spurs informality the rule of the game, rather than defined rules and principles to govern life virtually in every department of life. Contraband is also to blame for eroding essentials qualities of labor. In this regard, the smuggling effect contradicts the requirements of formal employment like ill work ethics & discipline, tastes that can't fit with formal employment like payment modalities and a culture of easy money, among others.

Those mentioned traits, in turn, take their toll on wellbeing of people & communities implicating into adverse behavioral and institutional elements. Some to mention includes less regard to rules and principles; mismanage economic resources like money, time, knowledge, expertise and/or experience. The rampant contraband trade in the district is also to blame for its adverse effect on the incentive system by promoting easy money and free-rider mentality on people.

c. Climate and Simplicity

Climate is the most important of geographic variables in relation to the behavioral and institutional aspects of simplicity. The consequences of climate on behavior of people may take direct and indirect effects. The direct impact is well documented in behavioral geography. For instance, McClelland (1961) [13] concluded that climatic factors determine the affective status of people and the implied behaviors and traits that people may develop. For instance, people living in hotter climatic zones tend to be less rational, develop values & traits which are often blamed retrogressive.

According to broader depictions of behavioral geography, some of the behavioral manifestations of hot climate is that people value today more than tomorrow, people tend to be risk averse, also localities in those areas are impatient, and also have low appetite towards activities or works that require physical and mental exertions that adds up to their material and spiritual development.

The indirect behavioral effect of climate ascribed to unexpected shocks such as spells of bad weather for farmers. Considerable part of the eastern Ethiopia is climatically arid and semi-desert with limited rainfall, land degradation, all adding risking the livelihood of communities who count on pastoral way of life. Draught have been evoking uncertainties on livelihoods and food security of people and communities of eastern Ethiopia for long.

Hence, it takes for people and communities to develop resilient mechanisms to the shocks and uncertainties of life. Indeed, harsh climate and consequences risks of livelihood can be one strand of explanations to the locate the roots of behavioral and institutional aspects of simplicity.

III. SIMPLICITY AND WELLBEING

This sub-section addresses how cherished lifestyle among eastern Ethiopia communities determines the hedonic, eudemonic and affective wellbeing of people and communities.

1. Brings About Social Harmony

Some traits and values characterizing the simplicity of people include the virtue of good communication, sense of togetherness, deeper attachments and affiliations, tolerance and mutual help. For people who are deprived of their emotional well-being, those traits and virtues are healings.

The institution of social capital prevailing 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

2. Installed Norms and Value System Promote Emotional Wellbeing

The installed values, norms have important implications to promote eudemonic wellbeing of people. Value for open and free communication allows people to express their resentments to whom they quarreled with and hence enables them protect themselves from consequent emotional deprivations.

There are some other traits widely apparent among easterners which are important for good interpersonal relation. For instance, the prevailing social fabric opens little room for virtues of individualism that overemphasize material gain over spiritual glory as is often the case in conventional

individualism. The easterners' version of individualism better balances the material and spiritual wellbeing of people. As a result of that, the conflict of interests born out of parsimonious acts and jealousy would be less likely, better defending people from consequent stresses in inter-personal relations.

3. Simplicity don't go-with the Assumption of Rational Economic Man

Tendencies to avoid the negative aspects of actions or decisions, as depicted to be one of the pillar values of easterners, do not fits the *economic man* assumption, which considers people have to make calculations- computing the gains and losses- before decision in economic transactions. Such unique psychological order violates conventional order, posing real challenges to conventionally used remedies in a bid to promote the wellbeing of people and communities at hand.

For instance, where the mentioned element features underlying reality, and academic, research and/or policy interventions which disregard those contexts inevitably end up impotent. Hence, it takes to be cautious if conventional methods and tools in undertaking research and policy interventions would comply to specific elements unique to prevailing contexts among eastern Ethiopian communities.

4. Value of Living for Today

A thorough look into the social set-up of communities in east gives a number of showcases as to how the value system risks them economically. One such is the prevalent life style which cherishes the principle of *living for today*. This principle, has behavioral and institutional effects, also implicated on the incentive mechanism too. In its direct effect, the principle of *living for today* disincentives postponing consumption or disfavor saving. Such values also deny reward for planned life and wise allocation of resources, promoting wasteful life style instead.

5. Little Exertions and Disregard Planning for Economic Resources

As a direct implication of overvaluation of living for today, one aspect of behavioral characterization of simplicity, people are highly interested in jobs that require little physical and mental exertions.

A philosophy to avoid the negative consequences of their actions or decision, in lieu of psychological characterization of simplicity, implied by ill-defined simplicity would make people deny value to planning economic resources, like money or time.

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.

6. Low Regard to Personal Development

Some of behavioral characterizations of prevailing life style among eastern Ethiopian communities implicated into the personal development of people. One such was people value for emotional wellbeing. More often than not, people glorify (exaggerate) their emotional wellbeing. As manifestation of that, people invest little resources (time, money, energy and/or emotions) in activities that add up to their personal development.

Where people and communities exert unbalanced efforts in possession between material and spiritual capital, they are likely lose both. Indeed, as easterners invest discriminately between spiritual and material capital in favor of the former, at least in the long run, it is highly likely that their economic life would be subjected to risk, even to compromise their spiritual wellbeing.

7. Attitudes and Outlooks Breeding Dependency Syndrome

As depicted in the previous sections of this paper, the essence of simplicity, both in its behavioral and institutional faces, is a defensive mechanism people ad communities of eastern Ethiopia developed from risks of material and spiritual deprivations. The nature, importance, and potency of institutions for sharing risks, like the institution of social capital, may end up with unintended consequences unless wisely used.

A look into the workings of social capital in the communities of interest entails a pretty different scenario in urban and rural settings. In rural settings, social capital is where people share resources like information, food, cash and labor to face mainly evoked by deprivations of nature. For many reasons, those interdependences among communities in rural settings can be considered a home-grown resilience mechanism from human made and natural factors that has been leaving them in economic hardships and uncertainties.

As an emerging dynamics in the urban settings of those communities, however, the the functioning of institutions for mutual help and cooperation are increasingly challenged by rent-seeking behaviors. That is not to deny the crucial role of social capital for urbanites who are involved in business ventures.

As result of misuse of socio-cultural institutions in urban settings is mounting dependency syndrome as one emerging challenge to communities. For instance, labor forces who are victims of dependency syndrome feel economically secured in the face where they are not actually. That in turn disincentives hard work, in turn weakening the work spirit of victims, which in worst cases, distort the labor market.

8. Distorts the Product Market

As one of adverse effects of simplicity is its toll on the proper functioning of a product market is little regard to bargaining for prices and qualities in market. Such a case opens room for opportunist business people which may widen profit margins or inflate prices and deliver sub-standard products.

Moreover, when people show little regards for bargaining, strategies to fixing the market failure, like interventions to protect consumers using price and quality control strategies or subsidies would likely be impotent.

9. Distort the Labor Market

The behavioral and institutional elements of simplicity have far-reaching consequences on the nature, functioning and performance of the labor market. In this regard, issues like Labor force participation; labor mobility and productivity of labor are worth considering.

a. Low Labor Force Participation Rate

As depicted in discussions so far, over-dependence of people on one another implied by the institutional elements (like social capital) of shared value system could shape the perception of people on work and hence their work spirit. As a result of overdependence on one another, people feel less unsecured and unemployed, even if they are not. Such instances manifested in number of ways.

For instance, mutual sharing of resources may breed undesired consequences on people, like a mentality of dependency. In its worst case, dependency syndrome may give pseudo shield victims (unemployed ones) not to sense the pains and deprivations associated with unemployment.

Overall, the unwise use of institutions for mutual help and cooperation can harm the incentive system resulting into low rate of labor force participation an inevitable feature the labor market.

b. Restrict Labor Mobility

The philosophy cherished in east is likely to erode patience and spiritual strength to bear the challenges associated with work. As a reality amongst communities of eastern Ethiopia, people often avoids works - and in most cases would rather remain unemployed than selling their labor in occupations requiring exertions: laborious, risky, innovative and mental exertions. The prevailing reality in the communities of interest is people are often attracted to and engaged in occupations with little exertions.

Such a case inevitably results structural problem labor market, where the problem manifest itself in at least two ways. For one, it implicates into business to be concentrated in businesses that open wider door for rent-seeking political economy to spur. That means resources are likely channeled towards economic activities involving simple exchange of good. And economic activities which add value, and which

employs more labor would inevitably be scarcest.

Another consequence pertaining to avoidance of jobs requiring exertions would be mismatch in labor demand and supply featuring labor market. Thence, labor supply skews in activities or jobs that require less pain & exertions while shortage of work force would be inevitable in laborious and technical jobs.

When one gives a thorough look into the economic structure and labor market in eastern Ethiopia communities, the aforementioned scenarios are typical features. Researchers interested in addressing problems related to the market structure, particularly on labor market and unemployment in the communities of interest, may find the mentioned scenarios takes an important considerations in their undertakings.

c. Impact on Labor Productivity

Theoretical and empirical evidences from behavioral economics suggests a host of behavioral variables ascribed to quality of labor and hence to labor productivity. Some to mention: *virtues of independence, industriousness, innovativeness, workaholic and work discipline.*

Some of behavioral and institutional elements of simplicity implicate into those essential virtues of labor.

d. Makes Policies to Mitigate Unemployment Likely Impotent

According to the standard principles in labor economics, individuals in working age bracket are treated as unemployed when they actively looking for a job but unable to secure in a definite period of time. As one features of the socio-economic fabric of urban eastern Ethiopia is instance where the definition of unemployment and individuals as unemployed do not hold.

Where such circumstances prevail, often-used Strategies to draw more laborers into workforce via like provision of credit services, technical training and other capacity building schemes are less likely work.

10. Affects Entrepreneurial Efforts

As one of characterizations made on the shared value system amongst eastern Ethiopia communities was risk averse behaviors and institutions meant to mitigate risk. Risk taking behavior being the core virtues of entrepreneurship, the cherished lifestyle in the communities of interest in many ways can affect entrepreneurship and entrepreneur minds be scarce.

Investigating on this problem may take an important area of research in the realm of business management, entrepreneurship development and/or economics of entrepreneurship. For instance, in lieu of the above narratives, a researcher may hypothesize saying the scope for

entrepreneurship development is limited. Perhaps that can be a reasonable hypothesis as far as his undertakings involves the eastern Ethiopia perspective.

11. Principal-agent Problem

As depicted in preceding narratives, some of the behavioral and institutional deductions out of the value system governing life among eastern Ethiopia communities implicated into making employer-employee relationship a bit rough. The behavioral inferences in relation to principal-agent problem includes: tendencies of free-ridership, lack of independence, unpunctuality, and little commitment to rules, regulations or terms of contract ascribed to a particular job or appointment.

Indeed, a critical look into the workings of the fabrics of socio-economy in eastern Ethiopia settings entails principal-agent problem a real challenge to employers, both the private and public sectors.

12. Tendency to Abuse Socio-Cultural Institutions

One aspect of simplicity is institutional set-ups of communalities in relation to its impact to promote their well-beings by promoting behaviors and value systems like sense of cooperation and trust; also by promoting social harmony, reduce economic inequality. In rural communities of eastern Ethiopia, socio-cultural institutions and prevailing norms, values and rules that has kept communities from economic inequalities, shielded from risks of economic resources and food shortage. Moreover, these institutions are crucial in defending vulnerable groups like women, children, disabled people and the elderly from whatever injustices and abuses.

For instance, as a result of those institutional set-ups, in Somali communities in particular, women gets better alienated from domestic violence or rape, the two dominant forms of social maladies that women suffer from in many other communities in Ethiopia.

The issue has quite a different look in the urban areas, where misuse of socio-cultural institutional is growing phenomenon. Those moves to exploit those institutions of mutual help and cooperation are getting mediums of rent-seeking behaviors developed, weaken the trusts and courage among people, hence a variant of worth to blame.

Socio-cultural institutions and value system shape the behavior of people through the following channels:

- Affecting the structure of formal economic and social set-ups
- Polluting the socio-cultural institutions that complement socio-economic progress
- Changing the behaviors of people in a way of retrogressive to economic well-being of communities.

IV. FINDING AND WAY FORWARD

1. Summary

Despite diverse socio-cultural and religious backgrounds, if there is a unifying factor among people belonging urban communities of eastern Ethiopia is the philosophical construct of the motivations (behaviors) of people and prevailing institutions. The shared value among easterner Ethiopian communities is manifested mainly in molding their decision making behavior

The shared value system emanates from shared socio-economic structure, system of past governance, socio-cultural institutions; geographic and geo-political variables, among others, are responsible, in one way or the other, risking them of facing emotional and material deprivations. The importance of those variables should be understood in their implications to creating risks and uncertainties on people and their socio-economic and political (governance) structure.

In this regard, Structural problems fermenting and/or nurturing economic uncertainties include unemployment, corrupt trade regime and contraband (smuggling of goods), infrastructural bottlenecks and more importantly poverty. Among geo-political elements are war and contraband, both of which have paramount importance in explaining the underlying psychological, behavioral and socio-economic factors which triggers people pursue simplicity.

As the study tried to make characterizations, simplicity is basically a behavioral and institutional mechanism people and communities developed to shield themselves from deprivations and/or uncertainties in their material and spiritual wellbeing, the nature of simplicity takes *involuntary*.

2. Simplicity, Scope for Progress and Wellbeing

The study concludes that prevailing values and norms in the communities of interest has a number of positives, which can be optimized to serve the wider public interests. In this context, the implication of both behavioral and institutional elements of simplicity in terms of its effect on incentive mechanism in activities from private to public life is another issue worth noticing.

For instance, in circumstances, activities or interventions that need cooperation and close interactions of people, the essential traits of the cherished life style would better serve its ends. On the contrary, in activities that require independence, merit or personal efforts over mutual support, cooperation or group works, the valued lifestyle in eastern Ethiopia is second best, if not relevant altogether.

Where such is a dominating feature, individuals, no matter how capable they may be, find unleashing their potential pretty difficult. That in turn shapes the prevailing institutions meant for all purpose of private or community interests lack sustainability, change oriented, visionary and progressive.

In the face where individuals have little reward, if not

disincentives, to reap the fruits of their talents or exertions, it is inevitable that communities are likely to swim in a pool of risky and uncertain environment, even further exacerbating those evils\

3. Simplicity, Academic Interventions, Public Policy and Wellbeing

a. *Implication to Academic and Research Community*

Academicians and researchers are expected to identify progressive and retrogressive aspects of the implied norms, values and social capital out of the philosophy of simplicity in relation to socio-economic development. In this regard, important areas to focus on include, but not limited to the followings: dealing with the mindsets of people; looking at the overall socio-cultural institutions; consulting customary laws and institution; understanding perceptions and attitudes; evaluating on norms and value systems of communities presupposes practical policy intervention to bring about socio-economic progress.

In all those efforts, multidisciplinary and inductive approaches shall be given as for better analysis and inference

b. *Implication to Development Policies and Strategies*

In their endeavors to promote social and economic development in communities of eastern Ethiopia, government and other development partners are ought to give recognition and hence act accordingly of the importance of psychological, attitudinal, and behavioral elements that manifest shared value system in their endeavors.

As a strategy to promote community well-being is to work at lower level of administrations, making the local authorities to work on schemes that scale up the well-being of their communities.

There are evidences so far supporting those lines. National governments who are speaking of happiness and well-being are emphasizing the local level as the stage wherein they can be realized. For example, the UK government has strongly encouraged local governments to become a lead partner in enhancing well-being the CWB Indicators Project in Australia was launched by the Local Government Association of Queensland, and many CWB measurement projects are managed by local governments.

Moreover, an integrated and participatory approaches could be pursued in a bid to develop institutions, value systems and ways of life of people having positive outcome in enhancing the emotional and socio-economic wellbeing of people. In this regard, the role of academic and research circle is crucial. Therefore, government and other agents of development should encourage and commit resources towards researches and developments over the issue.

Hence, 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 promote collective wellbeing in general, and that of people and communities belonging to eastern Ethiopia in particular.

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Conflict of Interest

The author declares that they have no competing interests.

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