

The Kleptomaniac Leadership and his Destructive Role on the Economic Dimension of Nation Building

An Illustration of the Manipulative and Destructive Self-Appointed Dictator and his Cohorts in Eritrea

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Abstract: This article examines the Economic Dimension of Nation building in light of the economic vision adopted in 1994. Both secondary and primary data are used to write this article. The primary data is collected through telephone interviews, personal interviews and focus-group discussions with some veteran liberation fighters, former government officials, business men and some people who were holding key positions in some government institutions and who have experience and knowledge as to how the market operates. The main findings show that the kleptomaniac leadership has committed an economic, legal and ethical blunder scoring one of its main failures in the economic dimension of the nation building process. This is due to the fact that it has applied a militarist and one man owned, designed, decided and miss managed command economy model although it claims that it is applying a market economy model as stipulated in the economic vision. Moreover, it is to be indicated that the dysfunctional militarist and one man owned, designed, decided and miss managed command economy model is not properly planned and it is poorly coordinated and terribly mismanaged. This reality has a serious negative consequence on the economic, social, cultural, diplomatic and political conditions of the country. The other finding of this study is that the reason why the failed, i.e. kleptomaniac leadership applies a militarist command economy model is because it clearly understands that to maintain and strengthen its political power it has to have a full ownership and control of all the economic, financial and human resources in the country. The main reason why the self appointed dictator does not implement the economic vision is because the vision was not designed to be implemented but to help the dictator to get enough time and to create the conditions necessary to steal the economic resources of the country as a means of achieving his political dreams. The other reason for the failure of the economic dimension of nation building is the lack of a competent and authentic leadership who possesses the qualities of an effective, legacy building and developmental leadership.

1. INTRODUCTION

Inspired by the conflicting declarations and ambiguities about the economic policy of the Eritrean government and as the measures the government takes differ from what it is stipulated in the macroeconomic policy and from what it promised to its people in different occasions and how the Eritrean market was managed, structured and functions (see, the Multinational Monitor, 1996, PP.2-3; Africa Business, 1997, P. 33; Business America, 1997; Africa Business, 2001 and Afrol News, 2003); Abraha (2010) conducted a study to identify the economic model applied in Eritrea. The results showed the economic model applied in Eritrea is a one man decided, controlled and managed militarist command economy model despite the conflicting signals given by the government. The other conclusion drawn from this study was that the Eritrean government had built a command economy network of relationships to create a monopolistic market position to serve the economic institutions owned by the manipulative dictator. Likewise, observing what the government does in practice deviates from what it promises to the business community, Abraha (2010) examined a new private business establishment processes in the strictly the dictator controlled and mismanaged market. The results showed that the business environment is characterized by many more obstacles, that is, failure factors, than opportunities, that is, success factors for the establishment of a private firm. The main constraint for the private firms is the absence of the government's commitment to a market economy and the development of a private sector led economic growth. The other constraint is the existence of

the command economy network of relationships, created by the one-man state, which private firms find extremely difficult to penetrate and to develop a market position in. The main reason why private firms can't penetrate this network is that there is a very strong interdependence among the dictator owned enterprises active in this network as importers, financiers, producers, transporters, suppliers, customers, facilitators, and whatever is necessary to dismantle the private sector and to build and strengthen the one man owned economic institutions and one man owned economy.

The authors' findings in the study of which economic model is applied and the establishment processes of private firms in combination with the very promising national vision enshrined in the National Charter of Eritrea (Charter 1994: 10-11) adopted by the 3rd congress of the EPLF/PFDJ, February 10-16, 1994, created an interest on the same author to evaluate the implementation of the political, cultural, social visions, goals, programs, strategies and to find out how the mobilization and alignment of people to realize the vision is carried out and managed. With this aim in mind, Abraha in (2010, 2012 and 2014) examined the social, cultural and political dimensions of the nation building processes. As a continuation of those studies and based on the recommendation of Abraha (2009, 2010, 2012 and 2014), applying the further developed version of the original model, i.e. the conceptual framework, the main purpose of this article is to examine the economic dimension of nation building and the role of leadership in the management, development, implementation and achievement of the economic vision, goals, programs, strategies by mobilizing and aligning people to realize the vision as important components of nation building. Moreover, this article attempts to assess whether the economic dimension of the nation building was successful or not and to determine the reason for success or failure and to make further recommendations for the successful achievement and implementation of the economic vision and goals. It concludes by assessing the appropriateness of leadership to the task of the economic dimension of nation building applying the conceptual framework developed for that purpose. There are two additional reasons for conducting this study; (i) there is an acute shortage of an effective, developmental, quality, competent and authentic leadership in Eritrea in particular and in Africa in general which can accomplish the task of nation building successfully. The absence of the authentic and competent leadership in Africa and specifically in Eritrea is one the main reasons for the mismanagement and waste of the abundant and precious resources in the continent. (ii) Moreover, there is no adequate knowledge of nation building process and what is the prerequisite for the success of nation building both in Eritrea and Africa. With those shortages in mind, the current study attempts to deepen, broaden and develop further our knowledge of the nation building and the role of leadership in the nation building process. Deepening and broadening our knowledge can contribute to the solution of the absence of appropriate or developmental leadership which is alarming and which is getting worse and worse in due course of time. If the purposes defined so far are achieved the resources in

Eritrea in particular and Africa in general can be properly managed and can further play a significant role in nations building in particular and in the development of the economies of the continent in general. Moreover Eritreans are diametrically divided on their understanding regarding the success/failure of the proper implementation and on the success of the economic dimension of nation building and on the question of the appropriateness of leadership to carry out this task successfully. Those who belong to the opposition argue that the economic dimension of nation building was a complete failure and they claim the failure of the economic dimension of nation building to be due to the absence of appropriate, developmental, effective, quality and authentic leadership to plan, lead and to implement the task successfully. There are also other elements in the opposition camp who maintain divergent views and they claim that the leadership is not at all committed to implementing the national economic vision as it has a hidden vision which is contrary to the official vision enshrined in the National Charter and in the constitution. The supporters of the illegal government claim that the economic dimension of nation building is extremely successful as the leadership is appropriate to perform the task and is at the same time committed to implement the vision of nation building. In light of the views maintained by the two factions, i.e. of the opponents and the supporters (proponents) of the illegal government, the current study aims to bridge or to at least to reduce the difference among the two groups with divergent views which in its turn can create harmony among the people and which can also facilitate the nation building process and the effective management of resources in the country. Finally, this article attempts to highlight whether the leadership is reluctant to implement the vision as it maintains a hidden vision and if it is found out to be the case, the result of this study can help Eritreans' both supporters and opponents to understand properly the risk associated with the reluctance to implement the vision of nation building. This in its turn can help the Eritrean people to develop appropriate strategies to remove the destructive and manipulative dictator from power and to replace him with a developmental/appropriate leadership that perform the task of nation building successfully.

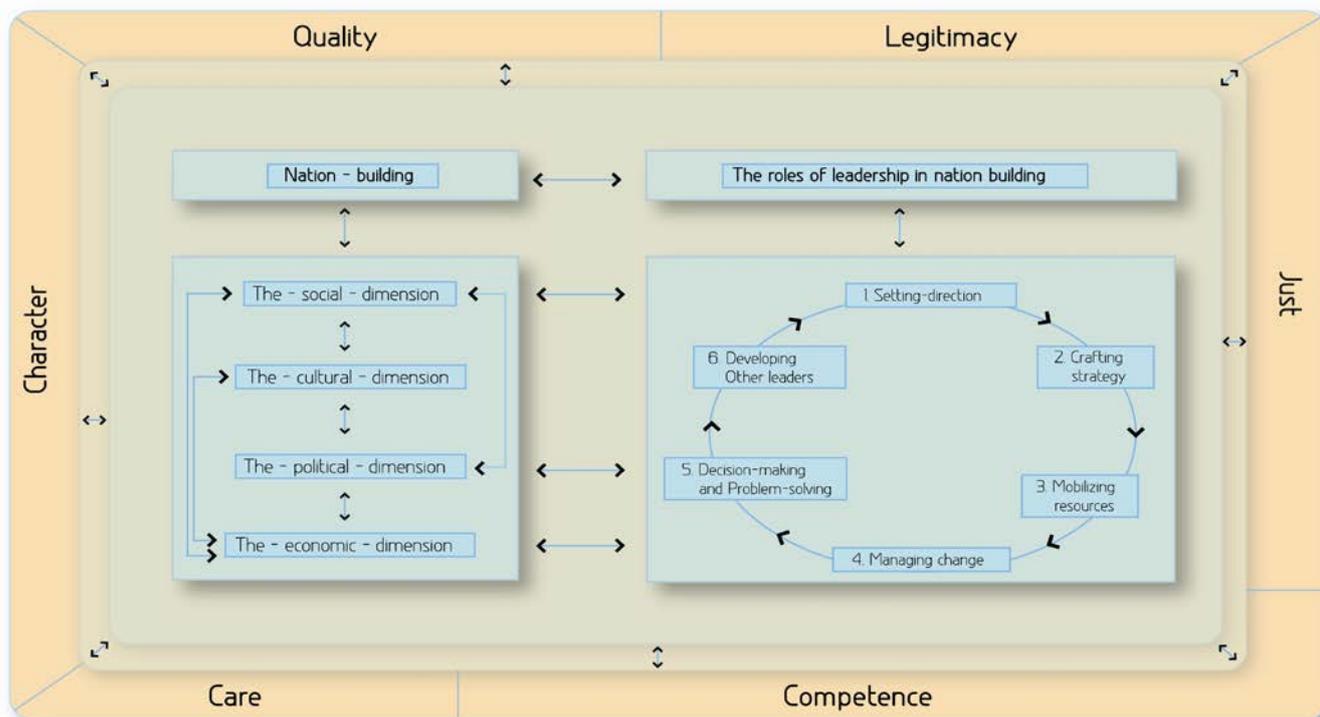
2. A MODEL OF DEVELOPMENTAL (AUTHENTIC) LEADERSHIP IN NATION BUILDING

In figure 1 on the next page a model which contains three groups of variables is presented. In the figure, the first group of variables includes the four dimensions of nation building which are the social dimension, the cultural dimension, the political dimension and the economic dimension. In this article the first variable is modified to be made up of five dimensions as it includes an additional dimension which is the diplomatic dimension of nation building. Likewise, in the figure the second group of variables consists of six leadership roles, whereas in this article twelve specific roles (tasks) of leaders

that build modern nations are presented and applied. The twelve roles are setting direction, crafting strategy to fulfill the vision, acting confident and optimistic, emphasizing and effectively using human capital, expressing confidence in followers, building and maintaining an effective national culture, engaging in ethical practices, leading by example, mobilizing the whole nation behind the vision, goals and strategies, managing change effectively, decision making as well as problem solving and developing other leaders. The third group is made up of the six characteristics of effective (developmental) and legacy-building authentic leaders in nation building. In the figure, authentic (legacy-building) leaders in nation building are marked by quality, legitimacy, just, character, care and competence. In this article, three additional characteristics, i.e. cornerstones of authentic leadership transparency, honesty and authenticity are included.

FIGURE 1: A CONCEPTUAL FRAMEWORK (MODEL) OF DEVELOPMENTAL (EFFECTIVE) LEADERSHIP IN NATIONBUILDING

A model of developmental (effective) leadership in nation building



3. THE FIVE DIMENSIONS OF NATION BUILDING

The five dimensions of nation building see Abraha (2014) are developing appropriate economic infrastructure and policies to achieve economic progress which is the economic dimension; fostering regional and international cooperation, which is the diplomatic dimension; engendering a dynamic value-based culture rooted in a people’s uniqueness, i.e. the cultural dimension;

creating a matured, progressive, stable and participatory political pluralism, i.e. the political dimension and building social unity and cohesion which is the social dimension of nation building.

3.1 THE ECONOMIC DIMENSION OF NATION BUILDING

As clearly stated in the *National Charter of Eritrea* (Charter 1994:February, 10-16) the main objectives of the economic dimension of nation building are: gradually to build a strong national economy, to strive to base Eritrea's strategy of economic development on social justice and economic democracy, to draw up and implement plans to revive and develop the economy which has been destroyed by the long war, to ensure the establishment of a government that plays a significant role in creating conditions conducive to building a strong economy, to encourage the development of a dynamic, competitive and self-confident private sector, to develop an economic strategy which puts emphasis on the full participation of the people and on the development of internal resources and to encourage and strengthen international economic cooperation and investment. As discussed in another source the development of appropriate economic policies and infrastructure to achieve economic progress are some of the corner stones of the economic dimension of nation building (Abraha, 2014). Likewise, the main focus of the economic dimension of nation building is to improve the standard of living of the people, specifically the material welfare of the citizenry (Abraha, 2010). It should put more focus on wealth creation and, to a certain extent, on poverty reduction. Wealth creation should get the priority if poverty is at a very low level and less emphasis should be done on poverty reduction. However, priority should be given to poverty reduction and less focus should be given to wealth creation if there is a wide spread poverty in a country. However, if there is a moderate level of poverty both poverty reduction and wealth creation should get the same emphasis (Abraha, 2012).

In the above referred charter, the government is said to have chosen the path that ensures social justice and real economic development. The fundamental principles to realize these goals according to the Charter are:

- It is the responsibility of the government to create conditions conducive to economic development, to develop realistic strategies and policies, to stimulate the development of human resources and to ascertain the appropriate use of natural resources. The economy should be a market economy. Both public and private sectors can exist and the economy has to be mixed economy. Here is a contradiction as the economy can't be both a market and mixed economy. One has to be specific from the beginning as it is impossible to be both.

- The private sector has to be revitalized and strengthened with the help of modern skills and economic knowledge. Such measures will enable the private sector to be strong and to play a leading role and to be free, competitive and viable. Moreover, the country has to develop economic policies which attract and encourage foreign investment.
- The economic development strategy must be based on the full participation of the people and self-reliance. Both the human and natural resources must be developed to make them the foundation of the economic development and the economy has to rely and to depend on them.
- To be able to improve industry, commerce, agriculture and social services with a strategy that coordinates public and private sectors and which encourages people's participation.

Alternative Economic Models for the Proper Management of an Economy

Various researchers e.g. Biersteiker, (1990); Sorrensen, (1993); Chen, (1996); Spoor, (1994); Dulbecco, (2003); have addressed the issue of which economic model helps nations to achieve the desired economic results in the world of limited resources and unlimited wants to achieve maximum economic performance to secure the well-being of their societies through economic development and prosperity. The economic models applied in different countries environments differ mainly into two categories which are see Biersteiker (1990), (i) the supremacy in the market, i.e. who should have the decision making power about how the market should operate, the state or the various actors operating in the market and (ii) ownership of resources, i.e. how resources should be allocated among the various actors operating in the market. The two possible candidates are the public sector which is the state and the private sector which are the various forces operating in the market usually termed as a market.

The findings and conclusions of the above referred researchers are far from conclusive which makes the issue a subject of further research. In light of those findings, as a continuation of his earlier research and to serve the purpose of this study, the author makes a brief literature review of the various economic models applied in different country environments mentioned above. The aim of the review is to develop further the theoretical model (foundation), i.e., the theoretical framework to be applied in analyzing and evaluating the economic dimension of nation building covered in this study, i.e. in Eritrea.

The Five Models of Managing an Economy

According to Biersteker (1990), the five economic models have been developed and applied indifferent economic systems of different countries and in different periods of time. It is the difference about the allocation of resources and the division of labor among the state and the business community which typically characterizes the differences among the five economic models. The government and the business community relationship are different in the five economic models. In discussing the five

models, the pattern of increased market authority or business community (role) and decreased government intervention in the economic systems will be highlighted (Eklund, 1993). The five models are (i) The Central Planning Model (the command economy model), (ii) The Public Policy Supremacy Model, (iii) The Partnership Model, (iv) The Mixed Economy Model and (v) The Laissez-Faire Economy Model (the Market Economy Model). The central planning model (the command economy model) is guided by the government. In contrast to how the market is said to function according to the laissez-faire model, the government plays the strongest role or manages most in the central planning model. One should totally eliminate the market economy and the price mechanism and instead one should let the political and administrative decisions to fully control the economy in the case of the command economy (Biersteiker, 1990). The command economy, i.e. the central planning model is abandoned by many countries although some countries still have control of few sectors of the economy. In the partnership and mixed economy models, the relationship among the state and the business community is said to be horizontal although to a varying degree (Abraha, 2010). However, the relationship among the state and the business community is hierarchical in the public policy supremacy model. In this model, the government is above the private sector and the private sector is subordinate too and is expected to operate based on the decisions and instructions from the state. The government directs the ownership structure and market coordination and operations mechanisms in this model (Eklund, 1993). A set of institutions through interactions and negotiations – find solutions together which can bridge different interests, replacing the sharply defined division of labor between the business community and the state which is recommended in the mixed economy model. Negotiation and dialogue as distinct from division of labor can lead to a better and higher total efficiency is one of the main tenets of this model. In the partnership model, synergy is believed to yield better results, whereas division of labor is stressed in the mixed economy model. In the mixed economy model, some sectors of the market will be left to operate freely and some sectors will be regulated by the state. A border is recommended to be drawn to determine the division of labor between the business community and the state, regarding the issues of resources coordination and allocation of the various activities in the market.

It is economists like Keynes (1936) who claimed that government intervention in some sectors of the market is necessary, considering market failures which can occur in a pure market economy (laissez-faire economy) model. There is no government intervention in the market economy (laissez-faire) model (Eklund, 1993). The model is based on private enterprises interaction without significant government intervention. Accordingly, the market economy is decentralized and coordinated through interaction among the various forces operating in the market. In other words, the various actors operating in the business community through interaction can determine how the resources should be allocated, owned and managed. The government has the least intervention in the market operating mechanisms in the

market economy model. In a market economy firms make their own decisions in a competitive market and they are responsible for the results of their policies and actions. However, in the socialist market economy model, the major portion of the market is owned by the state and the rest by the private sector.

The State Intervention versus the Market

A comparative study of the Singaporean and Hong Kong government intervention in the economy, see Lam (2000) found out that both countries have achieved a comparable economic success through different development strategies. The interventionist approach to develop its economy was applied by the Singaporean government while the laissez-faire model was followed by the Hong Kong government. But, after achieving social and economic maturity, both found it important to follow a hybrid strategy of mixing economic intervention with the free market approach. Sir Haddon-Cave, Financial secretary 1971-1980 found the term 'laissez-faire' too passive and preferred to call the Hong Kong approach 'positive non-interventionism' as discussed in Leung, 1998). Likewise, Singh (1993) characterized the Chinese model as a step by step approach, based on the notion of an optimal combination of market mechanisms and planning. As discussed in Singh (1993), Jin and Haynes (1997), maintaining the same line of argument used a *dualist and leading sectoral* approach to explain that China has used some leading sectors in order to help the emergence of new elements of the market economy while continuing to utilize the basic components of the old system, the whole contributing to the maintenance of a relative stability of the economic and social framework. Other researchers such as Fan (1995, 1996) although shared this view and they characterize the Chinese model of reforms as a dual-track transition model, which underlines the rapid development of a new system alongside the old one, the latter being momentarily preserved from any fundamental reforms. In a somewhat different argument Faaland & Parkinson (1991) supported the above view of marketization and state intervention interaction, arguing that taking real market developments into account and depending on how the state works and what capacity it has, it will have to intervene more actively in case where markets do not work or are nonexistent, and where deregulation leads to monopolization. Parkinson recommended that states should intervene in the market, although not to the same extent as during the era of interventionism, searching for policies to complement markets rather than to replace them. Such types of intervention enables markets to play a dynamic role in development based on growth, equity and sustainability. Adopting such an approach will enable governments to stimulate the development of the market and can at the same time influence production and distribution of public goods necessary for the protection of those who go the market in disadvantageous positions (Harris and Crow, 1992). States should promote the process of market development, instead of withdrawing from markets, by providing licenses,

information, and infrastructural investments and by promoting standardization and quality control. Even the protagonists of pricism are now proposing to get the “right mix” between state and market reviewing their rigid position of “getting prices right” (Timmer, 1991). According to Faaland and Parkinson (1991), the market is the main allocative mechanism and motor of growth; however the state has not more than a “facilitative role” to play. In other words the primary aim of the state intervention in the market should be facilitation not to create market distortion and market imperfection.

3.2 THE DIPLOMATIC DIMENSION OF NATION BUILDING

To make a certain country a respected member of the international community, by coexisting in harmony and cooperation with its neighbors; and by contributing, to the extent of its capability, to regional and global peace, security and development is the goal of the diplomatic dimension of nation building (Abraha, 2014). To achieve the above objective a country should formulate its foreign policy based on its internal policy and at the same time it should be based on preserving the country’s national interest, promoting collaboration with the international community and working for the interest of peace and stability in its region and in the world.

3.3 THE POLITICAL DIMENSION OF NATION BUILDING

The prerequisite to a successful nation building in the political dimension of nation building is the creation of a participatory, pluralist, stable, matured and progressive political order based on the people’s customs and traditions (Abraha, 2012). Establishing a constitutional system on the basis of the constitution i.e. to build a strong government and society which accelerates nation-building is the corner stone of the political dimension of nation building. The typical cornerstones of such a constitutional system should have one of its main aims to uphold basic human and political rights which include freedom of faith and of the press which fosters harmony among the people. Further, the constitutional system should be found on the people and be built on the grass-roots, operates on the principles of decentralization, political plurality, openness, tolerance and accountability. It should be a multi-party system in which political parties legally participate and should establish and develop democratic institutions, such as free and strong legislative, judicial and executive bodies, various associations and movements. Learning can be drawn from the mistakes that are done in post-independent African countries regarding the establishment of a political system as concluded by the famous African researcher Basil Davidson. The total rejection of the peoples’ traditions and customs in favor of the capitalist and socialist ideologies, none of which has been appropriate to align and mobilize the African people to focus on development is one of the main errors of post-independent Africa (Basil, 1992).

3.4 THE CULTURAL DIMENSION OF NATION BUILDING

Various studies have confirmed that culture has the potential of promoting or retarding the nation building process and national progress. According to Hofstede (1992), culture is the collective programming of the mind which distinguishes one group or category of people from another. It includes the values, beliefs, orientations and underlying assumptions prevalent among people in a society.

3.5 THE SOCIAL DIMENSION OF NATION BUILDING

According to Adei (2004), the social aspect of nation building includes education, health, water and sanitation. Information and communication technology infrastructure can also be categorized under “socio-economic infrastructure” of the social dimension of nation building. According to the same source these factors can be considered as almost the preconditions for modern nation building. The other central aspects of nation building are: building social cohesion, conflict prevention and peaceful resolution of conflicts, continuous efforts to build trust, consensus, dialogue, and promotion of justice, equity, basic freedoms and the reduction of bureaucratic corruption.

4 The Specific Roles (Tasks) of Leaders

4.1 Setting the Direction

According to (Yukl, 2006 and 2013; Palmer, 2008; Hit, 1998 and Ireland & Hitt 1999; Hitt et al., 2010) leaders provide direction to nation building by formulating a national vision, by defining national development goals, by promoting right national values, and by being living models of their conviction. The vision has to provide a sense of continuity for followers by linking past events and present strategies to a vivid image of a better future for the organization. Yukl (2013) stresses that it is with colorful, emotional language that includes vivid imagery, metaphors, anecdotes, stories, symbols, and slogans that the ideological aspects of a vision can be communicated more clearly and persuasively. Awamleh & Garnder (1999); Holladay & Coombs (1993 & 1994) assert that the success of a vision depends on how well it is communicated to people and it should be communicated at every opportunity and in a variety of ways. Interactive form of communication, i.e. meeting with people directly to explain the vision and answer questions about it is probably more effective than less interactive forms of communication (e.g., letters or e-mail messages to followers, newsletter articles, televised news conferences, videotaped speeches). Before people support radical change, they need to have a vision for a better future that is attractive enough to justify the sacrifices and hardships the change will require. In order to realize a vision leadership has to succeed in *motivating and inspiring* – keeping people moving

in the right direction, despite major obstacles to change, by appealing to basic but often untapped human needs, values and emotions, (Kotter, 1999). To be the driving force of national efforts a vision has to be translated into S.M.A.R.T. (specific, measurable, attainable, realistic and time-bound) goals (Adei, 2004 & Bloisi, 2003). Likewise, Yukl (2013) contends that the leader must convince followers that the vision is feasible as it is not enough to articulate an appealing vision. The overall role of the leader is to develop and communicate the vision to secure that his followers will support the vision. Organizations can become chaotic and are less likely to be successful in the absence of a guidance provided by a vision (Hitt et al., 2010). A leader must communicate the organizational goals to the entire organization...//...since communication is crucial to organizational efficiency (Palmer, 2008).

According to the developmental state theories see e.g. Musamba, (2010) nations which achieve growth and sustainable development are those which are led by quality leadership. One of the main characteristics of quality leadership is that it is guided by a clear vision and commitment to mobilize the masses for the implementation of the vision. The two typical qualities of leadership, i.e. the vision and commitment to mobilize the masses for the realization of the vision are called canons of leadership (Musamba, 2010). Higher education and acquaintance with the necessary knowledge and technical endowments to bring sound change in the socio-economic and political settings of a country are also the other important qualities of leadership.

4.2 Crafting strategy to fulfill the vision

The leader must convince followers that the vision is feasible as it is not enough to articulate an appealing vision (Hitt et al., 2010, Palmer, 2008 and Yukl, 2013). It is necessary to make a strong link among the vision and the credible strategy for its successful implementation. It is also clearly demonstrated in other sources that to achieve the development goals that flow from the vision, every organization – be it governmental, non-profit, or a business – needs to craft multiple strategies (Bloisi, 2003). The development of strategies is also applicable to nation building as Adei (2004) discusses it in detail. Leaders have to put together effective growth strategies translated into effective policies and programs that, over time, enable the realization of national goals.

“At the core of those strategies are quality education; including universal education up to 16 years or 18 years; the development of basic infrastructure; institutional and financial reforms; the removal of bureaucratic and other impediments such as a confused land tenure and titling system that escalates the cost of doing business; a managed but relatively open market economy; a deliberate strategy that aims at the development of local entrepreneurship and business; and a relatively reliable, predictable and less corrupt judiciary...=//=....” (Adei, 2004, p. 24).

4.3 Act confident and optimistic

In Hit et al., (2010) it is clearly stated that a leader has to demonstrate self-confidence and conviction for the followers to have a faith in the vision. What has already been accomplished has to be emphasized rather than how much more is yet to be done (Yokul, 2013). According to the same source, the positive aspects of the vision have to be emphasized rather than the obstacles and dangers that lie ahead.

4.4 Emphasize and effectively use human capital

On the issue of human capital it is suggested that strategic leaders should attract and retain the absolute best employee talent available, and continue to develop employee capabilities and core competences, to reward human capital development and use the human capital in the best way for the organization (Hitt et al., 2010). If people are confident about their ability to achieve a vision they will be highly motivated. Especially, if the task is difficult or dangerous it is distinctly important to foster confidence and optimism. Palmer (2008) asserts that a leader's ultimate goal is to release the human potential of the followers. According to the same source, it is critical to the execution of a strategic plan that the compensation system (reward) be tied to the plan and not exclusively to earnings per share or the budget. This benefits both the followers and the whole organization.

4.5 Express confidence in followers

Research findings of (Eden, 1984, 1990; Eden & Shani, 1982; Field, 1989; McNatt & Judge, 2004; Sutton and Woodman, 1989) which dealt with *Pygmalion effect* clearly demonstrated people perform better if a leader possesses high expectations for them and shows confidence on them. To foster confidence and optimism is especially important when the task is difficult or dangerous, or when team members lack confidence on themselves (Yukl, 2013). The leader should review the specific strengths, assets, and resources that people can draw on to carry out the strategy. Moreover, he should explain why the team is as good as or better than an earlier team that was successful in performing the same type of activity. The fact that the leader must build confidence among the followers is unequivocally documented by Palmer (2008). A leader must communicate high expectations and then ensure that followers develop confidence that they can meet those expectations. They can who think they can.

4.6 Build and maintain an effective national culture

Creating and maintaining a healthy national culture should be a priority of strategic leaders (Hit et al. 2010). The core values of an effective and conducive culture are innovation, learning, and valuing human capital and team actions (Yukl, 2013).

4.7 Engage in ethical practices

One of the ethical roles that strategic leaders should play is in establishing ethical practices (Yukl, 2013). It is argued in the same source that effective strategic leaders place a strong emphasis on honesty, trust, and integrity in the decision-making process and in the implementation of those decisions. It is very important that these normative values must be instilled in leaders and subordinates throughout the society so that they are clearly understood and observable through their decisions and actions. Personal integrity is the foundation of leadership that a leader at all times must embody (Palmer, 2008).

4.8 Lead by example

By setting an example of exemplary behavior in day-to-day interactions with subordinates can a leader influence subordinate commitment (Yukl, 2013). According to the same source leading by example is sometimes called role modeling. A leader who demands subordinates to observe a particular standard should also observe the same standard. Likewise, a leader who requests subordinates to make special sacrifices should set an example by doing the same.

4.9 Mobilizing the whole nation behind the vision, goals and strategies

Mobilization can be derived from a clear vision, credible strategy, demonstrating commitment to improve welfare and being demonstrably zero-tolerant as far as corruption is concerned. The mobilization of people to achieve a development invariably starts with a competent and trusted national economic management team, such as the Korean Development Institute, and mobilizing the indigenous business community (Adei, 2004). Mobilizing people is different and it is more of a communications challenge than a design problem (Kotter, 1999). To mobilize people, the leader and his agenda must be perceived as credible, effectively communicated using local metaphors, and supported by showing some early results in a few visible areas. A leader can mobilize followers by identifying their goals, desires, wants, and needs, and make them believe that the leader is really trying to help them achieve these aspirations (Palmer, 2008). To achieve the goals of the organization, the leader must link the individual goals of the followers and the overall goals that are incorporated in, for example, a strategic plan.

4.10 Managing change effectively

Effective national leaders focus on developing the requisite national capacity to manage the chosen path to change and development (Adei, 2004). Kotter (1999) draws two lessons from the literature that deals with change. First, change process goes through a series of phases that, in total, usually require a considerable length of time. The second is that critical mistakes in any of the phases can have a devastating impact, slowing momentum and negating hard-won gains. To accomplish this task successfully leaders of developmental state should be highly educated and possess the necessary knowledge and technical endowments to bring meaningful change in the socio-economic and political settings of their country (Musamba, 2010).

4.11 Decision making and problem solving

Taking decisions and solving development problems are the two main tasks of effective leaders. At certain times, leadership, is a lonely job and more so when one has to take the critical, and sometimes, life-and-death decisions (Adei, 2004). A leader must step out ahead of the followers and make difficult decisions without consensus and at times even without adequate explanation in order to resolve the threat to the organization, in times of crisis (Palmer, 2008).

4.12 Developing other leaders

A great number of other leaders are needed under the leader of a nation to perform the duty of nation building (Adei, 2004). They can be a vice-president, ministers, regional administrators, and managing directors of state owned enterprises. Moreover, a successful national development leader wouldn't doubt or hesitate to develop a competent leader to function as his successor with more or less the same vision to continue the national building process already started. The fact that one of the main duties of leaders and managers is to develop leadership and management skill is also discussed in (Kotter, 1999 & Kul, 2005).

5 Developmental (Effective) and Legacy-Building Authentic Leadership Characteristics

According to Munroe (1993) if a nation lacks quality, legitimate and just leaders, national deterioration occurs. What determines the building of a prosperous and peaceful life and nation is the quality of leadership. Adei (2004) stresses this definition of leadership further by developing the three central elements of leadership, i.e. quality, legitimacy and just. *Quality* means to be competent, knowledgeable and skilled in the task of nation building. *Legitimacy* is winning an election and acceptance by the governed. The third is *Just*. The feeling of justice in a society of any nation on tribal,

ethnic or social lines often leads to a harmonious life, the building and strengthening of social capital, and, ultimately, promotes progress. It is confirmed by many researchers that if a country has a just, quality and legitimate leaders, within a certain period of time that very country is put on an irreversible path to socio-economic development.

In line with the above, Janis (1982) postulates that effective leaders tend to possess three important features and they are *Character*, *Competence* and *Care*. *Care* exists when the subordinates feel that their leader understands their situation and that they are valued through participation. *Competence* means that leaders have to be capable and skilled to do their task. *Character* means leaders show honesty, integrity, trustworthiness and principle-centeredness. Authentic leadership is believed to produce desirable, expected and positive results which can be an essential ingredient, i.e. quality of leadership in nation building. In the work of Avolio & Gardner, (2005) authentic leadership is defined as the type of leadership that can result in positive and desirable organizational outcomes in turbulent and challenging times. As a concept authenticity had been thought of, discussed and developed, i.e. explored in the past having its roots in ancient Greek philosophers and specifically Shakespeare who puts it as (“To thy own self be true” which is used to describe leaders who know themselves (Harter, 2002). Novicevic et al. (2006); Kernis, (2003) and Avolio et al. (2004) assert that leaders can choose to seek to know themselves and what they stand for and behaving accordingly in a positive moral and ethical manner without fear or favor and encouraging followers to reciprocate. The adopted set of behaviors of the leader becomes visible to their followers as the leader and followers interact. Leaders are perceived as being true to themselves, i.e. authentic or not from this point. Authentic leaders become true to themselves and encourage followers to reciprocate, not only to help the followers to become true to themselves, but are able to positively influence their already built ideas of leadership (Gardner et al. 2005). In the work of Owusu-Bempah, J. (2011) the three main cornerstones of authentic leadership are honesty, transparency and authenticity. Although, different leadership researchers or theoreticians differ on how they define authentic leadership, most agree that authentic leaders (1) are self-aware and genuine, (2) are mission driven and focused on results, (3) lead with their heart, not just thus their minds and (4) focus on the long-term.

6. METHODOLOGY

6.1 The Research Methods

This study contains both primary and secondary data. The secondary data is collected from various sources which deal with the Eritrean economy, nation building and from various published sources

which deal with leadership as well as from the PFDJ charter. The secondary data from published sources, i.e. the literature review is used to identify the research issues examined so far including their findings and finally to determine the knowledge gap which can be used to determine the research problem and the research purpose addressed in this work. Moreover, the research problem and purpose in combination with the secondary data is used to formulate the interview questions to collect primary data, to develop the research methods and the applied conceptual framework (model) to structure and to analyze both the primary and secondary data. The information in the other published sources is not included directly in the secondary data however it is applied indirectly to verify and or to secure the validity and reliability of the information collected by interviewing the three economists. Moreover, the same information from the secondary sources have been seriously considered when the interview questions were formulated, when the interviews were conducted, in transcribing the information collected through interviews, in the analysis of the data and in drawing conclusions. In drawing the conclusions the author has taken into consideration four different perspectives, the secondary data from published and unpublished sources, the primary data collected by interviewing the three economists, the three former government officials and five Eritrean businessmen who are in exile at present, the authors' knowledge, experience and personal observation of the economic developments in Eritrea since the days of the liberations struggle up to the present. This clearly illustrates that the author has checked and confirmed the validity and reliability of the primary and secondary data by merging and combining the various sources and data, i.e. in the published and unpublished sources.

The primary data collected through interviews are included in the empirical findings and their trustworthiness is confirmed as they do correspond with the facts in the articles mentioned above as well as with the author's personal observation, knowledge and experience of the developments of the economic developments and economic situation in Eritrea. It is worth mentioning that the author has not included his own personal observation, knowledge and experience in the empirical findings but has used them only as corroboratory evidence to the primary data collected through interviews together with the secondary data from the published and unpublished sources. The author decided to exclude his own personal observations, experience and knowledge from the empirical findings to avoid the bias which can affect the validity and reliability of this article. This approach increases the validity of the study however the reliability can be moderate like any other qualitative study. Although, the number of the respondents in the primary data is not very large as the information is used in combination with the secondary data together with the authors knowledge, observation, and experience of the Eritrean economy, the combination of the various sources strengthens the validity of the study although it is difficult to state that the reliability of this study is strong.

The procedure to collect the primary data are; (i) selection of interviewees: for the primary data almost all of the interviewees were either high ranking officials holding leadership positions during the struggle and after independence, highly educated and experienced economists, people who held top positions in various governmental institutions for several years as well as businessmen with several years of experience within and outside Eritrea, (ii) to get a balanced view of the economic developments in Eritrea three economists were contacted who provided the necessary primary information, (iii) formulation of the interview questions: the interview questions are formulated by strictly following the research issues and purpose of the article including the information on the PFDJ charter which deals with the economic dimension of nation building, (iv) The research proposal, research methods and interview questions were read and commented by three researchers on the economic developments in Eritrea and the people interviewed themselves. Consequently, the research issues, purpose and interview questions were developed further and finally, (v) the interview questions were sent to three interviewees some days before the interview so that they would read the questions and get prepared for interviews. Before asking the interview questions, the interviewees were asked to provide general information about the general Eritrean economy, how it has changed and been developed during the armed struggle and after independence up till the present. All interviews were recorded. The information collected was transcribed and sent to the interviewees for their comments and some changes were done on the basis of the comments received. Some of the information was deleted and some additional information was also provided, (vi) presentation of the empirical findings: in this section the primary and secondary data collected from the primary and secondary sources were presented in a natural setting following the structure of the applied conceptual framework; (vii) data analysis: the analysis was done by linking the empirical data, i.e. a combination of both the primary and secondary data with the various variables (concepts) and sub-variables (sub-concepts) of the applied conceptual framework (model) in order to address the research issues, i.e. the research questions and purpose. It can't be claimed that all the variables (concepts) and sub-concepts (sub-variables) are equally applied in the analysis as it was absolutely necessary to make some limitations by putting more emphasis on some concepts/variables which were deemed to be more relevant to the economic dimension of nation building. Finally, based on the research questions, purpose and the analysis, conclusions and future research implications are drawn considering the contributions and limitations of the current study.

6.2 The Choice and Development of the Model

The model applied in this work is composed of three groups of variables: (i) the five dimensions of nation building, (ii) the twelve roles of leaders that build modern nations discussed under the specific

role (task) of leaders and (iii) the characteristics by which effective and legacy-building i.e. authentic leaders are marked in nation building discussed under developmental (effective) and legacy-building leadership characteristics. The first variable of the model is composed of five dimensions as a new dimension, i.e. the diplomatic dimension is included in contrast to the models applied in the social and cultural dimension of nation building which are made up of four dimensions. The diplomatic dimension is included as it is also an important ingredient of nation building. The second variable in the current model is composed of twelve sub-variables in contrast to the models applied in the social and cultural dimension of nation building which are composed of six sub-variables. The six new sub-variables are to act confident and optimistic, to emphasize and effectively use human capital, to express confidence in followers, to build and maintain an effective national culture, to engage in ethical practices and to lead by example. The model was developed further to include six new sub-variables as it was found out to be necessary to make it more comprehensive so that data analysis could be deeper and wider to make it possible to address the research issues adequately. Moreover, including the additional six variables enables us to deepen our understanding of the role of leadership in nation building, to develop appropriate leadership, to demand realistic demands from our leaders and to make an objective and realistic assessment of the performance of our leaders. The third and last variable, the developmental (effective) and legacy-building leadership characteristics is also developed further by up-to-dating the literature and including a new concept authentic leadership. The concept of authentic leadership is included in the modified, i.e. up-to-dated version of the model due to the fact that authenticity makes it possible to produce desirable, expected and positive results which are vital components of quality leadership in nation building. The three main cornerstones of authentic leadership are honesty, transparency and authenticity.

7 EMPIRICAL FINDINGS

7.1 Secondary Data

7.1.1 The Structure of the Eritrean Economy

Abraha (2004) by combining three sources of information, i.e. his own personal experience (observation), secondary and primary data has both empirically and theoretically illustrated that the ruling one man party in Eritrea is not only one of the main actors but a dominant actor/figure in the Eritrean market which has created a market monopoly. It develops market rules, regulations and policies which do not apply to the dictator and his economic institutions. In other words the one man government and its economic institutions don't abide by the rules, regulations and policies the ruling

regime develops to monopolize the market. The economic rules, regulations and policies are there to restrict the operations of firms in the private sector and to create conducive atmosphere for the party owned economic institutions to monopolize the Eritrean market. In light of the above reality in the market, Abraha (2010) concluded that the Eritrean government applies a militarist command economy model, however, in an improperly planned, poorly coordinated and extremely mismanaged approach, with its serious negative consequences on the economic, social, cultural, diplomatic and political realities in the market. Through the economic institutions which mainly operate under the Red Sea Trading Corporation (RSTC) which it usually calls private firms, the manipulative dictator owned party and its economic institutions operate as purchasers, importers, shipping agents, clearing and forwarding agents, transport corporation, producers, customers, retailers, distributors and as a market regulator although it creates market distortion, market imperfection, market monopoly, inflation and an artificial shortage of supplies in the market by hoarding products to sell them at an extremely exacerbated prices. The party owned economic institutions are exempted from any type of tax such as registration fees, import tax, customs and clearing fees, operations and profit tax. Those economic institutions have access to free labor which the party creates in the name of a national service in which thousands of youth are languishing and wasting their precious time to serve those institutions in different forms. In Abraha (2010) in a study of success and failure factors in the market, the opportunities and constraints in business establishments are discussed. The Illegal PFDJ government spearheaded by the destructive and manipulative dictator has almost a total ownership, management, control of almost all resources, i.e. the human, financial and natural (material) resources in Eritrea and the decision making power regarding the allocation of all resources and the decisions as to how the market should operate and be coordinated. It declared that land is owned by the government without consulting and the consent of the people who are the owners of the land by virtue of their birth. It sells and distributes land even to its owners who are deprived their rights of ownership to use their land in any way they like. The other example of natural resource unofficially nationalized and exploited by the party and specifically its chairman is the mining industry. Even in this sector the youth is the main source of free labor as it is working with a very small remuneration which is very minimal almost freely working there for several years to benefit the one man party. Not only that but there is no accountability and there are no official financial statements which show the revenues, expenses and the overall financial position of the mining industry. This sector is said to be one of the main sources of income for the chairman who is the dictator and its operatives. The dictator and his operatives have also several major agricultural projects and nobody knows how much they earn from these projects. The party has unofficially nationalized the human, natural and financial resources in Eritrea. Especially the youth and many others are supplying free labor in the name of the national service languishing everywhere to serve the party at all levels of

the administrative set up and in all sectors of the country since 1992. The agricultural sector, commerce, industry, airlines industry, the transportation industry, the mining industry, the economic as well as the financial institutions and the other major sectors of the economy are owned and strictly controlled by the one man party and they all use free labor created by the party in the name of the national service and they also use the financial resources accumulated from within and outside the country through various manipulative methods.

7.1.2 The Ranking of Eritrea among the Five Poorest Countries in the World

With the help of the International Monetary Fund projected 2013 per capita GDP figures adjusted for purchasing power parity, the Global Finance Magazine (2013) classified Eritrea with \$705 GDP per capita as one of the five poorest countries in the world. According to this source, there are only three countries which are poorer than Eritrea and they are Burundi with \$640 GDP per capita, Zimbabwe with \$571 GDP per capita and the Democratic Republic of Congo with \$386 GDP per capita. Eritrea's per-capita GDP adjusted for purchasing power parity is estimated to grow only around 1.7 % between 2013 and 2018 according to the Daily finance (2013), a growth rate that shows that the country will be the second-poorest country in the world which is worse than the 2013 ranking. According to the Nation (2013) one of the largest sources of refugees in Africa is Eritrea and the same source claims that about 4,000 are leaving the country every month. This fact further strains the economy of the country which is already in shambles as most of these refugees are young males which makes the country face a shortage of valuable labor. The same source asserts that the military is one major obstacle of economic development in Eritrea as it is one of the most militarized societies in the world. Eritrea has the highest number of military personnel per capita in the world next to North Korea and its army is now one of the largest in the continent. The military consumes enormous resources to secure the political power of the dictator without generating or creating any resource.

7.1.3 The Eritrean Position in the Corruption Perceptions Index of 2012 and 2013

Countries are ranked based on how corrupt their public sector is perceived to be in the Corruption Perceptions Index (<http://cpi.transparency.org/cpi2012/results/>). The level of a Corruption Perception Index ranges from 0 to 100, where 0 means that a country is perceived as highly corrupt and 100 means that it is perceived as highly clean. In the Corruption Perception Index list of 2012 Eritrea is ranked number 150 from a total of 177 countries. This ranking shows that the number of countries with a lower level of corruption than Eritrea is 149 and the number of countries with a higher level of corruption are 27. Percentage wise 85 % of the countries in the world have a lower level of corruption than Eritrea which means that Eritrea belongs to the 15 % of the countries with a very high level of corruption.

Countries such as Denmark, Finland and New Zealand scored 90 which are almost very clean and a country is regarded to be very clean if it scores 100. The level of corruption deteriorated very much and Eritrea is ranked 161 from 177 countries in the 2013 Corruption Perceptions Index (<http://cpi.transparency.org/cpi2013/results/>) which shows that the level of corruption worsened very much. This ranking indicates that the number of countries with a lower level of corruption relative to Eritrea is 161 and there are only 15 countries with a higher level of corruption than Eritrea in the world. Percentage wise 91 % of the countries in the world have a lower level of corruption than Eritrea which means that Eritrea belongs to the 9 % of the countries with a very high level of corruption in the world. Denmark, Finland and New Zealand scored 91 points and Eritrea scored 20 which are not much better than the countries which are considered to be most corrupted. The three most corrupted countries are Afghanistan, North Korea and Somalia which scored 8 points in the index.

Billionaires' newswire presented a list of the top 12 most corrupted countries in the world and Eritrea is presented second after Venezuela (<http://www.billionairesaustralia.com/corrupt-countries-world/>) before Libya, Uzbekistan, Turkmenistan, Irak and South Sudan. According to the same source from the Bisha gold mine, the Eritrean government got revenue of over \$1 billion in 2011, although this huge amount of money has not been accounted for. In December 2014 terrible human rights abuses of mine workers also attracted mass media attention. The involvement of the high-ranking military figures in various types of illegal activities is reported hand-in-hand with the above. The smuggling of goods, smuggling and even human trafficking connected to torture and organ removal are among the accusations leveled at the military, which the government doesn't at all give report about its happenings and doesn't want and have enough control over.

7.1.4 The Debacle of the Eritrean Airlines and the Ruling Party's Intervention in the Market

From independence until 2006, i.e. in about fifteen years' time Eritrean Airlines was launched five times and did fail in all attempts (Awate.com/Gedab News, February 2, 2011). The first attempt was done in 1992 and ceased to operate two years after in 1994 when the captain, a Romanian, flew the plane home and wouldn't return to Eritrea leaving passengers stranded. According to the same source the second attempt by name "Red Sea Airlines" was done in 1995 which was restructured as a JV among the Saudi Banker (Bin Mahfouz) and the Red Sea Trading Corporation (RSTC) which is the economic arm of the Ruling Party PFDJ. The ill-fated venture was shut down in 2002. The third attempt was done under the name of "Queen Bee" in 2003 which operated under the regime's poor financial management skills which used the airline as a political vehicle to transport Eritreans' during the tourist season (<http://awate.com/eritrean-airlines-take-fou>). Consequently, the airline was operating at a loss and it was shut down in 2008. Another example of the airline failure was the supposedly private company Nasair

which was shut down in 2010. In the fourth attempt the dictator supervised the negotiation among the Pakistani Airways and the administration of Eritrean Airlines to bring the management of Eritrean Airlines under Pakistani Airways (Awate.com/Gedab News, February, 2011). If an agreement was reached a Pakistani management composed of a General Manager, a Chief Operating Officer and a Financial Manager would have taken over the administration of Eritrean Airlines. Skepticism has been the natural reaction as the party which is the ruling regime see (<http://awate.com/eritrean-airlines-take-fou>) does not pay for services it buys from the economic institutions that it owns and the parliamentary supervision of its operations and the proper auditing of financial resources are not common.

7.1.6 A General Description of the Eritrean Economy and Market Structure

There is no national economic plan, economic system, economic policy and economic structure which can be evaluated statistically according to Kubrom Dafla interview with Radio Assena, December 16, 2012. Accordingly, the PFDJ and specifically Isayas have systematically destroyed the investment initiatives and advantages in Eritrea which even attracted the attention of the international community. The intoxicated dictator; (i) in the name of National Service has paralyzed the human capital, i.e. made the working force redundant by isolating it from the economic activities in the country; (ii) stopped the free and normally accepted foreign exchange procedures/manners; (iii) closed the properly functioning business license issuing system; (iv) stopped the construction industry which is the backbone of economic investment and economic revival/restoration and (v) made Eritreans' with investment initiatives loose hope and get dispersed to other African and Middle East countries. Consequently, Eritrea is plunged into deep economic crises for which Isayas should be kept accountable.

7.1.7 Eritrean Businessmen Comments on the Economic Conference of August 27th of 2012

Representing the Gash Barka Association of agricultural products such as fruits and vegetables XYZ gave an account of the problems and constraints they are facing as follows. The association could in the past export its products mainly to the Middle East successfully however in 2012 faced several problems that hinder its operations. To give an example the shortage of fuel as they were getting less than 20 % of what they need, shortage of fertilizers and pesticides, shortage of motors and tractors, shortage of inputs and shortage of the various factors of production, shortage and very high prices of spare parts. One can even add that it is very difficult to find spare parts due to acute shortage and it is not to exaggerate that it does not at all exist in the domestic market currently. A similar issue was raised by another individual who said that they were not even allowed to import spare parts for the tractors as the engines are out of order or broken. They were buying parts which are modified in Medeber and said that imports for personal or private use are allowed and if so he asked why the Gash Barka Association is not allowed to

import. As he wanted to import an engine he contacted the National Bank and the director of the bank told him that it is not allowed. Later he was allowed to import a domestic car however as it consumes too much fuel he couldn't continue to use it. Under the pretext of personal use some people are allowed to import five engines and they use only one of them and they sell the other four engines. Interesting questions in this context are: Who gave import license to this person and how could he finance it, i.e. who gave him the money to do the imports? Another person from Nakfa said we have achieved success in livestock and palm tree production projects and asked if he can be allowed to export it to foreign markets also a question which was not answered. Another person from the southern region said that why are there price and quality controls of milk, sour milk and poultry. He even suggested that it would even have been possible to improve quality and to control and even reduce prices if all those products could be produced by the local farmers. A certain individual from Sweden has this to say about the housing construction in Eritrea. Some of the houses construction is already completed and some of them are incomplete. There is no supply of electricity which created conducive atmosphere for robbers and thieves. The government asked us to pay additional money as it has financial constraints and everyone of us responded positively by paying extra or additional US \$ 2 200, however our houses are still incomplete and may I ask why they are not yet finished although we have paid extra money which we were asked to do. Silence dominated the conference and there was neither a comment nor a reply to the question and the people leading the conference asked if there is another additional question without answering the question asked. A certain individual from Milan asked about the guarantee for investors a question which was not answered. The specific question asked was; what are the guarantees for investors so that they don't lose their capital? Another participant from France raised a question about monopoly in Eritrea. Relating his question to the governments' involvement in the market he said that there is a government monopoly in the Eritrean market. The private sector is very small and insignificant. How does the economic policy regarding the private sector look like? What are the opportunities created or given by the economic policy of the government to the private sector? Those who want to build a house are not allowed, those who bought bonds are not yet refunded, investors' couldn't reap any benefit from their investment and efforts. No specific answers were given and an attempt was done to divert and to avoid the questions. The seminar chair said, let us focus on and discuss what can be done in the future and the problems of the past will be solved in the right time. The mistakes of the past have their own roots/causes and we can't succeed in the future if we dwell on the past. We know the problems raised and they will be solved in the process in due course of time.

7.2 Primary Data

7.2.1 Building a Strong National Economy

The first respondent is an Eritrean economist with more than forty years experience of working in the third world countries. Before answering the question of building a strong economy, respondent 1 said it is important to define what kind of a system we have in Eritrea. The respondent continued to say neither the PFDJ nor the ruling gangs have the legitimacy to be called a government as neither the party nor the ruling gangs are elected by the people. In this work the ruling gangs are sometimes referred to as illegitimate criminals as they don't have legitimacy to create structures and systems. An illegitimate group of people don't have the right to create structures and they don't create too. They don't have the right and competence to create economic structures. They have already proved to be incompetent not only that but they are also illegitimate which makes difficult and impossible to build economic, social, political, diplomatic and cultural structures. Moreover, there is no national plan in Eritrea and in the absence of a national plan there will not be a meaningful economic structure and in the absence of an economic structure it is impossible to build a strong national economy. If there no national plan, there is no national economy and in the absence of a national economy you can't create a strong national economy. Claiming that you will create or created a strong national economy is an empty rhetoric which does not make sense. Instead of working on a program basis they work on a project basis.

In an economy, the private and public (state) sectors can be equal or disproportionate and the state sector can play a major role in the economy if there is no private sector until the private sector reaches the necessary level to play a significant role in the economy. Actually, in Eritrean rehabilitation of the private sector that was inherited from the colonial powers was enough instead of making an attempt to create an economic structure dominated by the public/state sector. Private schools, private pharmacies, private firms and private clinics are forbidden to operate and both Isayas the leader of the hooligans and the former minister of planning Berhane Abrehe have officially declared through the one man media that the private sector can't lead the economy of the country and instead they said that the PFDJ which is considered as the public/state sector will play a decisive role in leading the economy.

As there is no state economy and as there is no public/state sector; that is to say as they are both absent which is tantamount to say that there is no interconnected economy and a state economy which does not exist for itself can't play a leading role and there will not be economic development. The economic structure does not exist in Eritrea and one can safely state that there is no Eritrean economy as it is replaced by the dysfunctional and his operatives' kleptomaniac economy. In sum, there is no recognizable national economy in Eritrea and nobody can make a meaningful economic analysis. There is no structure which has contents which can be diagnosed which means that the country is back in square 1 and to build a strong national economy one has to build the structure and contents which don't

exist. The illegitimate gangs in power have abdicated their responsibility to establish and to lead the economy. They use meaningless, empty and metaphysical rhetoric for survival. Deeply they have realized that they are incompetent and they have abdicated their responsibility as they know that they are rejected by the people. Initially people trusted them however they have now destroyed the trust they got as they proved to be hooligans/gangs typically characterized with kleptocratic characteristics.

The second respondent and an economist with about 40 years' experience in a consultancy work in the third world economy and specifically in Africa comments on the question of building a strong economy as follows, "When someone has suffocated the private enterprising/enterprise and the private sector and has created a one party state with one party economy, it is impossible to build a strong national economy." A country's strong economy can't be created through forced labor, i.e. through brute force. They have developed the infrastructure such as roads, telecommunications but at what cost and for what purpose. The illegitimate authorities have in different occasions openly said to the public and in public that "the Western Model of Economic Development is not applicable in our reality" claiming that they are following or applying a shabby copy of the Chinese Model. The model is not people oriented development approach and what is the purpose if you can't do free trade which benefits the people.

The third interviewee (R3) Kubrom Dafla is an Eritrean economist who has worked as a manager in different economic institutions in Eritrea. According to this respondent there is no national economy and it is the self-elected leader who owns and manages the economy. The kleptomaniac leader never had an intention to build a strong national economy and didn't build any kind of economy which is neither strong nor weak. The vision of building a strong national economy was a tactic used by the dishonest leader during the transitional period to cheat the people until he consolidated power. According to this respondent, the economy is in the hands of Esayas and not in the hands of PFDJ. It is not the party that owns the economic resources and that makes economic decisions, there is no single person or organization to decide and all decisions are made by Esayas and all the decisions he makes are valid and are implemented automatically. There can be people who think that Hagos plays a significant role in the economic affairs of the country but he does not have any power and whenever he is asked his response is let us talk to Esayas. In the aftermath of the liberation people were taking different types of investment initiatives which could help to build a strong Eritrean economy which became like a fashion. However, after the border war Esayas curtailed all public investment initiatives and that is one of the main reasons for the economic failure in Eritrea.

7.2.2 To Strive to Base Strategy of Economic Development on Social Justice and Economic Democracy

In earlier studies we have proved that the social, the cultural and the political dimensions of nation building are complete failures which are clear evidence that there is no social justice. It is also clearly

illustrated in a study of identifying the economic model applied in Eritrea and in the new firm establishment processes study, that there can not exist an economic democracy in a country where businessmen face enormous obstacles and where a command economy model is applied. This is due to the fact that the reality benefits those in power which are called above as ruling gangs/hooligans and sometimes as illegitimate criminals.

For the first respondent one can assume that those in power might have a hidden agenda; and the above was a big lie as they have neither intended nor attempted to strive to base strategy of economic development on social justice and economic democracy. According to the second respondent there is no future for the youth as it is the liberation struggle elites in power who dictate the people who do everything to stay in power not to benefit the people. It is not social justice and economic democracy which is a priority or a cardinal issue for them, however it is the political power which is the most important to them and they do whatever they can to build and to consolidate their political power. That is why they have created a one party state and social justice and economic democracy can't be achieved in a one party state and a system which creates a one party state never aims or endeavors to develop social justice and economic democracy. A glimpse at the UNDP human development report shows where Eritrea stands. The standard of living of the people is very low according to the UNDP human development report. We are beggars when we live and when we are applying for a political asylum in foreign countries. If one compares the standard of education of the Eritreans who ask political asylum in Sweden with those from Syria and Kosovo the Eritrean standard is very low. Especially this holds for the youth and the children. According to respondent 3 the strategy was not implemented as it was hijacked by Esayas, although those who developed the vision wanted it genuinely. There is no logic and strategy for achieving economic development on the basis of social justice and economic development.

7.2.3 Satisfying the Desire of the Majority and Improving their Living Conditions

R1 and R3 said that the desire of the majority is not satisfied as the ruling gangs refused to implement what they promised during the armed struggle and in the aftermath of independence through various decrees and legal notices. Its flowery promises are thrown in the waste basket through unjustifiable excuses like the border demarcation. It refused to implement the constitution which is clear evidence that people don't have a say or participation in the election of their leaders and in the government formation. The private sector is decimated instead of being rehabilitated and the economy is dominated by the gangs (hooligans) and criminal's economy. The standard of living of the people has deteriorated continuously since independence as the economy is also weakened continuously. There is no functioning economy and the youth are languishing in various trenches and military camps in the name of national service where they are treated like slaves. Agriculture is also dominated by the ruling group

and in a country where all the precious resources are nationalized unofficially it is both impossible and unthinkable to improve the standard of living of the people. There are not enough jobs and those who are employed are underpaid. Market prices and the cost of living are sky rocketing from time to time. It is not only that there is a shortage of supplies in the market but there are also market irregularities, market distortion and imperfection created by the inappropriate economic policy which does not yield the desired economic results. There are also other groups who believe that they are incompetent people. For R2, the above does not exist at all. R2 stated that the vision was not at all implemented and the end result was just the opposite as it didn't satisfy the desire of the majority and didn't improve their living conditions.

7.2.4 Economic Operations on the Basis of Equitable Economic Development

R1 and R2 said that we have already indicated that there is no national economic structure, no national economic plan and no national economic development plan and in the absence of national economic development plan it is unthinkable to achieve and to attain equitable development. There is no progressive economic development and in contrast there is a retrogressive development which makes that it does not make sense to think about and to achieve equitable economic development. There were a forestation program, water supply, supply of electricity and other types of infrastructure inherited during independence and all those functioning infrastructures are destroyed. There is no worth mentioning medical services as there is a shortage of doctors, nurses and medical supplies, financial and economic resources and people who can afford are sent to the Sudan for medical treatment. There is a shortage of qualified and experienced teachers as they are underpaid - they have left Eritrea to settle in neighboring countries. For R2, the answer to this question is definitely no. For R3 this was a genuine vision for those who wrote it as they had a vision but the leader of the gangs hijacked it and it will never be implemented as long as he is in power.

7.2.5 Drawing up and Implementing Plans to Revive and Develop the Economy Destroyed by War

According to R1 and R2, in 1991 when Eritrea gained independence, there was no vibrant economy and what Eritrea inherited was a flimsy economic legacy of the Derge and the Haile Selassie regimes. Rehabilitation of the flimsy economy was appropriate to refurbish the economy but they chose to destroy it. The party promised in its vision to guarantee a balanced economic growth and we have shown in point 7.2.1 it has failed to create a national economy and when a national economy does not exist it would not make sense to expect a balanced economic growth. In other words, it doesn't make sense to talk or to think about a balanced economic growth in the absence of a national economy. According to R3, there is no equitable development but there is equitable sinking as everything is sinking. There were plans to develop the economy destroyed by war and there wouldn't be economic revival in the absence of a national economic plan and the absence of national economic development.

7.2.6 Ensuring Equitable Distribution of National Wealth among all Citizens

Is the gap in economic opportunities and wealth between the rich and the poor, between the haves and have-nots narrowed down and if equitable distribution of national wealth among all citizens is ensured? According to R1 the gaps referred and terminologies such as equitable distribution referred here are by products of a capitalist economy, i.e. they are gaps that one can find in functioning economic systems. However, in Eritrea there is a certified corruption and lawlessness created by robbers and gangsters and the robbers and gangsters themselves are the main actors in the gangsters' economic system which can also be called a kleptocratic economic system. In this kleptocratic economic system, i.e. the gangsters' economy it is only the gangsters and robbers who are guards of Isayas raw political power who are rich and the people are poor. For R2, the gaps mentioned are the by-products of a capitalist and functioning market economy system and not byproducts of a gangsters' economy. On the question of whether the trend in Eritrea can be reversed or not, i.e. whether the gap can be bridged, this is unachievable and unthinkable as far as the gangs are in power. As far as the gangs, thieves and robbers are there they will be richer and richer and the ordinary citizens who are the parents of the 100 000 martyrs and the parents of the youth who are languishing in the trenches in the name of national service will be poorer and poorer. What the party promised to the people on one side and the system and the market reality it has created on the other side are diametrically the opposite.

For R3, there is no economy and it will not make sense to talk about an economy which operates under the market economy model. As the gangs don't publish any data it is difficult to say what they did and what they didn't. There is a black whole as there is no data and there is no information coming. Data is kept secret. If they have achieved it they would announce it. Information for them is a military secret. If you take the case of Nadew and Fenkil they celebrate those victories time and again to consolidate their power by weaving them as flags. Forty and thirty years events are used as a banner to make the people rally behind them. However, for those in power information is a military secret. They have detailed data but there is no public exposure as they don't publish it. For R3, there is inequitable distribution of national wealth as there is no functioning economic structure.

7.2.7 Establishing a Government that Creates Conditions Conducive to Building a Strong Economy

According to R1, the objectives in 7.2.7 are rhetoric at its maximum because to achieve those objectives you have to create an economic system and an economic structure that functions. R1 argues that there are no functioning private and state sectors. There is a gangster economic structure/system and those objectives can't be realized in a gangster economy. The above objectives are out of context and can't be achieved in a kleptocratic economic system which the gangsters and their leader are well aware of. Not only the socialist economy but even the ardent capitalist economy will not accept those objectives as it

lacks the necessary mechanism to implement its plans and to achieve those objectives. There is no government and in the absence of a government it will not make sense to expect/discuss the question of a government that plays a significant role in creating conditions conducive to building a strong economy according to R 2. There is no economy and it will not make sense to talk about an economy which operates under the market economy model.

For R3, there is no government; no parliament, no economic institutions, no budget, no economic plan and economic institutions. In the absence of the mission institutions it means that you have a vacuum and one can't expect a government that creates conducive conditions for economic development when there is no government and it is the same individual who refused to build a government. The 2R stated that before the war there were institutions which functioned properly, however after the border war the leader created a national service turbulence and funneled all the money into his accounts and created a one man owned, decided and controlled economy. Given those facts it is difficult to expect a government which doesn't exist to create conducive conditions to build a strong economy.

7.2.8 Developing a Dynamic, Competitive and Self-confident Private Sector by Promoting Private Investment Initiative and Competition Following a Market Economy Model

All these phrases are again empty rhetoric to their maximum to mobilize the people and to get their support with empty promises which are never implemented and they are just as tactics used to secure survival and the grip of power. They are tactics used to prolong the stay in power and not to implement the promises. In 1991 when Eritrea gained independence, there was no vibrant economic structure and it inherited a flimsy economic a legacy of the Haile Selassie and Derg regimes. Rehabilitation of the flimsy economy was appropriate to refurbish the economy but they chose to destroy it.

For R2, if you take the example of the housing policy there is a day light robbery and when you have an open robbery it is difficult to think of encouraging private investment initiatives and competition. There is only one team and it does not make sense to think and talk of a balance if there is only one team as balance can make sense if there is more than one team. HGDF Parastatals are alone there or they are the only one's there and a balance among the HGDF parastatals and who else when HGDF is there alone. You have to have more than one team to talk and to think of balancing.

For R3, the decision maker destroyed the institutions inherited from the colonial government and the institutions established after independence. The development of a dynamic, competitive and self-confident private sector is possible only when several conditions which are the backbones to the private sector investment exist, which are (i) manpower (ii) foreign exchange (iii) fuel and (iv) investment promoting proclamation. They were all destroyed by Isayas and the above vision is difficult to achieve.

7.2.9 Creating Conditions which Enable people to Reap the Fruits of their Labor and to improve their Standards of Living through Hard Work

These objectives can be achieved when you have a functioning and vibrant private sector, i.e. a free market system. In a free and vibrant market system one can manage it and one can sometimes succeed and sometimes one can fail depending on what types of corrective measures you take and the circumstances you are operating in. An appropriate free market system affects the management of the economy and determines the results that can be achieved. The negative effects of the free market system can be managed sometimes with success and sometimes with failure. But the objectives under point 7.2.9 are out context and can't be achieved and don't make sense in a kleptocratic economic system. These objectives are unrealistic and are out of context, unrealistic and unachievable in a kleptocratic economic system, which the leader of the gangs and the gangs know very well.

For R2, in the absence of growth to think of creating those conditions don't make sense. The situation is going to the opposite direction, i.e. it is going the other way round. It is the children of the freedom fighters who get the best education, who have the best opportunities and they are earmarked to continue their fathers and mothers leadership, power and privilege. The children of those who are outside the privileged group are paying their precious life in the desert and the ocean. People are treated like slaves and are living the country as they can't see any bright future. The government has expropriated labor, finance, natural resources and there is no private sector and nobody sees any future in Eritrea. People are living the country because of the government failure to create conditions which enable people to reap the fruits of their labor, improve the standard of living through work and honor of work. For R3 the above doesn't at all make sense as the leader never had the intentions to enable people to reap the fruits of their labor and to improve their standard of living.

7.3 Ensuring Public Participation in the Decisions of Economic Affairs

These issues are political objectives and can only be achieved if there is a political system and apolitical structure. People don't have their representatives in the parliament and how can they do these in a parliament that they are not represented or in a parliament where they don't have their representatives. There is no legal system, i.e. a legal structure which empowers the people to ensure their self-interest such as economic rights, social rights, cultural rights, political rights, diplomatic rights and human rights. In short, there is no legitimate system or structure that ensures the participation of the people in the decision making process that ensures their rights. For R2, this is for the gallery and it is a bull sheet. They have monopolized and dominated the voice of the majority and it is only the voice of the PFDJ which is being heard as they have a complete control of the media. Given the prevailing conditions, for R3 this does not and can not at all exist in Eritrea.

7.3.1 Achieving Economic Democracy - Development of the People, by the People and for the People

R1 calls this copy and paste as they know that they don't know and at the same time they know that they can't do it. They know their competence and capacity that they can't do it. They refused the implementation of the constitution and as economic democracy can't be achieved without political democracy the achievement of economic democracy in the Eritrean reality is unrealistic. Economic democracy is a result of the successful combination of politics and economics and one can neither be achieved or exist in the absence of the other. Therefore, achieving economic democracy in the absence of political democracy is utopian objective which should neither be dreamed nor achieved.

For R2 this is a bull sheet. For R3 implementing the constitution achieving economic democracy is hijacked by the individual decision maker and he never had the intention to build economic democracy and it was rhetoric at its maximum only to buy time to create the status-quo he has created.

7.4 The Himbol Foreign Exchange Transactions Office (HFETO)

The establishment of HFETO was not a well-planned decision of the illegal gangs in power. It resulted from the exchange of ideas among Gabriel Fasil and Kubrom Dafla on the then prevailing foreign exchange collection and management procedures. Both agreed to systematize the process and finally Kubrom took the responsibility and opened HFETO in 1998-1999. HFETO achieved a remarkable success until 2000 with no intervention, control and support from the decision maker who has the power of making all economic decisions. Its main duties were buying and selling foreign currencies, money transfer from abroad and foreign exchange transactions. During that period, everybody took initiatives, trusted each other and a good atmosphere of work were created which enabled HFETO to achieve remarkable results. Its mode of operations and results were accepted and approved by IMF but the method collapsed after the border war with Ethiopia in 1998-2000. During this critical juncture Isayas made an erroneous decision and instructed HFETO not to sell foreign currency to the private sector without his approval.

The transfer of foreign exchanges, buying and selling foreign currencies and international transactions, i.e. the foreign currency transfer and exchange cycle and international exchanges functioned well given certain prevailing economic realities of Eritreans living abroad. There were three main reasons; (i) People mainly living abroad built houses, imported cars, as well as invested and started conducting business in Eritrea, (ii) there was no guarantee for people to save their money in the Middle East, and (iii) so many people wanted to save their money in Eritrean banks. Given those realities HFETO intended to sell foreign currency to the private sector. If not the business community and ordinary people go the black market and the money can create an import cycle. The black market pays more and the business sector goes to the private sector and HFETO can't do any business. The decision to stop

selling foreign exchange to the private sector was wrong and HFETO collapsed as a result. On the average HFETO could make foreign exchanges transactions of up to US\$ 90 000 000 and in 1997 it did up to 130 000 000. After the crazy Isayas decision HFETO business volume went down to \$ 3 000 000. Kibrom told to Hagos that this is an economic suicide and the decision not to sell foreign currency has to be reversed and Hagos said no foreign currency sales to the private sector for perfume purchases. Kubrom further told Kisha that HFETO has to sell to the private sector in order to control the price of exchanges of the dollar, otherwise there will be inflation in the market and as no measures were taken, inflation was created heightening from time to time. Consequently, foreign currency was finished from the government accounts because of the wrong policy decision made. Kisha told Kibrom to make a feasibility study of why HFETO has to sell foreign currency to the private sector.

Esayas gave order to the banks to buy foreign currency from the black market and sent people to the black market to purchase foreign currency and there were about 30 licensed people engaged in buying and selling foreign exchanges. At the same time a proclamation was announced according to which people operating in the black market will be punished. When Kibrom and Kisha told Esayas there is no foreign currency he was laughing. This indicates that Isayas has a hidden agenda and whatever measures he takes can help him to achieve his hidden objectives.

7.5 The Eritrean Airlines

The case is based on a Skype interview with the former Airlines manager Kibrom Dafla on the 13/02/2014 from 08:45-11:00. Kibrom was appointed to be the Airlines manager by the self-appointed dictator based on the recommendation of Welday Futur and Hagos Kisha who were airlines board members. Kibrom was also a board member before his appointment and in the board meeting an agreement was reached that the airlines organizational and management problems could successfully be solved by Kibrom. Kibrom served as a manager of the airlines from 2006 until mid-2009.

In 2002 there was a big conference with the Isayas initiative and 33 qualified and experienced Eritreans from different parts of the world participated. In the opening session Isayas told the conference participants that the government can't manage the airlines and asked them to do whatever they can for the airlines to operate efficiently. The participants did a feasibility study which showed that it is possible and they drew guidelines as to how the airlines should operate. Isayas thanked them and said that the government has enough money to finance the airlines and asked them to take the management responsibility and they appointed Captain Asres as a manager. Asres didn't know the EPLF culture and specifically the Isayas dishonest culture of double standards and he was very ambitious, believed everything that he was told and started immediately. He started with BOEING 767 which was run by very experienced and expensive pilots and the maintenance cost was very high. At the early stage of its

operations it started to fly to Eritrea with only 5 to 6 people with enormous expenses and it faced financial problems from the very beginning. Isayas who told at the very beginning that the government will provide whatever financial support they need didn't fulfill his promises which are his usual modus operandi. During this critical juncture Asres was disappointed and left. The two main reasons for the failure are one that it was formed and led by people who had traditional competence and second Isayas did not keep his promises to provide any financial support necessary for its operations.

According to the interviewee the Airlines had four main problems when he started as a manager; (i) Shortage of financial resources as it costed millions in the short and long range as it was too big which is BOEING 767 obtained on the lease agreement from BOEING. It used to cost 20 million dollars per year, (ii) there was no supporting management which mainly includes finance, marketing and flight controls. This can also be characterized as an organizational and management problem which was the biggest as the airlines was not supported by anybody, (iii) there was no sufficient market as 5-6 people were traveling on with the big aircraft. As there was no market the biggest problem was where to fly and (iv) there was only one Airline which was in fault and there was no alternative. He was told that he has the freedom to solve the airlines problem which he later discovered that it is a tactic that Isayas uses.

Concrete plans were laid down to solve the four major problems so that it can function properly according to the international standards. (i) The first measure was to repair the fault airplane and the maintenance was done successfully. (ii) As the Eritrean Airlines was allowed to employ management support, Kibrom created a linkage with Air France to provide management support by working with Eritrean Airlines for two years. Air France welcomed the idea as they wanted to compete with Lufthansa and they found Eritrea to be a strategic choice. They asked 500 000 Euros per year for the management support. Moreover, an agreement was reached that Air France will bring passengers to Djibouti and the Eritrean Airlines to take them to different destinations. People became optimistic with the planning, implementation and the success achieved. Air Bus also asked Eritrean Airlines for collaboration as they considered it to be a good platform to compete with BOEING. Air Bus invited Kibrom to France and agreed to arrange a leasing of airplanes. For every plan and measures that it takes the airlines had the board support which was formed to support the airlines. Kibrom had a strong support from the board and managed to develop appropriate strategies to solve the problems. (iii) To deal with the problem of cost and size Eritrean Airlines started charter flights from Mali and Nigeria to Jeddah. These two new routes generated three million dollars profit per month. (v) To solve the market problems the airlines decided to stop long distance flights and to put focus on short distance flights such as Dubai, Djibouti, Jeddah with small airlines which were leased cheap as it is cheaper to lease if they are small airplanes in contrast to the big airplanes. Following the strategy of small distance flights 2-3 small airlines were bought and the implementation of this strategy solved the marketing problem.

When the airlines started to operate independently and efficiently and to influence public attitude, started the worries of Isayas as things started to develop beyond his control. The French and Dutch Embassies started to support Kibrom, the board and even Hagos were also supportive. Isayas didn't like the Airlines contacts with the West as it achieved good results. In two and half years it started to operate at a break-even and everybody was happy. Air Bus and Air France experts came to Eritrea for negotiations to make the necessary arrangements which worried and threatened Isayas very much. He does not say directly don't do this and he doesn't consult anybody and makes decisions independently.

In 2008 there was a financial crisis which was favorable to Eritrean Airlines. The crises led to a shortage of passengers and many Airlines grounded their airplanes and offered to the Eritrean Airlines to make renting, leasing or selling as well as other arrangements. BOEING offered five million Euros for three airplanes to be paid in three years. Due to its location Eritrea is a hub for several destinations such as Khartoum, Cairo, Dubai, Jeddah, Nairobi, Rome and Yemen flights.

The Board had the plan to start implementation of its plans at the beginning of 2009. Represented by Kibrom and Kisha it presented its plans to Isayas to buy 2 airplanes which cost 5 million and requested additional 3 million dollars for maintenance check to rent the airplane which makes a total of 7-8 million dollars. Isayas as usual took a long time to make a decision and Kibrom managed to make an appointment with the help of Yemane Ghebremeskel. Kibrom and Welday explained the situation and the purchases plan and told him that they need money for the down-payment. Isayas told Kibrom that he will give him the money if he can pay it back and even told them to buy four not only two. Kibrom asked Isayas if the National Bank can make the down payment immediately as the brokers were in Asmara. Isayas said that he will make the down payment as the National Bank does not have money. In the next board meeting the atmosphere was not as good as it used to be. Hagos started to attack Kibrom and Welday was passive. Kibrom informed the board of the presidents' approval and Kisha said don't hurry as we need time to make a decision and the rest kept quite. This is a typical Shabiya culture of too much meetings and discussions and to create obstacles, when the case is approved. Kibrom understood that Kisha was instructed by Isayas and finally Hagos told everybody of the decision done.

After two months the Pakistanis' came and told Kibrom of the agreement reached about the Eritrean Airlines with Isayas. Although the Pakistanis Embassy told Kibrom to pick them from the airport, they met at the intercontinental hotel and told him that they were picked by the Ministry of Foreign Affairs. The Pakistani told Kibrom that they had a meeting with the Isayas, Welday and Kisha to discuss the case of the Eritrean Airlines. One of them is a travel agency owner and the second one was working with the Pakistani Airlines Management. Isayas, Welday and Kisha met the two Pakistani and a decision was made by Isayas that the Pakistani will take the responsibility to modernize the Eritrean Airlines management. The board was informed of the decision in a meeting that the Pakistani will take the

management of the Eritrean Airlines. They were paid 150 000 dollars to make a business plan and to be in charge of the airlines management.

8 ANALYSIS

The ruling gangs who are destroying and mismanaging all the precious resources of Eritrea are referred in this article as illegal and kleptomaniac gangs as they lack the legitimacy and competence to lead the country and to build a strong economy by drawing national economic plans and creating economic structures and economic systems. They are illegitimate and incompetent to build economic, social, political, diplomatic and cultural structures and systems. There is no national plan and in the absence of a national plan there will not be meaningful economic structures and economic systems and in the absence of economic structures and systems it is impossible to build a strong national economy. On top of that there is no national economy and in the absence of a national economy one can't create a strong national economy. Promising to create a strong national economy is an empty rhetoric which can't at all be achieved. Due to the lack of a national plan and national economy, instead of working on national program basis, the ruling gangs work on project basis. It was better to rehabilitate the economic structure inherited from the colonial powers instead of attempting to create an economy dominated by the individual kleptomaniac leader owned sector which is not at all a public or state sector.

The leader of the hooligans and the former minister of planning Berhane Abrehe officially declared through the individual owned media that the private sector can't lead the economy and instead they said that the non-existent and paralyzed PFDJ will play a decisive role in leading the economy. There is no state economy and there is no public/state sector which means that there is no interconnected economic structure and a state economy which doesn't exist or which is absent can't play a leading role in economic development. A national economic structure does not exist which proves that there is no Eritrean economy as it is replaced by the dysfunctional leader and his operatives kleptomaniac economy. In other words, there is no recognizable national economy and it is not possible to make a meaningful economic analysis. There is no national economic structure with contents which means that the country is back in square 1. To create a strong national economy, one has to build the economic structure, economic system and economic contents which don't exist. Isayas and his operatives use meaningless, empty and metaphysical rhetoric for survival to stay in power. They have abdicated their responsibility and they know that they are rejected by the people. In different occasions they openly said "the Western Model of Economic Development is not applicable in our reality and claimed to apply a shabby copy of the Chinese Model" which is not an economic development and people oriented model. This is in contrast to what is stipulated in the vision to apply the market economy model to achieve economic development.

9 CONCLUSIONS

There is an excessively illegal, kleptomaniac and corrupted leader who owns, monopolizes and controls the economy. In contrast to the market economy model stipulated in the economic vision, a militarist one man decided, controlled and mismanaged command economy model is applied. It is also empirically proved that there is no national economy and national economic plan. The dysfunctional individual command economy model is secretly poorly planned, poorly coordinated and terribly mismanaged with its serious negative and destructive consequences on the economic dimension of nation building. It is clearly showed in this study that, the economic vision was not formulated to be implemented but to only buy time for the dictator to create and to strengthen his political power. The reason why the dictator applied an individual owned militarist command economy model is that in order to create, maintain and strengthen his political power he has to have a complete ownership and complete control of all the economic, financial and natural and human resources. It is also illustrated that, the dictator didn't have the intention to implement the vision and he never attempted to implement it. The vision was not meant to be implemented but to help the kleptomaniac leader to get time to steal the economic resources as a means of consolidating political power. The other cause for the failure is the lack of authentic leadership who possesses the qualities of an effective, legacy building and developmental leadership.

8 IMPLICATIONS

Future research should be quantitative as well as longitudinal and at the same time should include several sectors of the economy to understand changes and developments in a long time perspective and to make generalizable conclusions. Although it is not easily done future research should also endeavor to include the views of the supporters of the clique in power and even the views of those who are neutral. The study also implies that management/leadership should diversify its knowledge and competence as success in leadership demands or covers various subjects not only how to organize and coordinate. Visionary leadership that emphasizes shared power and responsibility is also a pre-requisite for success in nation building. Transparent, accountable and tolerant leadership qualities are necessary if a country is to succeed in nation building.

Joint venture with those in power is also a risky business as the partners will finally lose their properties as they will be nationalized by using different tactics. The study further implies that those interested in doing business in Eritrea have to identify a market niche which is not a priority of the kleptomaniac leadership. But, this is also a risky investment as those in power will start to focus on it as they see that it is possible to do a successful business on such a sector. It is only those who have secretive and underground historical connections with the individual who owns the economy and at the

same time who is in power that can do a successful business in Eritrea if they are ready to serve his interest and to fulfill his demands in all possible approaches.

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