

—Country Report—

For

**THE INTERNATIONAL
ECONOMIC DEVELOPMENT
PROGRAM**

—2005—

Ethiopia

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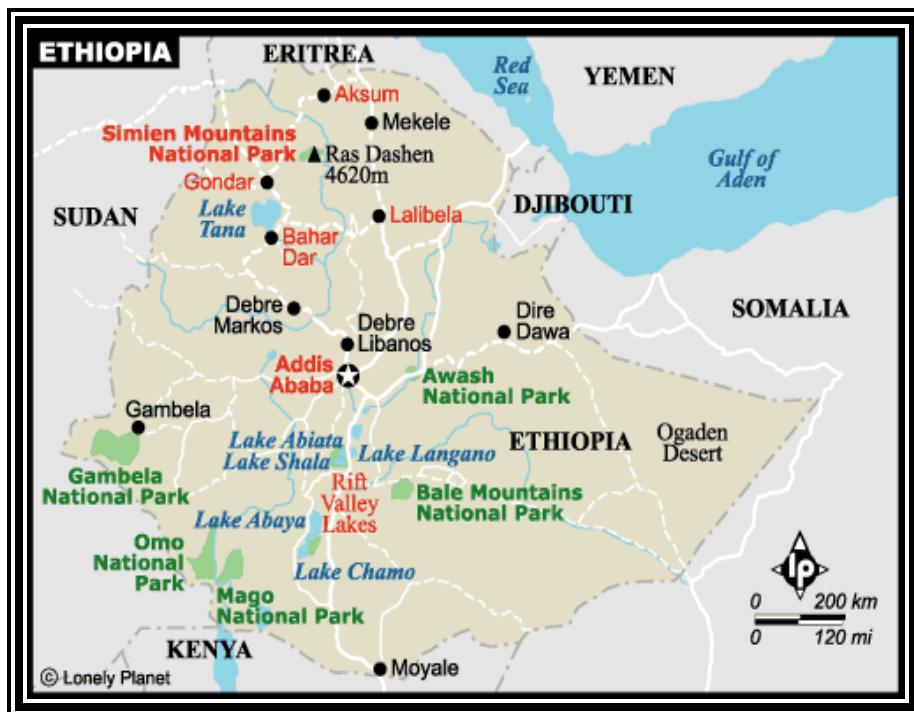
Preface

This report is the product of a graduate course at the University Of Michigan Gerald R. Ford School of Public Policy and was taught by Professor Jude Hays. The goal of the class was to produce a report designed to serve two functions: first, we were to evaluate the socio-economic development of Ethiopia; second, we were to provide policy recommendations for an economic and political transformation. The research conducted for this report covers a wide variety of previously published think-tank reports on similar issues, articles published in scholarly and peer-reviewed journals, books evaluating the progress of events and policies in Ethiopia during various historical and recent periods, as well as information from governmental, inter-governmental, and non-governmental organizations. In the spring of 2005, Professors Jude Hays and Katherine Terrell led a team of 25 master's and doctoral students from the course on an eight-day investigatory trip to the country. The team met with and interviewed representatives from the Ethiopian government, foreign donor agencies, political opposition leaders and dissident students, economists, and civil society groups.

Chapter 1. Introduction to Ethiopian History & Culture

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- I. ETHIOPIA: FACTS TO KNOW (FROM CIA WORLD FACT BOOK)
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I. ETHIOPIA: FACTS TO KNOW

LOCATION	Eastern Africa
POPULATION	67,851,281
POPULATION GROWTH RATE	1.89%
BIRTH RATE	39.23 births/1,000 population
DEATH RATE	20.36 deaths/1,000 population

LIFE EXPECTANCY AT BIRTH	Total population: 40.88 years Male: 40.03 years Female: 41.75 years
TOTAL FERTILITY RATE	5.44 children born/woman
HIV-AIDS PREVALENCE RATE	4.4% (2003 est.)
HIV/AIDS –PEOPLE LIVING WITH HIV/AIDS	1.5 million (2003 est.)
ETHNIC GROUPS	Oromo 40%, Amhara and Tigre 32%, Sidamo 9%, Shankella 6%, Somali 6%, Afar 4%, Gurage 2%, other 1%
RELIGIONS	Muslim 45-50%, Ethiopian Orthodox 35-40%, animist 12%, other 3-8%
LANGUAGES	Amharic (official language), Tigrinya, Oromigna, Guaragigna, (Over 80 languages spoken)
GOVERNMENT	Federal Democratic Republic of Ethiopia
CAPITAL CITY	Addis Ababa
ADMINISTRATIVE REGIONS	9 ethnically-based states & 2 self-governing administrations: Addis Ababa, Afar, Amara, Binshangul Gumuz, Dire Dawa, Gambela Hizboch (Gambela Peoples), Hareri Hizb (Harari People), Oromiya, Somali, Tigray, Ye Debub Biheroch Bihereseboch na Hizboch (Southern Nations, Nationalities and Peoples)
CONSTITUTION	Ratified December 1994; effective August 22, 1995
GDP- REAL GROWTH RATE	-3.8% (2003 est.)
GDP – PER CAPITA	Purchasing Power Parity \$700 (2003 est.)
POPULATION BELOW POVERTY LINE	50% (2003 est.)
AGRICULTURE-PRODUCTS	Coffee, Cereals, pulses, oilseed, sugarcanes, potatoes, qat, hides, cattle, sheep, goats
EXPORT COMMODITIES	Coffee, qat, gold, leather products
EXPORT PARTNERS	Djibouti, 13.4%, Germany 11.4%, Saudi Arabia 6.9%, Japan 6.8%, Italy 6.4%, US 5.1% (2003)
IMPORT COMMODITIES	Food and live animals, petroleum, machinery Motor vehicles, cereals, textiles
IMPORT PARTNERS	Saudi Arabia 24.1%, US 17%, China 6.4%, Italy 4.1% (2003)
CURRENCY	Birr Exchange Rate per US dollar: \$8.5678 (2002)

II. POLITICAL HISTORY OF ETHIOPIA

Located in the eastern part of Africa and commonly known as the *Greater Horn*, Ethiopia is one of the oldest nations in Africa and perhaps the world. Although it has been difficult to establish the exact time when state formation took place, legend and biblical sources indicate that the foundation of the Ethiopian empire dates back to 1000 B.C.¹ Ethiopia is rich in history, culture, and religion. It was one of the first Christian countries to adopt Christianity as a state religion (4th century AD), the only country to claim to have the Ark of the Covenant, the oldest independent African nation never to be colonized, and the birthplace of the first human origins: *Lucy and Ramidus* (3.5 and 5.5 million years ago respectively). The Ethiopian state originated in the northern part of Ethiopia, with the creation of the Axumite Kingdom, a slave owning society which was the center of power in Ethiopia from the 4th to the 11th centuries.² Ethiopia had significant contact with the outside world during the Axumite era, and its ports were major centers of international trade and commerce.³ After the demise of the Axumite civilization in the 11th century, Ethiopia was cut off from the rest of the world and a feudal empire flourished in the highlands.⁴ Ethiopia remained a feudal society until the second half of the 20th century.⁵ The feudal empire enjoyed some degree of political stability until it was severely weakened and divided into different fiefdoms and princedoms in 1789. In 1855, Emperor Tewodros succeeded in the reunification of the empire and the formation of a centralized imperial regime. Emporer Menelik led a similar undertaking in the early 20th century, enabling Ethiopia to acquire its territorial shape by 1910.⁶

The three largest ethnic groups are the Amhara, Oromo and Tigre. There are more than 70 languages and over 200 dialects currently spoken in Ethiopia.⁷ Three major groups and their languages dominate: the "Semitic (Amharic, Tigrinya), Cushitic (Oromo, Sidama, Somali), and Omotic (e.g., Welayta, Kefa)."⁸ Ethnically, the Ethiopian feudal state was dominated by the North, especially by rulers from the Amhara and Tigrean ethnic groups who also regarded the empire as a Christian island despite the considerable Muslim population in the country.⁹ Amharic and Geez were the official language and alphabet for centuries. The northern/highland culture, literature, and lifestyle dominated Ethiopian life, particularly after the unification process was completed in the 20th century.¹⁰ For most of the 20th century those communities were neglected, and their language and culture were increasingly threatened in the face of Northern domination.¹¹

¹ See Peter Schwab, Haile Selassie I, Ethiopia's Lion of Judah 10 (1979).

² K. W. Butzer, Rise and Fall of Axum, Ethiopia: A Geo Archaeological Interpretation, American Antiquity, Vol.6, no.3, 1981, Pp.372-473

³ Ibid.

⁴ Ibid, p.489.

⁵ For a concise account of feudalism in Ethiopia, see [Frederick C. Gamst](#), Peasantries and Elites without Urbanism: The Civilization of Ethiopia, *Comparative Studies in Society and History* > [Vol. 12, No. 4](#) (Oct., 1970), pp. 373-392.

⁶ Arnault S. Honguelen, The Federal Experiment in Ethiopia: A Socio Political Analysis, Centre de Etude de Africa Noire, Domaine Universitaire No. 64,1999(available on course website), See also Bahru Zewdie, A History of Modern Ethiopia, Addis Ababa University Press, 1991.

⁷ Ayele Bekerie, Ethiopic, An African Writing System: Its History and Principles (1997), p.16

⁸ Ibid.

⁹ Sara Vaughan, Power and Ethnicity in Ethiopia, Ph. D. thesis, Edinburgh Univeristy, 1997 p.111 . See also Honguelen, supra at note 6, p.6,

¹⁰ Ibid.

¹¹ Ibid.

This dark part of Ethiopian history was the basis of the famous national question, formulated by the Ethiopian Student Movement, which provided ideological leadership to the Ethiopian Revolution in the 70s.¹² The national question provided a justification for the adoption of ethnic federalism by the current Ethiopian regime. Basing their argument on the history of cultural and political oppression of the southern ethnic groups by the rulers of the north, leaders of the movement advocated for the Marxist-Stalinist concept of self-determination of national communities.¹³

Modernization of the Ethiopian state was initiated by Tewodros II, but was largely accomplished in the 20th century during the reign of Haile Selassie I, who created a professional army, a centralized administrative machinery, and a modern bureaucracy. The first Ethiopian Constitution was enacted in 1931, establishing the legislative, executive and judicial branches of the government. The Emperor headed all the three branches and monopolized power.¹⁴ The emperor, claiming to be the elect of God, was an absolute monarch and was not willing to create a more egalitarian political system. This became increasingly unacceptable to the Ethiopian elite, including the radical scholars who were educated abroad and those educated in Ethiopian higher learning institutions. As a result, the quest for democratic governance was one of the major issues, which was on the fore when the revolution took place in 1974. The student movement was a main proponent of democratic change. The movement was dominated and led by leftist groups, which called for the formation of a socialist state in Ethiopia to end the unjust social and economic relations in the society.¹⁵

Ethiopia demonstrated remarkable economic progress in the 1950s and 60s, but the Haile Selassie regime failed to maintain peace, largely because of the primitive state of the economy and the inequitable relations between the peasantry and the feudal lords.¹⁶ This led to widespread discontent among the majority, especially among the children of the peasantry who were now exposed to modern education.¹⁷ While the regime initiated a transition from a feudal to a capitalist system and attempted to develop a free market economy, it failed to carry it out smoothly.¹⁸

¹² See Bahru Zewde, Intellectuals and Soldiers:the Socialist Experiment in the Horn of Africa, Paper presented at CODESRIA's 30th Anniversary, Dakar, 2003. (<http://codesria.org/links/conferences/Dakar/zewde.pdf>) p.4

¹³ Sandra F. Joirman, Opposition Politics and Ethnicity in Ethiopia, We will All Go Down Together, Journal of African Studies Vol. 35 No. 3, (1997) p. 389

¹⁴ "All power over central and local government, the legislature, the judiciary, and the military remained with the emperor. The constitution was essentially an effort to provide a legal basis for replacing the traditional provincial rulers with appointees loyal to the emperor." Ethiopia, A Country Study, US Library of Congress, available at <http://countrystudies.us/ethiopia/17.htm>. See also Paul and Clapham, Ethiopian Constitutional Development, Vol. 1

¹⁵ See Bahru Zewde, supra note 12, p.3

¹⁶ See Ethiopia, A country Study, supra note 14, (Growth and structure of the economy) <http://countrystudies.us/ethiopia/77.htm>.

¹⁷ On the history of land tenure in Ethiopia, see Bereket Kebede,Land Tenure and Communal Pool Resources in Ethiopia, a Study Based on Fifteen Sites, [African Development Review](#), June 2002, vol. 14, no. 1, pp. 113-149(37) pp. 119 ff. For a Critical Analysis of the student movement in Ethiopia, see Marina Ottaway, Social Classes and Corporate Interests in the Ethiopian Revolution,Journal of Modern African Studies, Vol. 14, No. 3 (1976).

¹⁸ Marina Ottaway, supra note 17, p. 473, [Edmond J. Keller](#), Ethiopia: Revolution, Class, and the National Question African Affairs [Vol. 80, No. 321](#) (Oct., 1981), pp. 539ff.

The Ethiopian revolution of 1974 led to the overthrow of the imperial regime. Power fell into the hands of junior military officers, who called themselves the Provisional Military Administration Council (the Derg), later turning itself into a military dictatorship led by Mengistu H. Mariam. The military regime professed to be a Marxist government. Land was nationalized and became public property in 1975, giving peasants considerable right of possession and use, which is transferable to heirs.¹⁹ Urban land, as well as private industrial and commercial establishments, were nationalized, and a command economy was put in place.²⁰ Both foreign and local investments were discouraged after the nationalization of industries.²¹ The state monopolized the economy, running all commercial and industrial enterprises, and fixing the price of agricultural products and rationing them.²² The revenue generated by the government was mainly used to finance the civil wars in the north, namely the provinces of Eritrea and Tigray. Agricultural productivity declined, and Ethiopia was hit by consecutive droughts. The military regime initiated forced resettlement and other replacement programs in the rural areas, which were poorly organized and resulted in the deaths of thousands of peasants from tropical diseases.²³ The resettlement also exacerbated ethnic conflict as it led to the settlement of people from the northern and central part of the country in the lands inhabited by the ethnic communities of western Ethiopia.²⁴

The civil war which drained the resources of the country finally led to the downfall of the military regime in 1991, marking the commencement of Ethiopia's democratic dispensation and the formation of a new, ethnic based federal state in Ethiopia. Although the ethnic federalist system was formalized with the adoption of the Federal Constitution in 1994, its foundation was laid during the transitional period (1991-1994).²⁵

III. ETHIOPIAN ART & LITERATURE

¹⁹ See Atakilte Beyene, Land Tenure Institutions and the smallholder-farming systems: Challenges for agricultural development, Paper for the 12th Annual Conference on the Ethiopian Economy, (2003)p.7

²⁰Industry, in Ethiopia: A country Study, supra note 14, <http://countrystudies.us/ethiopia/100.htm>.

²¹ Ibid.

²² Alemayehu Seyoum Tafesse, Economic Governance and Ethiopia's Development: Some Reflections, Economic Focus, Vol.6, No.3 (January 2004) p.21

²³ "The Politics of Villagization" in Ethiopia: A Country Study, supra note 14, <http://countrystudies.us/ethiopia/122.htm>

²⁴ Ibid., 121htm.

²⁵ See Honguelen, supra note 6, p.3; Joireman, supra note 13, at 397

Ethiopia has a rich history of artistic and literary expression dating back to the first centuries of the Common Era. This cultural heritage provides a backdrop for centuries of religious and political developments in the country.

Traditional Folk Art

Christian art flourished for hundreds of years and is still found in almost every Church and market. This traditional art followed a very distinctive style, typically involving two-dimensional figures portrayed very simplistically. Artists use strong colors and bold shapes, often outlining the almond-shaped eyes of portraits. Religious icons, images or representations of sacred Church figures, are another popular art form in Ethiopia. Often made using distemper and wood, they usually portray biblical stories, such as Adam and Eve, St. George and the dragon, the Crucifixion, and stories involving Ethiopian saints. Crosses compose the final major form of folk art and may be found throughout the country. They vary from large and intricate processional crosses, used in ceremonies and festivals, to small hand crosses. Cubes at the base of the crosses signify the Ark of the Covenant.

Dissident Artists

Three main artistic movements dominated the mid-twentieth century: Naturalistic, Abstractionism, and Social-realism. Naturalistic represented Ethiopian passion and the new reality of nationalism. Abstractionism asserted Ethiopian and African identity through the visual arts. Social-realism used sentimental and political themes to depict cluttered streets, urban scenes, and the downtrodden masses. The Communist Party would later use this movement to further its agenda, as discussed further below. These movements progressed in the 1960s and 1970s into an “art of social commentary.”

After Selassie’s overthrow in 1974, the role of artists changed dramatically. Hoping to educate the masses and raise morale, the government recruited artists who had been trained in Western schools in the early 20th century. Initially, artists expressed solidarity with the Derg’s “Ethiopia First” movement, for the opportunities for artists were limited to state-sponsored propaganda. Most styles resembled the socialist art in Stalin’s Soviet Union, concentrating on the famine, revolution, and rural life in a simplistic narrative manner. Socialist-realism was explicitly political art that existed since the Italian occupation, but peaked during the Derg era. Critics charge that the style oversimplified the complexities of the state and its people. This perceived stifling of artistic expression caused the emigration of many Ethiopian artists to the US and Europe. Socialist Realism ultimately failed to capture the imagination of the artists and the people, lasting only into the 1980s.

Contemporary Art

In the 1970s and 1980s, a handful of artists dominated the scene. The most prominent were Afewerk Tekle, Gebre Kristos Desta, and Skinder Boghossian. Tekle in particular enjoyed an international reputation, basing his work on Ethiopian traditions revitalized with new creativity and painted using a larger scale. Currently, artist groups are emerging in Ethiopia, united around challenges of social conditions that discourage artistic expression. These artists are not usually confined to certain styles. Examples of such groups include the Friendship of Women Artists, representing issues of gender in Ethiopian society, and the Dimension Group, organizing to further Ethiopian modern art. The number of ex-patriot artist exhibitions has grown, and Ethiopian art collectors are causing an art revival in Addis Ababa.

Commercialization of Ethiopian Art

Historically, folk and Christian art has had a greater commercial pull than Ethiopian modern art. The most concerted efforts to commercialize and export folk art began in the 1930s. These intensified after the Italian occupation, as tourist organizations and souvenir dealers began commercialization in earnest, tapping into the growing tourist market. Many modern artists charge that the dominance of folk art has stifled creativity in new artistic movements.

Ethiopian Literature

Ethiopian literature is traditionally Christian. The earliest existing literary works in Ge'ez are translations of religious texts from Greek. Literary production of Ge'ez works reached a peak in the 13th century, concentrating on religious translations, and in the 15th century Ethiopians ventured into original works, publishing stories of saints' lives. Printing began in Ethiopia in 1824 with the Four Gospels in Ge'ez and Amharic and by 1853 it is estimated that there had been 4,120 religious printings in Ge'ez, and 10,016 in Amharic. Some literary critics charge that early Ethiopian literature's focus on religion lacks literary merit; however, even the translations reflect slight interpretive changes to the texts making them more Ethiopian.

Comparable to Latin's relationship with the romance languages, Ge'ez is the precursor of the three main Semitic languages: Amharic, Tigrinya, and Tigre. Amharic replaced Ge'ez in the 16th century as the official language of Ethiopia,. Only after World War II, did Amharic writers truly focus on producing original works and exploring non-religious themes, such as patriotism and poverty. Influential post-war writers include Makonnen Endalkaches, Kebede Mikael, and Tekle Tsodeq.

IV. THE ROLE OF RELIGION IN ETHIOPIA

This section focuses on specific trends in the relationship of religion and politics, as Ethiopia transformed into a modern state. A historical survey will demonstrate the enduring influence of religious affiliation in influencing political attitudes and consequent political conflict through the centuries. With the Revolutionary period and the Ethiopian Orthodox Church's disestablishment, religion has come to play a significantly reduced political role. Many Ethiopians now turn to religion for solace because of continuing social upheaval and political repression. Religion continues to be a potential rallying force within a multi-ethnic society that could explode into armed conflict.

Context

As an important cultural marker of Ethiopian identity, religion has been a secure and accepted element of everyday Ethiopian life. The three great monotheistic faiths (Christianity, Islam and Judaism) are represented in this multi-ethnic country. Numerous indigenous belief systems, dominant especially in the lowland areas, continue to influence the forms and practices of the major religious traditions.

While variation does occur within each group, religion in Ethiopia appears to follow defined ethno-linguistic and regional lines. Semitic-speaking groups, dispersed through the northern highland regions, compose about 40% of the population who are Christians (particularly of the

Ethiopian Orthodox Church tradition). Cushitic speakers, occupying the southern and eastern regions, comprise another 40% of Ethiopians adherents to the Sunni and Sufi forms of Islam.

Though the majority of Ethiopia's Beta Israel (Ethiopian Jews) have since departed to live in Israel following a series of airlift operations in the latter half of the 20th century, some populations remain in the northern Gondar region (as well as in Addis Ababa), where communities practice a strict pre-Talmudic form of Judaism. Animist religions in various forms are still practiced by lowland occupational groups. Not surprisingly, religion has become a focus of ethnic divide, as well as an element in continuing conflict among various Ethiopian groups through the centuries.

Ethiopia evinces resilient and dynamic faith traditions, which inform a unique and ancient African culture. Religious syncretism between the various faiths has contributed to the development of these faith traditions over the centuries. For instance, the fear of the evil eye and the existence of many malevolent, and some benevolent, spirits is widespread among Ethiopians regardless of faith. Spirit propitiation (with honey, grains, and butter), and the use of various amulets and charms to ward off the effects of the evil eye, are common practices which offer protection from satanic creatures and evil spirits, inflicting illness, poverty, and misfortune. This process demonstrates an evolving relationship among its various religious spaces, despite the numerous conflicts based on religious differences throughout Ethiopia's history.

Role of religion in the pre-Revolutionary period

Given its strong organization and presence in imperial structures, the Christian religious establishment had already established its primacy from its ancient foundation in the 4th Century CE. Not only did it impart the dominant spiritual and moral values of Ethiopian society, the Christian Church also had a profound influence on the development of architecture, music, art, poetry, and literature (with its unique writing system). The Ethiopian Orthodox Church was recognized as the dominant religion of the Ethiopian state, gaining immense patronage from the monarchy. Ethiopian rulers, mainly from the Christianized Amharic and Tigrean ethnic groups, were responsible for the construction of its great churches (such as the renowned rock-hewn Lalibela churches) and monasteries, and granted vast tracts of land to the clergy.

Much like the Roman Catholic and Eastern Orthodox Church's relationship to the Roman and Byzantine emperors, the Ethiopian Orthodox Church had a powerful political role within the Ethiopian state, as it legitimized the monarchy as head of the state and protector of the faith. The Christian Church performed a central role at coronation ceremonies using elaborate religious rituals. These rites re-confirmed a purported line of succession from the biblical kings of Israel (through the Queen of Sheba) and the claimed Ethiopian descendant, King Menelik.

Up until the modern era, Christian monarchs continually warred with Muslims, Ethiopian Jews, and other minorities in order to exercise political control, secure economic lines to the outside world, and spread the Christian faith through forced conversions of those who resisted their rule. After the Beta Israel's 1624 battle for independent autonomy from Ethiopia's rulers, the Jews captured were sold into slavery, forced to be baptized, and denied the right to own land. Ethiopian rulers instituted centralized administration through successive monarchies, and insisted on the superiority of their culture. Even through the second half of the 19th Century with the

emerging modern Ethiopian state, the suzerainty of the ruling elite was legitimized by the support of the Ethiopian Orthodox Church.

Throughout the pre-revolutionary period, non-Christian groups responded to the increased pressures to conform to the dominant Amharic and Tigrean traditions along a continuum of strategies ranging from outright military resistance to forced conversion. Some oppressed groups converted on their own terms, often nominally converting and then re-converting when the political situation changed, while others practiced a syncretic form of their traditional religions. The effectiveness of these “religious coping” strategies depended on the political and military dominance of the ruling elites, and the strength of active response and resistance from non-Christian groups.

Role of religion in the post-Revolutionary period

With the deposition of the emperor in September 1974, the succeeding revolutionary government set the stage for effectively marginalizing the reach of the Ethiopian Orthodox Church in traditional politics. An institution that had enjoyed the patronage of the state for more than a millennium and half not only lost that status, but also all its landed property through the radical land nationalization proclamation of March 1975. The Ethiopian Orthodox patriarch and clergy were persecuted, imprisoned, and even executed, as part of the new socialist state’s effort to neutralize the power of the dominant Christian organization. The regime also instituted changes in the organization of the church and its clergy.

After centuries of being officially marginalized, Islam was granted measures to achieve some degree of parity with Orthodox Christianity. Declaring all religions as being equal enabled the regime to include Muslim holy days as official holidays along with the Christian holidays already honored. Muslim communities were also able to bring matters of personal and family law, as well as inheritance issues, before Islamic courts. However, these changes did not prevent the persistent division between religions.

In the early 1980’s, Ethiopia forbade the practice of Judaism and the teaching of Hebrew. Numerous members of the Beta Israel were imprisoned on fabricated charges of being Zionist spies, while Jewish religious leaders were harassed and monitored by the government. Mandatory conscription separated thousands of Ethiopian Jews from one another. War and famine also took their toll on surviving families. It was in the context of rescuing the Beta Israel from their rapid decimation by the policies of a repressive regime that the various airlifts to Israel were negotiated.

Religious fundamentalism suddenly gained force as a reaction to the Derg’s official religious policy. This return to “purer” forms and practices of religion has become even more evident in recent years. With the loss of state patronage, the Christian Church appealed for donations from the laity, who already faced their own economic pressures. The laypeople sought greater reassurance and solace in religion, in order to assist its moral survival, in the face of the bewildering communist ideology and prevailing political/economic pressures. After the collapse of the revolutionary government, the ethnic politics of the post-Derg era facilitated a further gravitation to the enduring traditions of the Ethiopian Orthodox Church. Muslims, after experiencing some form of religious tolerance, also began to seek more rights.

The current environment

With the 1991 collapse of the military regime and subsequent rise to state power by the EPRDF, Ethiopia has seen a significant reorganization of state politics and ideology. The country is experimenting with an ethnic-based federal form of government, which the EPRDF views as a model for the reformed state structure. Ethiopia's current political leaders believe that federalism is an essential political instrument that could help manage the age-old ethnic conflicts, in which religious differences have played a part.

In this evolving context of greater decentralization of state power, religion's future role within the greater polity relies on several factors:

- demographic balance between Christians and Muslims
- continued separation of religion and state
- perceived political control of the central state by one religious group to the detriment of other religious groups
- rise of fundamentalist groups (with support from institutions outside Ethiopia) that seek stricter adherence to "purer" forms of religious belief and practice, and thereby inciting militant fundamentalist movements, especially within Islam
- central state's ability to effectively use federalism in a decentralized polity to manage the country's ethnic relations
- economic effects of globalization that may favor one region's ethnic region (and religious establishment) over others

Religion does not have as influential a political role as it once exerted over the Ethiopian state. However, the challenge of managing a multi-ethnic state must consider the role of religion as an important cultural marker of Ethiopian ethnicity. As evinced by the more militant radical Islamist groups such as Al Qaeda, religion can become a potent force towards political action. Ethiopian leaders must recognize the pressures faced by the various ethnic groups, and respond with appropriate measures to ensure that religion continues to be used as a positive force that showcases Ethiopia's diverse cultural heritage, political growth, and continued economic development.

V. THE ROLE OF WOMEN AND CULTURE IN ETHIOPIAN SOCIETY

Ethiopia is a strongly patriarchal country. Women are generally denied access to both honorific and utilitarian roles that are open only to males. Such roles as demonstration and disposal of property, and leadership in societal affairs including religion and governance, belong exclusively to males. Even the right of choice in respect to entry to conjugal union is denied to women.

The relationship between men and women in the Ethiopian society is governed by the thinking that women are inferior to men and should, therefore, be under the control and supervision of men. Women are not only considered immature, but also devious in their thinking and behavior. There are popular sayings among men that women should be kept in line through disciplining, which sometimes involves beating them into submission. It is generally believed that women

respond better to force than counsel. These beliefs and cultural practices have left women physically, socially and psychologically scared.

While it is known that discriminatory practices exist in Ethiopia, their prevalence and the cultural value systems and norms that perpetuate them are not adequately understood. Legislative reforms undertaken in the past have not achieved any significant degree of success in changing tradition. Thus, the quest for better understanding of the determinants and prevalence of inequality is an important starting point in the fight against gender discrimination in Ethiopia. The fight must be carried out in several fronts, but most importantly in public education, legislation, public policy, and legal protection.

Circumcision

When and where the practice of female circumcision started is not clearly known. Most studies suggest that female circumcision existed in Ethiopia as far back as 500 B.C. However, there is nothing to indicate whether the practice is indigenous to Ethiopia or originated elsewhere. It is believed that female circumcision was known to pharaonic Egypt and other Middle Eastern societies, particularly the Arabs. It is reasonable to assume that the practice ramified into Africa from neighboring societies via traders.

The practice seems to have been motivated by the desire to curb female libido. Some claim that both Judaism and Christianity have legitimized the practice through scriptural injunctions. Since there is nothing in the Bible that requires females to be circumcised, the assertion that both Judaism and Christianity demand it is an unwarranted extension of the Judaic requirement that all males be circumcised. In fact, Pauline teaching has made even male circumcision spiritually superfluous. In the 17th century, there were some attempts by Catholic Missionaries to stop the practice in Ethiopia but with very little success. There seems to be no doubt that female circumcision is a pagan practice.

According to the National Committee of Traditional practices in Ethiopia, Muslims and Christians alike practice female circumcision. They estimate that about 90% of Ethiopian women have been subjected to some form of circumcision. The prevalence and use of the different forms of circumcision varies across culture groups.

Female circumcision is generally used as a means of controlling female liberalism. This belief in the value of the practice is widely shared in Amhara, Tigre, Oromo, and Adere societies. These societies believed that women who are circumcised are less clumsy, are relatively well behaved in their relations with others, tend to be less forgetful, are less aggressive and have a lower propensity to be “sexually loose,” less inclined to seek divorce, and tend to play their maternity roles more faithfully and effectively. In addition, circumcision tends to guarantee premarital chastity.

Marriage

Generally, marriage implies a culturally approved sexual union between partners of the opposite sex and carries the expectations that they consider raising and nurturing a family as one of their major functions.

An important purpose of marriage in both the Amhara and Tigre societies is forging political and economic alliance between families. A relationship based on love between a man and a woman is accorded low valuations in the scale of priorities. Traditionally, parents with some advice and assistance from community elders control the process of establishing a marriage alliance between two families.

Marriage in Oromo society is often polygamous. Oromo men can marry as many wives as their level of wealth permits. However, this does not mean that all males marry more than one wife. In the Oromo society women have only one chance of getting married while a man can marry as many wives as his economic circumstances and social standing permit.

Early marriage is common in Ethiopia. A commonly stated reason for parents to want their daughters to marry while still children is their desire to see them settled before they themselves get either too old or die. The second reason cited is the strong desire to be first in forming alliances with desired families. A third reason is the considerable stigma attached to girls marrying late; this often proves to be a great embarrassment to parents. Finally, late marriage is thought to increase the risk of premarital loss of virginity. Getting married gets progressively harder with age.

Bride Wealth, Dowry, and Bride Service

Bride wealth is payment effected by parents of a bridegroom for the hands of a bride. This system obtains in almost all known culture groups in Ethiopia. The opposite of this is the payment of dowry, which is a practice that requires a girl's family to transfer a certain amount of wealth to a groom's family for the privilege of having their daughter married to one of the sons of the latter. As it known, the payment of dowry is practiced only in Tigre society.

The value of goods to be transferred as bride wealth is initially set by the parents or guardians of the bride, but often it is subject to painstaking negotiations between representatives of the two parties. Many feel that acquiring a wife through the payment of bride wealth is like buying a slave. The new family tries to get its money's worth by assigning to her the most burdensome chores in addition to burdensome responsibility of producing children at short birth intervals.

Bride-service is also practiced in some societies in Ethiopia. It is believed that the practice is present in both the Amhara and Tigre societies. Bride service involves an aspiring husband moving to the home of the would-be bride to work for her parents for a specified period of time. This is reminiscent of Old Testament times, when young men were required to render bride service to their would-be in-laws prior to marriage.

Division of Labor

In traditional rural communities, women play multifarious roles. Their primary duties are those associated with house keeping, including fetching firewood and water, managing livestock and food storage, feeding and nurturing the family, spinning yard, caring for the sick, bearing and raising children, etc. In addition to all these, women are expected to help out on the farm in such activities as weeding, winnowing, carrying sheaves to the homestead and storing them, etc.

In the Gurage, Kembata and Hadiya, women play significant roles in the production of food. Similarly, women are heavily engaged in food production activities in the Begga/Gumuz communities in Metekel where shifting cultivation is practiced. Women are also active in handicrafts, which represent a major non-agricultural activity and a source of cash income.

VI. THE POLITICAL SIGNIFICANCE OF HISTORY, CULTURE, & RELIGION

Policy recommendations for Ethiopia's development must be geared towards expediting the process of democratization, and doing so in a manner that has real meaning for the people of Ethiopia. Understanding the socio-political and economic climate of Ethiopia is the first step in creating policies that are conducive to positive change. Policy changes relating to democratization will inevitably challenge old-age cultural and religious beliefs. Implementing culturally sensitive democratic policies requires the utmost attention to ancient traditions and contemporary beliefs.

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Chapter 2. Foreign Relations and International Economic Relations

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Introduction

This chapter describes and evaluates the state of foreign relations in Ethiopia. In particular, it focuses on foreign relations between Ethiopia and the United States, other countries and international organizations. Relations with the United States are particularly important for the development of Ethiopia, both because the U.S. has great global influence and because it offers considerable foreign aid to the country. Another important area in with respect to Ethiopia is the Middle East, because of its proximity to the region and long history of diplomatic relations. Relations with Asian countries will be increasingly important in the future, as well, given the twin forces of economic growth in Asia, and Asian countries' interest in investing in Ethiopia. Finally, international organizations such as the United Nations and African Union are heavily involved in many different kinds of development programs and have considerable presence in Ethiopia.

Ethiopian-American Relations

Diplomatic relations between Ethiopia and the United States formally commenced in 1903 with the mandate to "promote friendship and commerce."²⁶ The United States has consistently supported Ethiopia in the forms of military aid and emergency relief, especially in the period from the end of World War II to the Ethiopian revolution of 1974. The socialist revolution of 1974 created a fissure in U.S.-Ethiopia relations, as the new Ethiopian government sought diplomatic relations with the USSR. In response, the U.S. ended foreign aid to the country²⁷. Since the fall of communism, diplomatic relations have improved and the two countries have partnered to meet their mutual agendas: Ethiopia with the U.S. in fighting hunger and poverty, and the U.S. with Ethiopia as an ally in the war on terror, due to its close proximity to the Middle East.

Background

Foreign aid is a vital part of the Ethiopian economy. Ethiopia received over \$220 million from the United States in 2004. Developing countries like Ethiopia stand to benefit from access to American goods and services, as well as access to its financial markets. This attitude and the large quantity of aid from the United States has led to the following response from the Ethiopian Ministry of Foreign Affairs:

²⁶ Brazeal, Aurelia E. *National Day Message*. 20 February 2003. Retrieved January 23, 2005, from <http://usinfo.state.gov/regional/af/usafr/a3022401.htm>

²⁷ United States Department of State Bureau of African Affairs. (April 2005) *Background Note: Ethiopia*. Retrieved January 25, 2005, from <http://www.state.gov/r/pa/ei/bgn/2859.htm>

“There will be occasions when we shall have our differences, and we will need to try to bridge them in the context of the strategic value of the relationship. In our efforts to prevent conflict in our region, we need to consider what role the U.S. can play, and resolve differences that may emerge from time to time, separating the major issues from those which are not so important.²⁸”

The comment from the Ministry of Foreign Affairs appears to be a concession to the United States and other powers in the direction and methods of aid and development programs. Instead of maintaining a strong say in implementation, this remark demonstrates that Ethiopia is considering the wider scope of development, as opposed to specific methods of implementation. This focus may be seen as a threat by some but it shows Ethiopia’s resolve to maneuver diplomatically in a way that allows it to maintain control over priority issues. It appears that in spite of the Ethiopian government’s micro-management of foreign aid agencies, it is the important issues where compromise needs to be made and therefore some differences of policy will need to be prioritized as points of resolution over others. An example of this relationship can be seen with the U.S. forgiveness of \$70.1 million of Ethiopian debt in return for Ethiopia’s progress in development²⁹. This was a compromise on the macroeconomic level; the United States based its decision on the general progress Ethiopia has made in achieving some development, rather than on specific issues with agencies such as USAID or USDA.

According to the USAID website, “U.S. national interests in Ethiopia include: counterterrorism; economic prosperity and security; democracy and human rights; and regional stability.”³⁰

Analysis

According to the Ethiopian Foreign Ministry, the primary goal of relations with the United States is trade and investment³¹. The countries’ balance of trade may become an important issue, for although the United States has forgiven Ethiopian debt, it may not do so as Ethiopia gradually makes progress toward becoming a more equal trading partner. If economic growth continues at the current pace, the country’s ability (and arguably, its need) to attract large amounts of foreign aid may diminish. As Ethiopian infrastructure improves, it is possible that some United States manufacturers may see Ethiopia as an inexpensive labor source. Should this develop, it is further possible that the issue of labor rights and potentially “unfair” working conditions may become a major sticking point in future diplomatic relations.

²⁸ Ministry of Foreign Affairs of Ethiopia. (n.d.) *The Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy: Relations with the United States (U.S.A.)*. Retrieved January 23, 2005, from http://www.mfa.gov.et/Foreign_Policy_And_Relation/Relations_With_The_United_State.php

²⁹ Embassy of the United States in Ethiopia. (5 January 2005) *U.S. Government Forgives Ethiopia’s External Debt of US \$71.4 million*. Retrieved March 12, 2005, from <http://addisababa.usembassy.gov/wwwhp0105.html>

³⁰ United States Agency for International Development. (n.d.) *Ethiopia: USAID’s Strategy in Ethiopia*. Retrieved January 26, 2005, from http://www.usaid.gov/locations/sub-saharan_africa/countries/ethiopia/index.html

³¹ Ministry of Foreign Affairs of Ethiopia. (n.d.) *The Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy: Relations with the United States (U.S.A.)*. Retrieved January 23, 2005, from http://www.mfa.gov.et/Foreign_Policy_And_Relation/Relations_With_The_United_State.php

Another ongoing concern is the reliability of U.S. foreign aid. United States aid to Ethiopia fluctuates depending on the existence and extent of global emergencies. In fact, major food security aid was cut to Ethiopia over the last few months, as the U.S. government shifted aid to the tsunami in Southeast Asia³². Consistency of aid will be an important issue as Ethiopia works to achieve development, particularly its pledge to meet the United Nations Millennium Development Goals.

In addition to aid in general, relations with the United States may differ in the future regarding HIV/AIDS. The condition of the worldwide epidemic may affect direct relations between the United States and Ethiopia given the current bilateral work being done to fight it in Ethiopia. Potential distribution of generic medications against the wishes of the U.S. government, for instance, may represent an event that could negatively impact this relationship.

Another important issue is Ethiopia's upcoming general election in May 2005. The entire parliament is up for re-election, and much opposition has been raised. Different regions of Ethiopia are composed of different ethnic groups, which has led to the development of a political system known as "ethnic federalism." This somewhat divisive system may lead to rivalry that could cause unrest during or after the election. Although opposition party leaders doubt that there will be a change in government, opposition organization has been strong and may affect the new government's priorities; this, in turn, could lead to a change in relations with the United States.³³

Ethiopian-European Relations

Background

The EU is Ethiopia's main trade partner, both in terms of imports and exports. Around 38% of all Ethiopian imports originate in the EU, while nearly 45% of Ethiopian exports are destined for the EU. Ethiopia has for many years been the foremost beneficiary of European development assistance amongst African, Caribbean, and Pacific (ACP) States. More than €2.3 billion has been allocated to the country since 1975, 38% of which has been in the form of food aid³⁴. However, there is very little European private sector investment in Ethiopia, which may reflect in part the poor image Ethiopia has in European countries³⁵.

Analysis

A similar analysis as the United States applies to the relations with EU since the EU constitutes both an important trading partner and donor to Ethiopia. Ethiopia also tries to increase international trade and investment with EU as well as foreign aids as in the case of the United States. Ethiopia is continuing to look to Europe as a growing trading partner and has increased its

³² United Nations World Food Program. (February 28, 2005). Personal Communication.

³³ Merera Gudina, UEDF. (March 1, 2005). Personal Communication.

³⁴ European Commission. EU Relations with Ethiopia. Retrieved April 13, 2005, from http://europa.eu.int/comm/development/body/country/country_home_en.cfm?cid=et&lng=en&status=old

³⁵ Ministry of Foreign Affairs of Ethiopia. (n.d.) *The Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy: Europe*. Retrieved April 13, 2005, from http://www.mfa.gov.et/Foreign_Policy_And_Relation/Europe.php

diversity by targeting Europe as a consumer of the developing market for Ethiopian-grown flowers. This relationship diversifies various areas of Ethiopia's development strategy and mitigates the vulnerability toward external environment, especially given the history of US foreign aid.

Ethiopian-Middle Eastern /North African Relations

Background

The Middle East has strongly influenced Ethiopia's foreign policy due largely to its proximity to the region. In fact, the impact of the Middle East on Ethiopia is more immediate than that of most African countries. In addition, relations with African countries are described in following sections, so the relation with Middle Eastern countries is mainly explained in this part. The Middle East is a region that significantly influences Ethiopia's security. Directly or indirectly, it also influences Ethiopia's economic development in a substantial way. That is why the Middle East is one of the regions that deserve special attention in Ethiopia's foreign policy. The relation with countries in the Middle East could be characterized by four negative major (some might say negative) elements: the Nile, religion, ignorance, and Arab Israeli conflict.³⁶

Analysis

One of the biggest issues that strained relations between Ethiopia and the Middle East is the issue of the waters of the Nile. The Nile has a special place in the historical relationship between Ethiopia and Egypt. Egypt has enjoyed a historical dominance of the waters of the Nile. On the other hand, Ethiopia has struggled to ensure that its rights to the use of the Nile's waters are respected. As Egypt took the mantle of leadership of the Arab world, the subject of the Nile waters began to influence Ethiopia's relations with that region and still continues to do so.

Neither was religion free of casting a negative influence. There were two main sources for this: Islamic extremism, and Ethiopia's susceptibility to danger as a result of its proximity to countries in which this extremism began to take hold. One of the differences between Muslim extremists, and moderate Muslims concerns their differences on the subject of Ethiopia. It has come to pass that when the extremist line prevails, Ethiopia becomes susceptible to danger; and when moderation reigns, Ethio-Arab relations improve.

Another negative influence on the relationship between Ethiopia and the Middle East was simply that of ignorance. There may have been some level of relationship between Ethiopia and the Middle East for more than one thousand years, but the one did not really know the other during all that time. Other than looking at the Middle East and especially the Arab world with suspicion, Ethiopians have never studied the countries separately, and have not taken a stand based on a comprehensive knowledge of the countries. This has continued up to the present day.

³⁶ Ministry of Foreign Affairs of Ethiopia. (n.d.) *The Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy: Relations with Countries in Middle East*. Retrieved April 13, 2005, from http://www.mfa.gov.et/Foreign_Policy_And_Relation/Foreign_Policy_And_Relation.php

Ever since it began, the Arab Israeli conflict has negatively affected the relationship between Ethiopia and the Middle East. Both sides, the Arabs and the Israelis, expected Ethiopia to back them against the other, when what was needed was for Ethiopia to carry out its relations in light of its own interests. Unfortunately, Ethiopia allowed itself to fall prey to these pressures; instead of taking its own independent stand, it has been swinging from supporting one side at times to supporting the other side at other times.

Ethiopian-Asian Relations

Background

The majority of the world's people live in Asia. The second largest economy in the world, the Japanese economy, is also in Asia. The most rapid and successful economic performances witnessed after World War II came from countries located in the eastern part of this continent. Currently, the Chinese and Indian economies are growing at a rapid and, in fact, unprecedented rate.

Ethiopia has friendly, if somewhat distant, relations with most Asian countries. The countries in this region have been demonstrating recent commitment to international law and order, and are part of the fight against extremism and terrorism. Ethiopia believes that its relations with Asian countries merit greater attention because of the potential significance Asia has for contributing to its development and national security. In contrast to relations with the Middle East, Ethiopia's historical lack of close political ties or religious affiliations with Asian countries has had a positive effect on creating closer and forward-looking relations.

Analysis

Among Asian countries, the most successful country in terms of economy is Japan. Ethiopia's alliance with Japan dates back to the years well before World War II. Quite a number of Japanese people are positively inclined towards Ethiopia, and that presently Japan is providing Ethiopia with substantial development aid including technical assistance³⁷. This strong development relationship is continuing to grow. However, Ethiopia has not entered the Japanese market in any meaningful way. Nor has Ethiopia received Japanese investment.

Currently China has relatively strong relations with Ethiopia. China strongly supports Ethiopia's economic development, using its limited financial means. It unreservedly shares its development experience and provides technical support³⁸. In the political and diplomatic sphere, too, China has been a good friend as Ethiopia strove to maintain peace and secure its rights. China is a newcomer to the world of foreign investment, so Ethiopia cannot speak of results in this area. Neither can Ethiopia say that it has, in many ways, accessed the Chinese market, for the same reasons that Ethiopia has not succeeded with Japan.

³⁷ The Ministry of Foreign Affairs, Japan. *Relation with Ethiopia*. Retrieved April 13, 2005, from <http://www.mofa.go.jp/mofaj/area/ethiopia/index.html>

³⁸ Ministry of Foreign Affairs of Ethiopia. (n.d.) *The Federal Democratic Republic of Ethiopia Foreign Affairs and National Security Policy and Strategy: Asia*. Retrieved April 13, 2005, from http://www.mfa.gov.et/Foreign_Policy_And_Relation/Asia.php

Among Asian countries, Ethiopia gives special attention to the strengthening of relations with China in order to fully utilize Chinese development experience as well as training and technical assistance possibilities. Recently, China has stepped into the area of foreign investment, and Ethiopia has to do all it can to take this fresh opportunity to promote investment and trade.

Ethiopia - Intergovernmental Organizations

Background

Ethiopia, as noted in other segments of this chapter, is located in a geo-strategic part of the world. It has maintained an historical non-alignment policy that can be considered a residual policy carried over from the years of the Derg, and has had an advantageous distribution of power. Furthermore, in contrast to most African nations, it has never been colonized.

In its diplomatic maneuvers, Ethiopia has managed to maintain a strong relationship with powerful international organizations (IGOs). It has been in a special position in that it has acted both to contribute to and to benefit from these organizations, a seemingly paradoxical plan of action first engineered by Emperor Haile Selassie. The United Nations and the African Union are the organizations in which Ethiopia is most heavily involved, but Ethiopia is also a member of a number of other IGOs, including the Intergovernmental Authority on Development (IGAD).

Analysis

United Nations

Ethiopia is a founding member of the United Nations (UN), having been in attendance at the founding meeting in San Francisco in 1945, and continues to be a presence in the UN today. Conversely, the UN also has a strong presence in Ethiopia. The UN currently has 22 agencies in Ethiopia. Notably, Ethiopia hosts the UN Economic Commission for Africa, designed to support the economic and social development of African nations, “foster regional integration, and promote international cooperation for Africa's development.”³⁹

Most recently, war between Ethiopia and Eritrea brought about a joint international effort and continues to work in both countries to enhance these bilateral relations. The UN Mission to Ethiopia and Eritrea was established to foster positive relations between these two countries and still exists today. (*For more information, please see Chapter 3: War & Refugees*).

African Union

The African Union (AU) was established on the principle of Pan-Africanism.⁴⁰ Its goals were designed to promote self-sufficiency, and included:⁴¹

³⁹ www.uneca.org.

⁴⁰ AU members include: Algeria, Angola, Benin, Botswana, Burkina-Faso, Burundi, Cameroon, Côte d'Ivoire, Cape Verde, Central African Republic, Chad, Congo, Djibouti, Comoros, Dem. Rep of the Congo, Egypt, Equatorial Guinea, Eritrea, Ethiopia, Gabon, the Gambia, Guinea, Guinea Bissau, Guinea Conakry, Kenya, Kingdom of

- eradication of colonialism
- defense of national sovereignty
- promotion of international cooperation
- coordination and harmonization of the policies of various member states.

Two major organizations exist under the umbrella of the AU: the New Partnership for African Development (NEPAD), which aims to promote good governance, honor human rights, and poverty reduction; and the Economic Community of Africa (ECA).⁴² NEPAD is perhaps the more relevant initiative to be discussed here as its emphasis is on good governance, partnerships, African ownership, and Millennium Development Goals, all of which IGOs working in Ethiopia such as the UNDP, UNHCR, and UNAIDS have stated to be priorities for development.

Furthermore, the AU has historically adopted a policy known as the “Lagos” plan of action, emphasizing “collective self-reliance” among African nations.⁴³ The effectiveness of the AU has been disputed. It remains a diplomatic and rhetorical tool, in the sense that it advocates for African ownership of issues; however, it came to be known as a collection of nations that enabled heads of state to avoid accountability for their actions. It is also lacking in capacity to enforce its principles and protocols for example, a country cannot put troops on the ground in another sovereign country without that country’s permission, so enforcement of human rights between countries is, paradoxically, subject to the offending country’s permission.

Other IGOs

Historically, Ethiopia has proclaimed itself to be aligned, not allied, and this is a significant achievement since, as many African countries have experienced, many European countries over time have conspired to undermine African sovereignty. The 1906 Treaty of France, Italy, and Britain, signed without the knowledge of then-Emperor Menelik II, seemed to ensure Ethiopia’s independence at the same time it sought to divide the country into spheres of influence.⁴⁴

Its vulnerability thus exposed, Ethiopia has nonetheless maintained a remarkable ability to benefit by maneuvering within the international system. During the Cold War period the United States viewed its non-alignment as being effectively involved with the Soviet Union. In fact, the Ethiopian government has at times condemned the US “imperialists,” meaning the powerful

Lesotho Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Saharawi Arab Democratic Republic, Sao Tome and Principe, Sénégal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Kingdom of Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe.

⁴¹African Charter on Human & Peoples Rights. Retrieved April 18, 2005, from www.diplomacy.edu

⁴² Retrieved March 5, 2005, from www.dfa.gov.za

⁴³Turok, Ben, MP (2002). Socio-economic integration in Africa. [Electronic Version] *Southern African Regional Poverty Network*.

NATO alliance, as well as the “reactionary” powers, meaning the Arab States.⁴⁵ This condemnation effectively allied Ethiopia with the Soviet Union, though NATO did not take action.

Recommendations

Through our academic and field research, our analysis group observed that successful foreign relations are integral to country development. By maintaining current relations and building new ones, Ethiopia has the potential to grow economically through trade and multilateral development initiatives to become a larger player in the international setting.

Relations with United States

Ethiopian – U.S. relations are based on a system of aid and support, aid from the United States, support from Ethiopia for this aid and in the war on terror and stability in the region. For Ethiopia to break this dependency cycle and make stronger progress on its domestic agenda of development and stability, it needs to take a more active role in the aid process. One major way to do this would be to take a stand with missionary groups and work with them to help provide aid in a way that is acceptable to the Ethiopian government and its people. The Ethiopian goal of economic development requires more than just receiving food and health aid; they need infrastructure development such as roads and industry. China has recently built a major road in Addis Ababa, and this is the kind of aid needed to help domestic production and economic stability. Ethiopian ministers should try to take advantage of aid to achieve these long-term goals. The United States can work with the Ethiopian Ministry of Capacity Building to better use aid to help build capacity for a stronger future in Ethiopia.

AIDS and HIV will be a major hindrance to economic development in the future if it continues to grow, especially if it grows at the extremely high rate in the major industrial sector of Addis Ababa, where over 16% of the population is currently infected. This problem can only be addressed with more aid in obtaining and delivering much-needed treatment, including medication. Ethiopian leaders should work with not only the United States and its drug companies but also with generic drug manufacturers to find a way to increase the inflow of AIDS drugs. The Ethiopian health officials should continue their current actions of working with the United States on mutual facilities to test for, prevent, and treat HIV and AIDS. This must be a high mutual priority in the countries’ relations.

With regard to the upcoming election, the newly elected government should look to maintain strong relations with the United States. Concomitantly, it should push for more autonomy in aid and development programs. This new mandate from the people will be a promising opportunity for the new government to work with the United States under new strength. Maintaining and building upon the current friendly relations should be a major goal and tool of any future Ethiopian government to create more autonomy to allow for development in the way the Ethiopian government wants to develop.

Tekle, Amare. (1989). The Determinants of the Foreign Policy of Revolutionary Ethiopia [Electronic Version]. *The Journal of Modern African Studies*, 27(3) 479-502.

Relations with Asia

Asia could play a very important role in Ethiopia's development. It provides a recent example of successful development. Asia could provide Ethiopia with highly-trained manpower and technical assistance, relatively inexpensively. Ethiopia also needs to take advantage of the remarkably growing Asian economy. This region could provide investment that suits Ethiopia's context and level of development. Ethiopia should put more attention on this region mainly for its economic development, considering the possibility of economic growth in Asia.

To this end, relations with China should be strengthened so that Ethiopia can attain economic development. China has strong interest in the relation with Ethiopia and some Chinese companies have started business in Ethiopia. The ever-growing Chinese market is also an attractive market for Ethiopia to increase its exports.

Relations with Middle East

The future of relations depends on how well Ethiopia creates its own position toward the Middle East and makes it clear and consistent. The policy Ethiopia pursues toward the Middle East must be based on knowledge and must be supported by appropriate research and study. By no means should Ethiopia be guided by feelings or whims. The current unfavorable relation is caused by the lack of communication among these countries, even though there are so many things which both sides have to cooperate. Therefore, the dialogue with the Middle East should be facilitated by showing its clear position and initiative.

Among this region, the relationship with Egypt is the most important because of its influence on other Middle-East countries. The joint program on Nile River is suitable opportunity to improve the relation by exchanging opinions and thwarting misunderstandings. The improvement of the relation with Egypt has positive external effect on other nations, especially Arabic countries.

Relations with International Organizations

Some of the core issues in Ethiopian relations with IGOs are famine, refugees, and HIV/AIDS, as mentioned in previous sections above. The argument has been made that many of these problems are not helped by the LAGOS policy.

Suggestions to advance Ethiopian standing in the world have included abandoning LAGOS and focusing more on the idea of regional integration. As pointed out by Ben Turok on the Southern African Regional Poverty Network, "What does regional integration mean when Africa [sic] countries are fighting for individual access to world markets and against subsidization and protectionism in the North?"⁴⁶ Focusing exclusively on macroeconomic stabilization and advanced international standing could come at the cost of social delivery. The goals that seem to be more beneficial here involve Ethiopian capacity building for development and foreign investment.

⁴⁶ Turok, Ben, MP (2002). Socio-economic integration in Africa. [Electronic Version] *Southern African Regional Poverty Network*

It could also be noted that Ethiopia has traditionally exhibited prowess in diplomatic relations with developed countries and could continue to use its diplomatic talents to acquire aid, meanwhile working internally to emancipate itself from dependence on such aid and become part of the international economic community through, for example, accession to the WTO.⁴⁷

Conclusion

Foreign relations, be it with an individual country, block of countries or international organizations, are an important part of development in Ethiopia. Ethiopia must rely on aid from foreign governments and non-governmental organizations alike. This reliance is currently, and hopefully temporarily, necessary in order to help build capacity and allow for strong growth in areas such as infrastructure, agriculture and public health. Maintaining strong and positive relations with countries and organizations around the world will be a key for the long-term success of development in Ethiopia.

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⁴⁷ Geremew Ayalew, Ministry of Trade. (March 1, 2005). Personal Communication.

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Chapter 3. War & Refugees

Anne Gordon
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- I. Background: Historical Overview of War & Refugees
- II. The Eritrea Conflict
- III. Refugees from Sudan
- IV. Somalia
- V. Gambella Conflict Between Anuak and Nuer
- VI. Small Arms, Military Expenditure, and Land Mines
- VII. Policy Recommendations

I. Historical Overview of War & Refugees in Ethiopia

Ethiopia has experienced considerable civil war and conflict in the past century, a very brief history of which is necessary to understanding the refugee problem in Ethiopia. The last Solomonic emperor Haile Selassie was deposed and murdered by rebels from the Tigrayan People's Liberation Front (TPLF) in a 1974 coup. The TPLF, led by Mengistu Haile Mariam, instituted an oppressive military regime known as the Derg. The period of the Derg's rule became known as the Red Terror due to widespread state-sponsored violence. In 1991, Tigrayans once again contributed to the collapse of the Derg, and Mengistu was forced into exile in Zimbabwe. In 1994, the EPRDF coalition government ratified a constitution which institutionalized ethnic federalism as the form of government, and allowed both autonomy and the right to secession to its more than seventy ethnic groups. From 1998 to 2000, Ethiopia fought Eritrea in a war of secession, and Eritrea eventually triumphed and gained independence.

There has been no official war in Ethiopia since the Eritrean War, but tensions with Eritrea over the designated border, a strained relationship with Sudan over Oromo Liberation Front operatives using Sudan as their base, and a recent explosion of violence in Gambella state in Western Ethiopia have all contributed to significant internal and external refugee flows.

Ethiopia both sends and receives refugees: the UN High Commissioner for Refugees reported that Ethiopia played host to over 130,000 refugees in 2003. Roughly 90,000 of these were Sudanese, 30,000 were Somali, and 7,000 were Eritrean.⁴⁸ Recently, however, Somali refugee camps have been closing and the number of Somali refugees has dwindled to just over 10,000.⁴⁹ UNCHR estimates that by December 2005, the number of Sudanese refugees will have decreased to 77,000 due to voluntary repatriation brought about by peace accords.⁵⁰

⁴⁸ 2003 *UNHCR Statistical Yearbook Country Data Sheet - Ethiopia*. Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/statistics/opendoc.pdf?tbl=STATISTICS&id=41d2c16d0&page=statistics>.

⁴⁹ Sklar, Jennifer. (March 1, 2005). Meeting with the International Rescue Committee in Addis Ababa, Ethiopia.

⁵⁰ UNHCR. (2005). *UNHCR Global Appeal 2005*. Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/home/opendoc.pdf?tbl=MEDIA&id=41ab28c40&page=home>.

This section will discuss the current “hot-spots” of conflict and refugee movement in Ethiopia, and provide historical background, analysis, and policy recommendations for each conflict area.

II. Ethiopia-Eritrea

In the Eritrean war for independence from Ethiopia from 1998 to 2000, an estimated 70,000 people lost their lives.⁵¹ In December 2000, Ethiopia and Eritrea signed a peace accord. An international commission – the Eritrea-Ethiopia Boundary Commission (EEBC) – issued a decision in April 2002 and follow-up observations in March 2003 delimiting the border between the two countries. Unfortunately, Ethiopia has refused to move its border back, and Eritrea has declined to meet with the UN special envoy appointed to break the deadlock.

Currently, the United Nations Mission in Ethiopia and Eritrea (UNMEE) peacekeeping mission patrols a 25-kilometer-wide Temporary Security Zone (TSZ) within Eritrea separating the two countries; a few minor incidents of violence have occurred, all between local villagers and militia or armed opposition groups supported by the other side. Both countries insist they will not instigate fighting, but both also remain prepared for any eventuality. In January 2005 there was troop movement along the border, but Ethiopia denied it was anything offensive.⁵² Needless to say, the situation there remains tense, and in a January report to the Security Council UN Secretary-General Kofi Annan said that the peace process between Ethiopia and Eritrea "remains difficult, even precarious," and he is "concerned that a minor miscalculation by either side could have serious consequences."⁵³

One of the consequences of the war was an influx of Eritrean refugees across the border into Ethiopia. To this day, approximately 6,000 Eritrean Kunama refugees are living on the border in Shimelba camp, unable to go back to Eritrea due to discrimination against their ethnic group, including land seizures, forced conscription, and violence. In addition to the roughly 6,000 Kunama, there are also several thousand refugees fleeing military conscription. Many of these refugees are students from the University of Asmara, which closed down in recent months. University students have frequently been targets for forced conscription, and Ethiopia has been willing to offer these students asylum in its refugee camps. This could be a strategic policy by Ethiopia to remove the “best and the brightest” from Eritrea; in the event of a conflict, there will be few educated Eritreans to lead the armed forces.⁵⁴ The UNHCR also appears to be planning for a continued influx of both university students and others fleeing the Eritrean government; their estimates for 2005 include an increase from 7,000 to approximately 12,500 people in Shimelba camp.⁵⁵

⁵¹ Missed Chances in Ethiopia, Eritrea Dispute. *East African Standard*, January 15, 2005. Retrieved from http://www.eastandard.net/hm_news/news.php?articleid=10758.

⁵² Ethiopia-Eritrea: No sign of military build-up, says UNMEE. *IRIN News*, January 6, 2005. Retrieved from http://www.irinnews.org/report.asp?ReportID=44947&SelectRegion=Horn_of_Africa&SelectCountry=ETHIOPIA-ERITREA.

⁵³ Ethiopia-Eritrea: Chronology of key events in 2004. *IRIN News*, January 5, 2005. Retrieved from http://www.irinnews.org/report.asp?ReportID=44922&SelectRegion=Horn_of_Africa&SelectCountry=ETHIOPIA-ERITREA.

⁵⁴ Sklar, Jennifer. (March 1, 2005). Meeting with the International Rescue Committee in Addis Ababa, Ethiopia.

⁵⁵ *UNHCR Global Appeal 2005*. (2005). Retrieved April 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/publ/opendoc.pdf?id=41ab28c40&tbl=MEDIA>.

The recent university student and urban refugees have been resettled by UNHCR into third countries, often taking precedence over the Kunama, who have now been living in the refugee camp for years. This policy has been advanced by the Ethiopian government and the Ethiopian Administration for Refugee and Returnee Affairs (ARRA), and carried out through UNHCR,⁵⁶ again, with potential strategic motivation on the part of the Ethiopian government.

III. Refugees from Sudan

Any description of the current situation in Sudan is necessarily reductive and simplistic. Sudan's civil war has been going on for over 20 years, and has led to millions of displaced people. The current fighting started in 1983, between the Khartoum government, which is largely Arab and Islamic, and the South, which is largely Christian and animist. Religion, ethnicity, political ambitions, and colonial history fuel the conflict, as does the struggle to control the country's vast natural resources, especially oil, located primarily in the South.

The war has killed over 1.5 million people, and created the world's largest population of internally displaced persons – an estimated 4 million, including 2.2 million in Greater Khartoum, living in official camps and squatter and settlement areas.⁵⁷ Lack of adequate water and sanitation, combined with long hot seasons and severe flooding, create grave public health problems. Illiteracy and lack of skills among the displaced population contribute to continued dependency on the humanitarian community for basic services and food assistance, and entire communities remain trapped in this cycle of poverty.

The Khartoum government and the Sudanese Peoples Liberation Movement (SPLM) signed a formal peace agreement in January 2005. Although the agreement has raised hopes that the Khartoum government and the rebel Sudan Peoples Liberation Movement (SPLM) have reconciled their differences, it remains to be seen whether the agreement signifies an end to the 21 year civil war. Sustained peace would likely set in motion a return movement of significant numbers of internally displaced people and refugees.

The number of Sudanese refugees in Ethiopia peaked in 1991, when over 300,000 were within its borders.⁵⁸ UNHCR, the UN's refugee organization, estimates that in early 2005, there were 99,600 Sudanese refugees still living in Ethiopia.⁵⁹ They live primarily in four UNHCR-run camps along the Sudan-Ethiopia border: Fugnido, Bonga, Dimma, and Yarenja.

IV. Somalia

⁵⁶ Sklar, Jennifer. (March 1, 2005). Meeting with the International Rescue Committee in Addis Ababa, Ethiopia.

⁵⁷ International Rescue Committee. *The IRC in Sudan*. Retrieved January 15, 2005 from <http://www.theirc.org/Sudan/index.cfm>.

⁵⁸ U.S. Committee for Refugees & Migrants *Ethiopia Country Report 2004*. (2004). Retrieved January 15, 2005 from <http://www.refugees.org/countryreports.aspx?area=investigate&subm=19&ssm=29&cid=100>.

⁵⁹ UNHCR. Global Appeal 2005. (2005). Retrieved April 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/publ/opendoc.pdf?id=41ab28c40&tbl=MEDIA>.

Civil war, famine, and the lack of a permanent government have kept Somalia from being stable for over a decade. Although a new government was elected in October 2004 (including a new parliament and president), the Transitional Federal Government faces huge challenges in light of regional separatists and continuing armed conflict.⁶⁰ Millions were internally displaced or became part of a stream of Somali refugees flowing into African and Middle Eastern countries. The number of Somali refugees in Ethiopia has decreased to just over 10,000 in the last few years, due in large part to the UN's closing of all but one of the refugee camps on the eastern border and the use of voluntary repatriation convoys.^{61,62} The closings included the world's largest refugee camp, Hartsheik, which at one point hosted a quarter of a million refugees.⁶³

Relations between Somalia and Ethiopia are strained by the activities of the Oromo Liberation Front (OLF). The Oromos are the largest ethnic group in Ethiopia. However, many feel disenfranchised by the government after ineffectual reforms enacted by the Derg did not bring about an inclusive government. The OLF, which was a member of the EPRDF coalition government, pulled out of the coalition in 1992 because of these concerns. Relations between the government and the OLF have been tense and sometimes violent ever since. In 2002, the OLF detonated a bomb in an Ethiopian railways office.⁶⁴ In 2004, the OLF claimed responsibility for killing 51 government soldiers in a skirmish in southern Ethiopia.⁶⁵

As a result of these and other offenses taken by the OLF, the government has staged many attacks against OLF strongholds in southern Ethiopia. This has forced many Oromo to flee these regions. Most have ended up as refugees in Somalia. In 2000 and in 2001, Ethiopian troops were seen in Somali sovereign territory in an attempt to flush out the OLF rebels. Ethiopia has denied these claims, but credible reports to the contrary have discredited their statements.⁶⁶

In addition, the human rights group Peace and Human Rights Network accused the Ethiopian government of arming Somali warlords.⁶⁷ Such actions increase the volatility of an already unstable situation in Somalia. Again, the Ethiopian government has denied the allegations.

⁶⁰ *UNHCR Global Appeal 2005*. (2005). Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/home/opendoc.pdf?tbl=MEDIA&id=41ab28e30&page=home>.

⁶¹ *U.S. Committee for Refugees & Migrants Somalia Country Report 2004*. (2004). Retrieved April 15, 2005 from <http://www.refugees.org/countryreports.aspx?area=investigate&subm=19&ssm=29&cid=165>.

⁶² UNHCR. *Somalia: Convoys restart from Eastern Ethiopia*. Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/home/+OwwBmNevEudwwwQwwwwwwwhFqnN0bItFqnDni5AFqnN0bIcFqr5dMwcwDzmxwwwww/opendoc.htm>.

⁶³ UNHCR. (2004, July 1). "World's Largest Refugee Camp" Closes in Ethiopia. *UNHCR News Stories*. Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/news/opendoc.htm?tbl=NEWS&id=40e426de4&page=news>.

⁶⁴ BBC. (2002, June 27). Oromo Rebel Group Claims Responsibility for Bomb Explosion in East. *BBC Monitoring International Reports*. Retrieved January 15, 2005 from <http://news.bbc.co.uk>.

⁶⁵ BBC. (2004, December 1). Oromo Rebels Claim Killing 51 Government Soldiers in South. *BBC Monitoring International Reports*. Retrieved January 15, 2005 from <http://news.bbc.co.uk>.

⁶⁶ Agence France Presse. (2001, June 9). Ethiopia Denies Deploying Troops Inside Somalia. Retrieved January 15, 2005 from www.afp.com.

⁶⁷ Agence France Presse. (2000, January 1). Ethiopia Arming Somali Warlord: Rights group. Retrieved January 15, 2005 from www.afp.com.

Eritrean, Somali and Sudanese Refugee Recommendations

Currently, the Ethiopian government has a policy of not allowing refugees to settle within Ethiopia. Accordingly, the government has made no new land available to refugees in the areas surrounding the refugee camps.⁶⁸ This policy constrains opportunities for the refugees to provide their own food, and keeps them dependent on foreign food aid, which is often limited and has been in danger of being cut off completely.⁶⁹ This precarious situation can in turn contribute to renewed tension in Gambella, where some of the camps are located. UNHCR and ARRA (Ethiopia's refugee and returnee affairs bureau) have provided seeds and farming tools to select families, but this has also created ethnic tension in the camps. Because voluntary repatriation does not appear to be an option for most refugees in the immediate future, a more permanent situation must be found to resettle the refugees inside Ethiopia, or in a third country. Until that point, the Ethiopian government must try harder to work with local ethnic groups to allow the refugees to settle and cultivate areas around refugee camps. Until that happens, refugees will continue to be dependent on foreign aid and at risk of food shortages.

V. Gambella Conflict Between Anuak and Nuer

As a result of civil conflict, many of Ethiopia's refugees are internally displaced persons (IDP). Perhaps the most pressing of these recent conflicts is the violence in Gambella state, in Western Ethiopia near the Sudanese border.

Recent Events

On December 13, 2003, a van carrying UN and government refugee officials was waylaid by a group of armed Anuak and killed outside Gambella town. When the bodies were brought to town, ethnic Nuer with help from the Ethiopian Army retaliated for the attack by a two-day massacre of anywhere between 57 and 424 people. Eyewitnesses claimed that Amhara, Oromo, and Tigray tribes used machetes to murder Anuak,⁷⁰ leaving the Ommingah neighborhood of Gambella particularly decimated.⁷¹

Official accounts of the number of casualties vary: the Ethiopian government claim only 57 deaths, while Anuak diaspora communities in the U.S. claim 416 people were murdered, based

⁶⁸ USCRM *Ethiopia Country Report 2004*. (2004). Retrieved January 15, 2005 from <http://www.refugees.org/countryreports.aspx?area=investigate&subm=19&ssm=29&cid=100>.

⁶⁹ UNHCR. (2004). Ethiopia: urgent appeal for refugee food aid. *UNHCR News Stories*, February 24, 2004. Retrieved January 15, 2005 from <http://www.unhcr.ch/cgi-bin/texis/vtx/home/+LwwBmeaBYdewxwwwDwwwwhFqnN0bItFqnDni5AFqnN0bIcFqD0BrodpowahddmDzmxwww1FqhRI200/opendoc.htm>.

⁷⁰ McGill, Doug. (2004, February 16). Ethiopian Genocide; Military massacres Anuak. *In These Times*. Retrieved January 15, 2005 from <http://www.inthesetimes.com/site/main/article/390/>.

⁷¹ Oxfam *Conflict Response: Gambella, Ethiopia*. (2004, June 11). Retrieved January 17, 2005 from http://www.oxfamamerica.org/newsandpublications/news_updates/art7331.html.

on relatives' accounts, and international NGOs like the World Organization on Torture claim as many as 424.⁷²

The Ethiopian government initially denied that its troops were involved in the massacre, stating that army troops were restricted to keeping the peace.⁷³ After considerable international pressure from NGOs and the State Department's call for an inquiry into the incident last February, the Ethiopian government finally acknowledged a failure to respond and established an Independent Commission of Inquiry to investigate the event.⁷⁴ The Commission released its report in July 2004, stating that officials from the Ministry of Defense were responsible for thirteen deaths, and citing involvement of the Regional Police Bureau as well. The Commission's final tally of deaths was 65 people, substantially lower than the estimates of eye witnesses and international NGOs.⁷⁵

The UNHCR reported continued killings of local residents inside refugee camps throughout the first part of 2004, although at a much diminished rate. In January 2005, the Gambella State Police Commission announced that it had fired 32 officers who were implicated in the killings, but the status of the thirteen defense department officials implicated in the Commission of Inquiry report is still unknown, in spite of pressure from the U.S. Embassy and human rights groups.⁷⁶ Also in January 2005, the Ethiopian Government appointed Omot Obang Olam as governor of Gambella State, a local leader who human rights groups claim was instrumental in the 2003 Gambella massacre by providing names of Anuak leaders to the government as targets for the genocide.⁷⁷ The full significance of this gesture remains to be seen, but the move could undo the conciliatory message of appointing the independent commission. Observers are primarily concerned that the government's continuing reticence to punish those implicated in the massacre will lead to a renewed outbreak of violence in Gambella.

Analysis of the Conflict

Theories about the origins of the conflict in Gambella fall generally into four categories, although these are not mutually exclusive: the resource scarcity hypothesis, the ancient feud hypothesis, the policy-generated hypothesis, and the resistance to centralized federal power hypothesis.

Proponents of the resource scarcity hypothesis argue that famine due to a shortage of arable land leads to ethnic conflict between groups that have co-existed in times of plenty. In Gambella,

⁷² Project Ploughshares Armed Conflicts Report 2004: Ethiopia-Gambella. (2004, October). Retrieved January 17, 2005 from <http://www.ploughshares.ca/content/ACR/ACRBriefs/ACR-EthiopiaGambellaBrief.html>.

⁷³ Ibid.

⁷⁴ Ethiopia: U.S. Government Wants Gambella Violence Investigated. *IRIN News*, February 23, 2004. Retrieved January 17, 2005 from <http://www.irinnews.org/print.asp?ReportID=39626>.

⁷⁵ Bekele, Kaleyesus. (2004, July 7). Members of the Defense Forces Involved in the Gambella Killings, Independent Inquiry Commission. *Ethiopian Reporter*. Retrieved February 17, 2005 from <http://www.ethiopianreporter.com/displayenglish.php?id=1132>.

⁷⁶ Ethiopia: Punish those responsible for Gambella Violence, US urges. *IRIN News*, February 3, 2005. Retrieved March 20, 2005 from <http://www.irinnews.org/report.asp?ReportID=45363>.

⁷⁷ Chief Government Collaborator in Anuak Massacre Nominated for Governor of Gambella State. (2005, January 26). Retrieved February 17, 2005 from <http://www.genocidewatch.org/ETHIOPIAchiefcollaboratorinanuakmassacre26Jan.htm>.

resource scarcity has led to competition between the newly-resettled Nuer whose main livelihood is pastoralist (livestock-based) and the Anuak, whose main livelihood is agriculture. In this model, ethnic groups are caught in a vicious cycle of conflict and migration: famine or fear of violence in one region (Sudan or Tigray for example) leads to displacement of residents, causing them to move to refugee camps in another region (Gambella for example), causing a strain on the local resources of the host region, leading to popular discontent over the influx of refugees from a famine area which can escalate into mass violence, leading to yet another displacement, beginning the cycle anew.



According to the ancient feud hypothesis, enmity between ethnic groups is an immutable part of Ethiopian history. The Anuak are the traditional residents of Gambella. The term Highlander is a catch-all for several ethnic groups who have been resettled to Gambella from the hills of Tigray, Oromiya, Amhara, and the SNNPR and include the Nuer, Mezengir, Opio and Komo ethnic groups.⁷⁸ The dominant conflict over the last two years has been between the Anuak and the Nuer, which have been referred to in media accounts as ancient tribal enemies.⁷⁹

The policy-generated hypothesis lays blame for ethnic conflict between the Anuak and the Nuer in Gambella on lopsided government policy. Government policy contributed to the conflict indirectly in two ways: first, its policy of resettling highlanders to Gambella on traditionally Aruak land intensified competition between the tribes; and second, the government's acceptance of Sudanese refugee camps on the Sudanese border with Gambella further exacerbated tensions. Government policy also contributed to the conflict directly, since there is documented evidence that the (mostly Highlander) military actually participated in the massacres.

⁷⁸ Project Ploughshares Armed Conflicts Report 2004: Ethiopia-Gambella. (2004, October). Retrieved January 17, 2005 from <http://www.ploughshares.ca/content/ACR/ACRBriefs/ACR-EthiopiaGambellaBrief.html>.

⁷⁹ Lacey, Mark. (2004, June 16). No soap can scrub away the strife; Ethiopian groups bathe now, war later. *New York Times*.

Finally, the resistance to centralized power hypothesis places the conflict in historical context. Scholars have argued that social uprisings in twentieth-century Ethiopia are the result of ethnic groups' resistance to being integrated into a modern centralized state.⁸⁰ The rule of Haile Selassie began a slow process of political and cultural centralization, continued with the Derg and current EPRDF government. The post-Derg constitution provides for a federalized system of government designed to maintain an Ethiopian state while allowing increased autonomy to the provinces to rule according to regional custom. To the extent that the long hand of the government is felt in these provinces, especially with resettlement policies and Sudanese refugee camps competing for land, splinter tendencies in regions like Gambella tend to be exacerbated. (*For more on ethnic federalism, please see Chapter 4: Institutions and Governance.*)

Gambella Policy Recommendations

Any discussion of policy recommendations depends on one's analysis of the primary culprit of the conflict in Gambella. Was the conflict created by resource scarcity or ethnic tensions, or perhaps an ongoing resistance from the ethnic groups to incorporation into the modern centralized state, or is the violence instead a direct or indirect outgrowth of the bad policies of the central government? Agricultural reforms would be the most effective long-term recommendation for resolving the conflict if it is due to a scarcity of resources. If ethnic tensions are the culprit, measures like Oxfam America's Peace and Development Council attempting to reconcile the various ethnic groups would be the most efficient recommendation.⁸¹ If resistance to the modern state is behind the conflicts between ethnic groups, then implementing the genuine democratic autonomy for the provinces envisioned in the Constitution could be a way of quelling the secessionist fervor.

If the Gambella conflict is largely a product of poor governance from Addis Ababa, transparency measures to hold the central government more accountable may be the best recommendation. Our interactions with the federal government while in Ethiopia point heavily toward this last explanation. Government transparency, or its lack, appears to be at the root of many of the country's political conflicts. Indeed, interest groups take issue with government procedure as frequently as substance, and the central government's heavy-handedness in resettlement policy – witnessed in the policy of giving food aid to starving Highlander families only on condition that they board a bus to be resettled in another region – creates tensions where ethnic groups formerly existed more or less peacefully.

Therefore, we see a continued role for advocacy groups which have been able to put pressure on the government to acknowledge its involvement and form the Gambella Commission of Inquiry. Advocacy groups, both internationally and domestically, must continue to use the politics of information to direct scrutiny on the central government, and concretely, to push for the indictment of government officials shown to have been involved in the killings. By indicting the

⁸⁰ See Tareke, Gebru. (1996). *Ethiopia: Power and Protest: Peasant Revolts in the Twentieth Century*. Lawrenceville, NJ: Red Sea Press. See also Levine, Donald N. (2000). *Greater Ethiopia: the Evolution of a Multethnic Society*. Chicago: University Press.

⁸¹ *Oxfam Conflict Response: Gambella, Ethiopia*. (2004, June 11). Retrieved January 17, 2005 from http://www.oxfamamerica.org/newsandpublications/news_updates/art7331.html.

officials implicated in the Gambella massacre, the government of Ethiopia can send a clear message that the government is fundamentally on the side of law-abiding citizens of every ethnicity, even if this means purging its ranks of officials who fail to serve and protect the Ethiopian people. The government should also make an effort to involve citizens in decision-making processes, especially in regard to resettlement.

VI. Small Arms

Small arms are a normal part of life throughout the Horn region. Small arms are used for a number of legitimate uses as well as some illegitimate uses. For example, small arms are used by pastoralists to protect their livestock from thieves or by merchants who must travel long distances over roads littered with bandits. In addition, Horn culture provides an incentive for acquiring small arms. For example, the number of livestock owned by a man is a determining factor in the quality of woman he can marry. The more livestock a man owns, the better bride he can obtain. This strong incentive to acquire livestock prompts some men to steal cattle from one another. Small arms makes thievery more efficient and less dangerous for the thief. Furthermore, a man who owns many livestock *and* a gun can obtain a better bride yet. Many use this as evidence of the warrior culture in the Horn.⁸²

During the cold war, both the US and the USSR used arms deals as a diplomatic tool. Haile Selassie was a very close ally with the US and Western leaders and received supplies of arms as a reward for his loyalties. Later, the Derg, espousing Marxist ideologies, turned to the USSR for support. The USSR returned the favor and showered Ethiopia with small arms and artillery. Old Derg-era Kalashnikovs can still be found in Ethiopia.

More recently, Ethiopia's bellicosity towards Eritrea pushed the UN Security Council to vote for an arms embargo, in effect from May 2000 to May 2001. The embargo was led by the US and the UK.⁸³ The embargo was created for one year with the option of extension in May 2001. The US used this option to persuade Ethiopia to embark on a peace process with Eritrea and allowed the arms embargo to expire. Russia, currently the biggest arms supplier to Ethiopia, took immediate advantage of the expired embargo, exporting large amounts of arms to Ethiopia in 2002⁸⁴ and signing a military and technical cooperation deal. Such cooperation may have included sales of heavy military equipment as well as military cooperation.⁸⁵ The US has contributed its share of arms to the Ethiopian military by dumping large amounts surplus weaponry onto the international arms market.⁸⁶

Porous border controls within the Horn region also provide a route for small arms trafficking. The region is rife with simultaneously brewing and evolving conflicts. As one conflict dies

⁸² Gebre-Wold, Kiflemariam and Isabelle Masson. (Eds.). (2002). *Small Arms in the Horn of Africa: Challenges, Issues, and Perspectives* (Brief 22, March 2002). Bonn International Center for Conversion.

⁸³ 1st Lead: UN Imposes Arms Embargo on Ethiopia and Eritrea. (2000, May 18). *Deutsche Presse-Agentur*.

⁸⁴ Yurkin, Anatoly. (2004, January 13). Russia Exported \$80 million of small arms in 2002. *ITAR-TASS News Agency*.

⁸⁵ BBC. (2002, July 8). Russia, Ethiopia Sign Military Cooperation Deal. *BBC Monitoring International Reports*. Retrieved January 15, 2005 from <http://news.bbc.co.uk>.

⁸⁶ Deen, Thalif. (2001, July 16). Disarmament: U.S. a Key Supplier of Surplus Weapons, Says Report. *IPS-Inter Press Service*.

down, arms from that region can easily be circulated to an area in the Horn where tensions between rebel groups are rising. In this manner, the Horn countries circulate arms amongst themselves with virtually no government control over their movement. Southern Sudanese rebels – currently in the process of signing a peace deal with the Khartoum government – may be the next source of small arms into Ethiopia. Forty-nine Sudanese rebels who had taken refuge in Ethiopia returned to Sudan recently, taking advantage of an unconditional amnesty afforded them. As part of the amnesty process, these rebels left their weapons in Ethiopia.⁸⁷ More and more rebels will continue to disarm in the near future. Ethiopia, as the closest border to the Southern rebels, will be a natural destination for the increased circulation of their arms.

Small Arms Policy Recommendations

The trade in small arms is notoriously difficult to control due to a profusion of suppliers and the large proportion of illicit trading taking place. Arms control along Ethiopia's borders would go a long way in stemming the circulation of arms through Ethiopia. Such a step is particularly important to implement along Ethiopia's Sudanese border now that a peace deal has been signed in that region. In addition, tensions are currently running high between Ethiopia and Eritrea and a fresh conflict may erupt. The UN Security Council should consider capping the number of arms that can be sold to Ethiopia until a viable peace plan has been signed and the border dispute with Eritrea is settled.

Military Expenditures

Estimates vary as to how much the Ethiopian government spends on military expenditures. However, all estimates point to a very high expenditure to GDP ratio. In 2003, Ethiopia spent approximately 5.2% of its GDP on the military, the 18th highest ratio in the world.⁸⁸ This amounted to \$345 million, or half of the government's total expenditures. Table 3.1 shows approximate military expenditures for a number of years. The volatility of peace and war with Eritrea is clearly reflected in military expenditures.

Table 3.1. Annual military expenditure	
Year	Expenditures
1998	\$140 million ⁸⁹
1999	\$467 million ⁹⁰
2000	\$800 million ⁹¹
2003	\$345 million ⁹²

⁸⁷ Agence France Presse. (2000, July 7). Sudanese Rebels Return from Ethiopia, Surrender Weapons. Retrieved January 15, 2005 from www.afp.com.

⁸⁸ CIA World Fact Book. Retrieved January 15, 2005 from <http://www.cia.gov/cia/publications/factbook/>.

⁸⁹ Vick, Karl. (2000, April 22). Guns, but no bread: starving Ethiopia can't afford to wage war with Eritrea. *The Gazette*.

⁹⁰ Ibid.

⁹¹ World Wide Military Expenditures. Retrieved January 15, 2005 from <http://www.globalsecurity.org/military/world/spending.htm>.

⁹² CIA World Fact Book.

Clearly, Ethiopia is spending a great deal of its resources on the military. In the general category of excessive security expenditures, Prime Minister Meles Zenawi spent \$1.4 million on personal protection for himself in 2003.⁹³

Land Mines

Land mines have been used extensively during the 1998-2000 war with Eritrea. Mines were laid in the border region that currently constitutes the Temporary Security Zone (TMZ). The mines are a hazard to people in the region because their locations are not clearly marked and because they are close to many towns. In one town, a school with 1200 students is located about 200 meters from an area believed to be mined.⁹⁴ The mines have killed 21 people and maimed 64 others since the cessation of war between the two countries.⁹⁵ De-mining has been taking place under UN auspices since 2001, but about 250,000 to 300,000 mines are estimated to still be buried in the TMZ.

Ethiopia became the 144th country to ratify the Ottawa Convention Banning Landmines on November 29, 2004. The Convention bans the production, use, trade, and stockpiling of landmines and outlines a timetable for their removal from the ground. However, UN officials active in the de-mining effort have seen evidence of new mines being laid. They are not sure who may have laid them.

VII. Policy Recommendations on War & Refugees

Based on the analysis outlined above, seven key recommendations seem to offer the most promise for ameliorating refugee issues and the conflicts that fuel them:

- Explore options for letting refugees settle in areas around the camps, especially the Eritrean Kunama refugees because of shared culture with Ethiopian Kunama in the surrounding community, but be careful of exacerbating tensions between camp and host community
- If refugees are not allowed to settle, the government should explore options for letting refugees farm nearby land, while monitoring potential sources of conflict over resources
- UNHCR, ARRA, and the international NGOs should cooperate more fully, with ARRA surrendering some control over refugee camps, and avoiding politicization of camp administration and resettlement policy, which threatens the legitimacy of all players
- Indict all government officials – local and national – implicated in the Gambella massacre
- Take steps to involve citizens in the government decision-making process and increase transparency especially in the area of resettlement policies that might exacerbate ethnic tension
- Implement arms controls along Ethiopia's borders, most pressingly along the Ethiopian-Sudanese border

⁹³ BBC. (2003, June 20). Premier Reportedly Spends Some 1.5M Dollars for Protection. *BBC Monitoring International Reports*. Retrieved January 15, 2005 from <http://news.bbc.co.uk>.

⁹⁴ Agence France Presse. (2004, November 30). Growing up with landmines on the Ethiopia-Eritrea border. Retrieved January 15, 2005 from www.afp.com.

⁹⁵ Agence France Presse. (2003, February 14). New mines being laid along Eritrea-Ethiopia border: UN. Retrieved January 15, 2005 from www.afp.com.

- Reduce military expenditures by the Ethiopian government; such expenditures consume half of the government budget and over 5% of GDP, and create more problems for the Ethiopian government than they solve.

Beyond these specific policy recommendations for the Ethiopian government in addressing refugee issues, the overarching recommendation – with far and away the most potential for addressing conflict and the creation of refugees – is to spend less on defense and more on social services, infrastructure and prevention of natural or man-made humanitarian disasters. Current spending patterns put the Ethiopian government in the unenviable position of simultaneously being one of the ten poorest countries in the world and having the eighteenth highest military budget (as percentage of GDP). Ethiopia is a country with considerable challenges but also considerable potential for economic growth, and investing in the economy through smart growth and poverty alleviation policies is a much better use of scarce government resources than purchasing imported war materiel in preparation for a renewal of conflict with Eritrea. Equitable and transparent government investment in the livelihoods of Ethiopians of all peoples, nations, and nationalities is the ultimate solution to regional conflict and displacement.

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Chapter 4. Institutions & Governance

Kumlachev Chekol

I. Background

Ethiopia is a multi-national state, inhabited by close to 80 national communities. The major ethnic groups are the Amhara, Oromo and Tigre. There are more than 70 languages and over 200 dialects are currently spoken in Ethiopia.⁹⁶ Three major groups and their languages are particularly dominant: the "Semitic (Amharic, Tigrinya), Cushitic (Oromo, Sidama, Somali), and Omotic (e.g., Welayta, Kefa)."⁹⁷ Ethnically, Ethiopian feudal state was dominated by the North, specially by rulers from the Amhara and Tigrean ethnic groups who also regarded the empire as a Christian island despite the considerable Muslim population in the country.⁹⁸ For centuries, Amharic and Geez have been the official language and alphabet respectively. The northern/highland culture overshadowed the languages and cultures of the other national communities, especially after the unification process was completed in the 20th century.⁹⁹ These national communities were marginalized, and were denied of a meaningful share in the political pie.¹⁰⁰ This dark part of the Ethiopian history was the basis of the famous "national question", articulated by the Student Movement in Ethiopia which provided ideological leadership to the Ethiopian Revolution in the 70s—a quest for equality and respect to the right to self governance of national communities and in its extreme form, their right to self determination up to and including secession.¹⁰¹ The national question provided a justification for the adoption of ethnic federalism by the current Ethiopian regime.

Constitutional Structure

The 1994 Constitution reconstituted Ethiopia as a federal state, with nine largely autonomous regions formed along ethnic and linguistic lines.¹⁰² It is one of few Constitutions in the world to recognize the sovereignty of nations within the nation, and acknowledges the right of each "nation, nationality and people" to self-determination up to and including secession.¹⁰³ Conceptually, Ethiopia is envisaged as a state formed with the consent of these nations, and each retains a sovereign power to form its own state. The constitution established legislative, executive and judicial organs at the federal and regional levels and apportioned powers between the regions and the federal government. While key policymaking and legislative powers are

⁹⁶ Bekerie, A., (1997) *Ethiopic: An African Writing System: Its History and Principles*, Lawrenceville, N.J, 43

⁹⁷ Bekerie, A., (1997): 43

⁹⁸ Vaughan, S. (1997) Power and Ethnicity in Ethiopia, Retrieved January 14, 2005 from
<<http://www.era.lib.ed.ac.uk/retrieve/1299/vaughanphd.pdf>>

⁹⁹ Honguelen A. S., (1999) The Federal Experiment in Ethiopia: A Socio Political Analysis, Retrieved January 16, 2005 from <http://www.cean.u-bordeaux.fr/pubcean/TD64.pdf>

¹⁰⁰ Ibid.

¹⁰¹ Zewde, B,(2003) Intellectuals and Soldiers: The Socialist Experiment in the Horn of Africa, Retrieved Jan. 17 2005 From <<http://codesria.org/links/conferences/Dakar/zewde.pdf>>

¹⁰² See the Constitution of the Federal Democratic Republic of Ethiopia (1994) Art. 47. Retrieved Jan. 16 2005 from www.ethiopar.net/English/cnstiotsn/consttn.htm

¹⁰³ Ibid, Art. 8 and Art.39

given to the federal government, regions are also given considerable powers relating to taxation and implementation of policies.¹⁰⁴

The Legislature

Ethiopia has a bi-cameral parliament, consisting of the House of People's Representatives (HPR) and the House of Federation (HoF).¹⁰⁵ Federal legislative power is vested in the HPR, which is composed of deputies directly elected from electoral districts established across the country for a term of five years. Currently, 496 of the 548 seats in the HPR are taken by the ruling Ethiopian Peoples Revolutionary Democratic Front (EPRDF), a coalition of TPLF and three other ethnic parties.¹⁰⁶ There are indications that this scenario might be changed after the May 2005 elections, as the opposition parties appear increasingly organized. The House of Federation is a political body actually entrusted with the judicial function of interpreting the constitution. The HoF is composed of representatives from each ethnic group, although about 20 of the smaller ethnic communities are currently unrepresented. According to an unusual formula, each ethnic group is to be represented by at least one member and by one additional representative for each one million of its population. Members of the HoF are normally elected by regional parliaments, although the Constitution provides that they can also be elected by the people of the regional States directly.

The Judiciary

The Federal judiciary consists of the Federal First Instance Court, the Federal High (Appellate) Court and the Supreme Court. The Constitution guarantees the independence of the judiciary, though in practice the Ethiopian courts have been rather weak, understaffed and inefficient. The courts are burdened with huge caseloads, and proceedings are very inexpedient. An oft-cited example is the trial of former officials of the military regime, which has been ongoing for the past 11 years and is still far from conclusion. The quality of the judges has also declined, especially after the EPRDF fired more than 20 experienced judges in 1994 labeling them as "thieves and corrupt people." There is also an acute shortage of legal professionals in the country. Until the early nineties, the only law school in the country was the Faculty of Law of Addis Ababa University, and the total number of lawyers holding a degree in law is still less than two thousand. The problem is further worsened as the turnover rate is high in federal courts, as experienced judges leave the courts in considerable numbers every year in search of better paying jobs such as working in NGOs or practicing law. Vacant benches are usually filled by graduates from the Civil Service College, which is allegedly set up to train cadres of the ruling party although the government claims that it was established to upgrade the quality of the civil service. Many critics lament that the new judges are incompetent and partisan. Lately, the government has initiated a judicial reform program to address some of the problems, mainly by opening training centers for judges and prosecutors to build their capacity and digitizing the information and file management system of the courts. It is too early to tell if these efforts are bearing fruit. Six of the new state universities have opened law schools, although all of them are understaffed and do not have adequate teaching and research facilities. Much remains to be done to improve the quality of legal education in the country.

¹⁰⁴ Ibid, Arts. 51 and 52.

¹⁰⁵ Ibid, Art. 53.

¹⁰⁶ The Parliament of Federal Democratic Republic of Ethiopia, A Brief History of the Ethiopian Parliament, Retrieved January 16 2005 from <<http://www.ethiopar.net/English/genifo/parhist.htm>>

The Executive

The constitution provides that the party holding majority seats shall establish the government. Currently, the executive body is formed by EPRDF, with the chairman of the party, Mr. Meles Zenawi, as the Prime Minister. Opposition parties have no representation in the executive branch. The executive has been reorganized several times, adding new ‘overarching’ ministries like ministry of Capacity Building (which coordinates ministries of education and health), Ministry of Rural Development and Agriculture and Ministry of Finance and Economic Cooperation in addition to ordinary line ministries of health, education, interior, among others. These structural reforms seem to have brought little if any substantial change in the performance of the executive as a whole. The Ethiopian civil service is inefficient, understaffed and highly bureaucratic. Although in most countries only ministerial posts are typically filled by political appointees, all the important posts in the Ethiopian civil service have been filled by cadres of the ruling party, and this has hampered the development of a professional civil service. Public officials do not tend to draw a distinction between commitment to public service and loyalty to the ruling party. The government has recently initiated a reform in the civil service sector, which mainly focuses on improving the quality of service delivery in government agencies. Some progress has been seen in some Ministries and government agencies after the implementation of the reform program, but formidable challenges still remain in terms of improving the quality and integrity of the civil service.

Relations Between Federal and State Government

Despite the establishment of largely independent regional governments by the constitution, in practice, regions are governed by the ruling coalition (EPRDF) and lack autonomy.¹⁰⁷ Four of the regions are controlled by the members of the coalition, while the remaining five are governed by ethnic based parties which are either established by EPRDF or show their allegiance to it.¹⁰⁸ Contrary to the provisions of the constitution, relationships between the federal government and the regional administrations have often been one-sided and dominated by the central government. The federal government/ruling party acts as a guardian of the regional governments, and regions are governed by party loyals from the TPLF/EPRDF who are sent to the regions to ‘advise’ their leaders. As Yonatan Dibisa, former senior official of Oromia Regional state remarked: “.... the ‘real president’ of the [Oromia] regional state is a bearded Tigrean [Tigrayan] by the name of Solomon Tesfaye (whose nickname is Timmo, i.e., the bearded one), a TPLF high cadre who ‘commands even Kuma Demeksa [the regional president] himself’”.¹⁰⁹ The so-called advisors were concerned mainly with ensuring that the power balance in the regions is in favor of the ruling party rather than with the interests of inhabitants. Attempts ostensibly made by the ruling party to change the situation in 2000 were largely window-dressing. In addition, regional governments suffer from acute lack of trained manpower.¹¹⁰ The efforts of the government to meet this need by giving professional training to cadres of the ruling party who administer the regions had been largely unsuccessful because the trainees are largely incompetent. Regions also lack financial autonomy because a substantial

¹⁰⁷ Honguelen, A.S. (1999),20. See also Vaughan S. (1997),185.

¹⁰⁸ Mengisteab, K. (2001) Ethiopia’s Ethnic Based Fedelism: Ten years After, *African Issues*, 29:23

¹⁰⁹ Indian Ocean Newsletter, “Latest Defection Costly for Regime” March 17, 2001.

¹¹⁰ Mengisteab, K. (2001), 31

part of their budget comes from federal subsidy, which gives the federal government ample room for manipulation and undue influence.¹¹¹

Democratic Institutions

a. Political Parties

Currently, there are about 76 registered political parties in Ethiopia.¹¹² 58 of these (66%) are organized along ethnic lines, while the remaining 18 (23.6% of the total) are multi-national.¹¹³ In addition to these parties, there are more than twenty opposition parties operating in exile, some of which, including the Oromo Liberation Front (OLF), the Ogaden National Liberation Front (ONLF) and the Sidama Liberation Movement (SLM), are separatist groups waging armed struggle in the southern and eastern parts of the country. The proliferation of ethnic based political parties can be attributed to the ethnic division policies of the ruling party, which either organized or supported the formation of numerous ethnic-based parties in the regions.¹¹⁴

The dominant party, EPRDF, is a coalition of four ethnic parties which control the four major regions in Ethiopia.¹¹⁵ Its ideology is revolutionary democracy, whose obscurity defies accurate description, though it approximates free market ideology with a significant emphasis on popular participation in development and governance. The other five regions are led by ethnic parties which are allies of the ruling party.

Although there are more than thirty opposition parties, most of them are weak and have next to no representation in the country's government.¹¹⁶ The weakness of the Ethiopian opposition is attributed to several factors: the highly polarized political climate in the opposition camp, fragmentation caused by power rivalries among leaders of opposition groups, and a political environment that is not conducive to the operation of opposition parties in Ethiopia.¹¹⁷ Opposition parties often complain about harassment and abuse by local authorities,¹¹⁸ which effectively hinders them from building constituencies at the grassroots level. Acute capacity problems, lack of commitment, regionalism and rivalry among leaders have also impeded the formation of a strong opposition in the past decade and half.¹¹⁹ Most leaders of the opposition are part-time politicians and there is a considerable degree of antagonism and animosity between

¹¹¹ Ibid.

¹¹² Walta Information Center, Ethiopia: Election 2005, List of Registered Political Parties, Retrieved January 17 2005 from <<http://www.waltainfo.com/Election/election.asp>>

¹¹³ Ibid

¹¹⁴ EPRDF is especially known for establishing numerous PDOs (People's Democratic Organizations) in the South. See Vaughan S. (1997),183ff.

¹¹⁵ The members of the Coalition are the Tigrean People's Liberation Front (TPLF), the Amhara National Democratic Movement(ANDM), Oromo People's Democratic Organization (OPDO) and the Southern Ethiopian Peoples Democratic Movement (SPDM)..

¹¹⁶ The total number of seats occupied by the major opposition parties in the parliament of 538 seats is eight. All Ethiopia Unity party and UEDP have one candidates each, while the CAFPDE has six.

¹¹⁷ See Vaughan,S (1997),182..

¹¹⁸ See Ethiopian Human Rights Council,,80th Special Report, 19 October 2004, Retrieved January 18 2004 from <http://www.ehrco.net/reports/special_report_80.pdf>

¹¹⁹ "None of the opposition people I talked to gave me a clear idea of their agenda except that they want to have (not necessarily SHARE) power and status and want foreign governments to pressure the EPRDF on their behalf."Paul Henze, interview, Corne de'lAfrique, Lundi 21 février 2005.

multiethnic/national and regional/ethnic parties, one labeling the other as a chauvinist or narrow-minded nationalist. Furthermore, the Ethiopian elite have distanced themselves from politics after enduring killings and persecution during the military regime. The withdrawal of the elite has undermined the opposition's capacity, which is reflected in the inability of most opposition parties to come up with a meaningful vision and policy alternatives to bring about development in the country.¹²⁰ Some improvements have been witnessed in the past year in bringing about a stronger cohesion among the opposition, as evidenced by the formation of strong opposition coalitions like Coalition for Unity and Democracy and United Ethiopian Democratic Front.¹²¹ Nevertheless, considerable challenges remain in building constituencies and organizing the public in rural areas, as opposition members continue to be harassed, detained and even killed by members or supporters of the ruling party and administration officials.¹²²

b. Civil Society

The term civil society covers a wide array of citizen's associations which fill the space between the state and the citizen, but our discussion will be limited to non-governmental organizations, the academia and business sector here.

Non Governmental Organizations (NGOs): More than 350 NGOs are currently working in Ethiopia, 90% of which are local NGOs, while international organizations and foreign NGOs have also a significant presence.¹²³ NGOs started operation in Ethiopia in the 1970s, mainly providing food aid and relief services for victims of the 1973 drought.¹²⁴ Until the early nineties, the activity of NGOs focused on relief, but have since shown a shift towards development activities and provision of social services like health, education and clean water.¹²⁵ NGOs are now important actors in the country's development, and about 30% of the total foreign aid is channeled through them.¹²⁶ Nevertheless, very few NGOs work in the areas of human rights and governance, and their activities have been clouded with fear and suspicion of the government. The government's negative attitude towards NGOs working on governance and democracy is exhibited in the recent expulsion of three American NGOs which were working to build the capacity of democratic institutions in Ethiopia and to monitor the 2005 elections because 'they were not duly registered to work in Ethiopia.'¹²⁷

In addition, the operation of the NGO sector in Ethiopia was constrained by lack of enabling legal and policy environment, dependency on donors, inability to build domestic/grassroots constituency, and intrusive policies of government.¹²⁸ The policy and legal regime regulating the

¹²⁰ The private newspapers have been lamenting on the weakness of the opposition for a long time. See Assuming our Share of the Responsibility (commentary), Ethiopian Reporter, July 11, 2003.

¹²¹. See Tobia, "CUD Fields 1000 Candidates for the 2005 Elections" (Amharic), 3 Feb. 2004

¹²² See CNN, "[Ethiopia's ruling party accused of killing opposition members](#)", 8 February 2005.

¹²³ CRDA (2004) Ethiopia, Country Profile, Retrieved January 17 2005 from <http://www.crdaethiopia.org/Country%20Profile/ethiopia.htm>.

¹²⁴ Ibid.

¹²⁵ Ibid.

¹²⁶ [Open Letter in response to allegations made by the EPRDF representative](#) (October 2004), Retrieved 17 January 2005 from <<http://crdaethiopia.org/PolicyDocuments/Open%20Letter%20to%20EPRDF.pdf>>

¹²⁷ The Daily Monitor, "Ethiopia Expels Six American NGO Staff," April 1, 2005.

¹²⁸ Sharlick, R. (1997) Supporting Pluralism and the Voluntary Sector in Ethiopia: A Report for USAID Ethiopia, Associates in Rural Development, Retrieved January 17 2005 from <<http://www.csuohio.edu/polisci/bob/Ethiopiacs.htm>>

NGO sector lacks clarity. The recent draft NGO law gives unbridled power to the government to ban the operation of NGOs, suspend their activities or freeze their accounts on flimsy grounds.¹²⁹ Negative comments made by senior government officials regarding Ethiopian NGOs¹³⁰, the recent amendment on the election law which precludes NGOs from monitoring the national elections this year also shows that there is an air of mistrust between government and NGOs, probably because NGOs are seen by government as rivals/competitors in getting foreign aid.

The Private Sector: The Ethiopian private sector is still at its infant stage, and the role of the sector in the country's economy is not that significant. Local investment is very small, and until recently 60% of the country's Foreign Direct Investment came from a single individual.¹³¹ The private sector suffers from lack of capital and entrepreneurial skill, fierce competition from foreign products, administrative and bureaucratic impediments, and market distortion and unfair competition by party affiliated business organizations.¹³² Although interest rates are low, state banks have become reluctant to give loans to investors after many bank officials and investors were detained on charges of corruption.¹³³ The problem is aggravated due to absence of capital markets in Ethiopia. Businesspersons have become increasingly risk avert due to recent laws which empower banks and the Inland Revenue Authority to foreclose properties of investors who fail to pay their debts or taxes. Investors who want to open real state or industrial businesses were kept at bay by the exorbitant prices of land lease. They often complain about undue competition and pressure from business organizations owned by the ruling party's 'endowment fund'. As these organizations are run by senior officials of the ruling party, the complaint goes, they have better access to loans and other facilities and have easily driven many businesses out of the market.

Business associations, called chambers of commerce, are few and understaffed. The Ethiopia and Addis Ababa chambers of commerce have specially been active in giving management and commercial trainings to members, business promotion, and conducting policy dialog with government. There are signs of viable government-private sector cooperation in the export sector. The government is also undertaking reforms in tax administration and regulation of the business sector. It is also reassessing the prices of land lease which have hindered real estate and industrial activities. If effectively implemented, these reforms will create a more conducive environment for the sector.

Academia: There are six public universities and more than fifty private colleges in Ethiopia, the most prominent being Addis Ababa University. Addis Ababa University is traditionally

¹²⁹ Observations and Recommendations of the NGO Community on the Ministry of Justice's Current (Third) Draft NGO Registration and Regulation Proclamation (2004). Retrieved January 17 2005 from [http://www.crdethiopia.org/PolicyDocuments/NGO%20Comments%20on%203rd%20NGO%20Legislation%20\(English\).pdf](http://www.crdethiopia.org/PolicyDocuments/NGO%20Comments%20on%203rd%20NGO%20Legislation%20(English).pdf),

¹³⁰ See. [Open Letter in response to allegations made by the EPRDF representative](#), (21 October 2004). The open letter is a response to statements of Ato Bereket Simeon, Minister of Information and politburo member of the EPRDF that Ethiopian NGOs are "corrupt and parasitical"....in a recent interparty debate on civil society and governance in Ethiopia.

¹³¹ Addis Fortune, "Al-Amoudi weighs 60pc of Ethiopia's total FDI" July 2002. Retrieved January 17 2005 from http://www.uneca.org/era2002/kit/era_2fortune_july21.htm

¹³² Kebour Ghenna, (2003) Enhancing Prosperity, Ethiopia After 20 Years. Retrieved 17 January 2005 from <<http://www.eeacon.org/miscellaneous/vision2020/kebourv2020.pdf>

¹³³ BBC News, "Ethiopian bankers charged with graft", 9 January 2002.

considered as the center of academic life in the country. The University enjoyed considerable academic freedom and seemed to assume its historic role as a forum for debate on social and political issues in the early nineties.¹³⁴ The University used to organize debates among political parties like EPRDF and OLF, and political issues like ethnicity and federalism were vigorously debated upon till January 1993. The university administration was independent, the president being elected by the university community. The situation deteriorated after the government expelled 42 university professors who complained that the government forces used excessive force to quell student riots against the referendum in Eritrea in Jan. 1993.¹³⁵ Relations between the academia and the government have since then been tense. Student riots have become the prominent features of the Ethiopian higher education institutions.¹³⁶

The government tried to engage in a constructive dialog with the academia during the ‘democratic renewal’ of EPRDF in 2000 and promised to implement reforms in the higher education sector.¹³⁷ The reforms undertaken so far seem to be formal rather than of substance. In fact the new Higher Education Proclamation seems to undermine the autonomy of the institutions and democratic governance in the universities because it gives most administrative and policymaking powers to the government-appointed president (of each university), while university senates are reduced to mere advisory bodies and have no meaningful say on the academic and administrative matters of universities. Scholars and critics have voiced their concerns over the lack of academic freedom in universities, citing recent incidents like the recent expulsion of 300 Oromo students from Addis Ababa University.¹³⁸ The situation in the other 5 universities doesn’t also seem better.¹³⁹ Prospects for democratic and vibrant academia in Ethiopia ultimately depend on the government’s political will to ensure full administrative academic autonomy and academic freedom in higher learning institutions and to allow democratic governance to flourish in universities.

The Media: The Federal Constitution guarantees press freedom and stipulates that the state media should be ‘operated in a manner ensuring its capacity to entertain diversity in the expression of opinion.’¹⁴⁰ Press and broadcasting laws have been enacted to facilitate the operation of free press and broadcasting in Ethiopia. The press law is criticized for its failure to ensure meaningful access to government owned information and its harsh punishments for press

¹³⁴ The author was a student at Addis Ababa University in the early nineties, and remembers that there was a lot of student political activism in the university.

¹³⁵ Ivo Strecker and Donald Crummey, (2001) The Present Crisis of the Ethiopian Universities, a Sample of International Scholarly Opinion, Retrieved January 17 2005 from http://www.fp.okstate.edu/vestal/BookReview/crisis_in_ethiopian_universities.htm

¹³⁶ See, The Chronicle of Higher Education International, “Academics in Ethiopia are Again Under Siege”, May 18 2001.

¹³⁷ Walta Information Center “Meles Opens Discussion Forum With Higher Institutions Staff” July 29, 2002 .

¹³⁸ Reuters, “Ethiopia warns against student unrest” March 12, 2004.

¹³⁹ See, for example, Ethiopian News Network, “Debub University Students Leave Campus”, August 13,2004. Ethiopian Human Rights Council (2001), 37th Special Report : Stop the Repeated Violation of the Rights of Students. Donald Levine, Academic Freedom and Academic Excellence, Remarks prepared for the occasion of receiving an honorary doctorate from Addis Ababa University, July 24, 2004. Retrieved January 17 2005 from <<http://www2.bc.edu/~teferra/Honorary%20Doctorate-D-Levine-Speech.html>>

¹⁴⁰ Article 29 (4) of the FDRE Constitution (1994) Retrieved January 18 2005 from <<http://www.ethiopar.net/English/cnstiots/conchp32.htm>>

offences like defamation and sedition.¹⁴¹ The Broadcasting Law, enacted in 1999, is likewise attacked for providing a very intrusive regulatory framework which breaches the independence of private broadcasting institutions and for its ban on political parties and religious groups from operating broadcasting stations.¹⁴²

Currently, there are six radio and one TV stations in Ethiopia.¹⁴³ All the radio and TV stations are controlled by the ruling party¹⁴⁴, and serve as mouthpieces of the ruling party rather than presenting balanced and diverse views on public issues. This shouldn't perhaps come as a surprise, as the government media is administered by the Minister of Information, who also serves as the head of EPRDF's public relations department.

Although Broadcasting law was enacted in 1999, the government has not yet started issuing licenses to private broadcasting stations. Fourteen private companies have applied for broadcasting licenses, and the government has reportedly come up with additional preconditions for getting licenses, some of which have proved prohibitive.¹⁴⁵ Critics often point out that the government is reluctant to allow the operation of private broadcasting stations because of fears that they might fall in the hands of the opposition.¹⁴⁶

The print media, on the other hand, has shown significant improvement over the past decade and half. Private newspapers have proliferated after EPRDF took power. Initially their circulation was limited to Addis Ababa, but now their outreach has significantly increased in regional towns.¹⁴⁷ A few of them, including the Ethiopian Reporter, Addis Fortune and Addis Tribune are also available on the internet. Newspapers are also published by party organs, including those of the EPRDF, All Ethiopia Unity Party and United Ethiopian Democratic Party. The state press agency also publishes newspapers in Amharic, Oromiffa, English and Arabic.

Despite the constitutional guarantee of press freedom, the Ethiopian private press has been subjected to continuous harassment and persecution, with its members being detained for years.¹⁴⁸ The private press has been literally denied access to government owned information, and government officials are not in most cases willing to be interviewed or quoted by the private press.¹⁴⁹ The government has also recently banned the Ethiopian Free Journalists Association, an

¹⁴¹ See Article 19 (2000) Observations On The Protection And Promotion Of Freedom Of Expression In Ethiopia, 22 Retrieved January 15 2005 from <http://www.article19.org/docimages/1024.htm>

¹⁴² Ibid.

¹⁴³ The radio stations include Radio Ethiopia (broadcasting in five languages), Radio Fana, Amhara Regional State radio service, Dimtsi Woyane Radio and the newly opened SNNPRS radio service, and the Legedadi radio station run by Ethiopian Educational Media Agency. The only TV station, Ethiopian Television, broadcasts programs in two channels in Amharic, Oromiffa, and Tigrigna.

¹⁴⁴ Ibid.

¹⁴⁵ Ethiopian Reporter, "Broadcasting Agency asks applicants for guarantee" 19 February 2005. The new requirement is that the companies should bring a bank guarantee for the 30% of his capital.

¹⁴⁷ Ibid.

¹⁴⁸ CPJ (2003), Attacks on the Press: Ethiopia, Retrieved January 15 2004 from
<http://www.cpj.org/attacks03/africa03/ethiopia.html>

¹⁴⁹ See US Department of State (2005) Country Report on Human Rights Practices: Ethiopia-2004 Retrieved March 3 2005 from <http://www.state.gov/g/drl/rls/hrrpt/2004/41603.htm>

organization which represented interests of the private media for years.¹⁵⁰ Though the government has always been criticized for its harsh measures against the private press, it should also be noted that unethical conduct and lack of professionalism in the private media have contributed their share to the problem.¹⁵¹ Most of the press products have become hypercritical of the existing government and its policies, their writings carrying much of rumors and rhetoric than substance or true stories.¹⁵²

More worrisome is the new draft press law which has been circulated by the Ministry of Information. Among others, the new law is criticized because it unduly limits the right of citizens to engage in press activity, gives the Minister of Information unlimited discretion to ban the import of foreign press products, and circumvents access to government owned information.¹⁵³ The law also imposes draconian punishments for press offences, thereby having a chilling effect on the press.¹⁵⁴ As one author commented, the problems of the draft press law emanate from its purpose—legislating a good press into existence—a mission that can never be realized.¹⁵⁵ Several debates and consultations were held on the draft, though they didn't bring any substantial change in the contents of the draft, which is expected to be enacted this year. The new legal regime will definitely create a serious impediment in the future of private press in Ethiopia.

Recommendations

Ethnic Federalism

Whether ethnic federalism has solved or exacerbated ethnic conflicts in Ethiopia is highly controversial. Nevertheless, the author would like to point out that Ethiopia cannot do without ethnic federalism at the current stage: the EPRDF's project has already led to the development of new ethnic identities and political interests which now play an important role in the country's political life. Demolishing the current structure and replacing it with a unitary or other arrangement might lead to ethnic strife, as it would lead to deprivation of the right of ethnic communities to self-governance, even in its rhetorical and largely attenuated form, and the right of ethnic groups to use their languages as medium of instruction and administration. On the other hand, the current state of federalism-in-form-but-centralism-in-substance cannot bring about sustainable unity, and the unfair distribution of political power might aggravate ethnic conflicts and lead to a crisis similar to the Balkan crisis of the early 1990s. A more viable approach would be making improvements in the current political arrangement so as to ensure broad based representation of different political and economic interests and equitable power and resource sharing among the different ethnic groups of the country. The formulation of economic and social policies which bring about economic cohesion and political integration among the different ethnic groups could play an important role in creating a sustainable unified country. After all, it is in the economic and political interest of the ethnic communities to be part of a strong state rather than a series of weak and fragmented states in the Horn.

¹⁵⁰ Ibid.

¹⁵¹ Ibid.

¹⁵² Ibid.

¹⁵³ Kifle, Wodajo. (2003). Observations on the Draft Press Law circulated by the Ministry of Information, Retrieved 17 January 2005 from <<http://www.ethiopianreporter.com/displayenglish.php?id=1272>>

¹⁵⁴ Ibid.

¹⁵⁵ Ibid.

Land reform

The land reform proclamation of March 1975 nationalized rural land, abolished tenancy, and put peasants in charge of enforcement of the legislation.¹⁵⁶ This document has not been altered since its inception despite the transition from a socialist dictatorship to a democratic republic, and the government still maintains control over all land. Due to land fragmentation, many Ethiopian farmers farm plots that are too small and unproductive to meet subsistence levels. Insecurity of tenure due to ethnic conflict and an underdeveloped rule of law leaves farmers uncertain about whether they will reap the benefits of their labor (literally!) and discourages them from making investments, such as purchasing farm tools or fertilizer, that would improve productivity in the long run.¹⁵⁷ Despite the obvious need for a change in land tenure policy, land reform has not been on the agenda of the World Bank and other donor organizations because of their negative experiences with privatization in other African countries.

Privatization

The IMF and other international donors have been pushing Ethiopia's government towards privatization and praising it for progress that it has made in this area. However, because the members of the ruling party hold so much political and economic power, when nationalized companies are privatized, they usually end up in the hands of the same members of the ruling party—as either owners or managers.¹⁵⁸ Privatization is an important step in the transition from a command economy to a capitalist economy, but without adequate safeguards the process is merely superficial and keeps power in the same hands. The privatization process must be judged on the basis of whether it truly diminishes the ruling party's control over the economic realm or not.

Democratization

One way to jump-start the democratization process in Ethiopia would be to institutionalize democracy. The Ethiopian government should create new political arrangements to ensure that power will not be monopolized in the hands of a certain group or individual. The electoral system needs to be changed from the current system of first past-the-post to a proportional system of representation whereby minority political groups would also be proportionally represented in parliament in accordance with the number of votes garnered.

The current efforts to decentralize power to local units of government should be supplemented by intensive capacity-building activities. Local governments suffer from acute lack of trained manpower and financial resources. The existing administrative framework should facilitate an increased mobility of labor and capital to secure efficient allocation of the country's meager human and material resources. Civil service and judicial sector reforms should be pursued with increased vigor and commitment, with a focus on institutionalizing reform in order to build a competent and professional civil service dedicated to serving the public rather than partisan interests.

Another major step to hasten the democratization process would be eliminating the zero-sum game and polarization which has dominated Ethiopian politics. It is time that both the ruling and

¹⁵⁶ Library of Congress

¹⁵⁷ Agriculture presentation.

¹⁵⁸ Young 201

the opposition parties make a concerted effort to foster a culture of tolerance and meaningful dialogue on policy issues rather than pursuing an ideology of hatred. Building both confidence among the different political actors and consensus on the constitutional framework are important steps towards building that culture. Towards this end, recent initiatives of civil society organizations to organize policy debate forums should be held in a sustained manner. The Ethiopian judiciary institutions should be strengthened so that they can serve as bulwarks of democratic rights of citizens.

Civil Society Empowerment

A conducive legal and policy environment should be created for local and foreign NGOs to operate freely in Ethiopia. Citizens should be encouraged to actively participate in voluntary associations and to empower themselves on policy and social issues. The ruling party must cede some control and stop manipulating trade unions, mass organizations and NGOs to its advantage. Civil society organizations must be free from interference from the government or the ruling party. The current draft NGO registration and regulation proclamation should be revised with a view to creating an enabling environment for NGOs. The government must encourage advocacy NGOs to take active part in policy formulation and debates. Government must also heed to comments and constructive criticisms of human rights organizations rather than trying to impede their activities.

Policy and legal measures have to be taken to ensure press freedom in the country. The government should revise the current draft press law and ensure that it facilitates the exercise of press freedom rather than curtailing it. More specifically, the arbitrary restrictions on the right to carry on press activities and harsh penalties for press offences should be removed as they have a chilling effect on the Ethiopian media. The government should also enact a freedom of information act to ensure free and timely press access to government-owned information. It should provide for a more expedient and conducive environment for the entry and operation of broadcasting institutions. We also recommend that the following steps be taken to protect academic freedom and the creation of a vibrant academia: enhance the autonomy of academic institutions, ensure democratic governance and accountability in academic institutions, and take measures to ensure that academic institutions function as forums of scholarly debate on issues affecting the country.

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CHAPTER 5. INFRASTRUCTURE & TECHNOLOGY

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INTRODUCTION

Ethiopia's infrastructure sector is severely underdeveloped. Insufficient infrastructure is not simply a nuisance, but is considered a tax on development – the lack of an adequate road system increases travel time while decreasing the opportunities to travel (many areas and people are inaccessible), raises the costs associated with operating and maintaining a vehicle (poor condition of roads and need to drive off roads at times to reach places), and, for businesses, requires higher inventories (in case of troubles with timely shipping) and imposes an inability to ensure that the highest quality goods are delivered to customers. Meanwhile, the lack of an adequate power supply makes the ability to do business unpredictable, and may require that investors consider the cost of private generators in decision-making. Insufficient water supply, meanwhile, means people must spend a great deal of time securing water on a daily basis, and are at risk of illness from impure water sources. Infrastructure investment, such as it is in contemporary Ethiopia, is highly dependent upon foreign aid. Overall, these and other implications of poorly developed infrastructure form an unattractive investment environment.

TRANSPORTATION

Introduction

Transportation infrastructure in Ethiopia is minimally developed, even by African standards. There are approximately 33,000 km of roads, nearly 87% of which are unpaved. This road network supports a total of approximately 140,000 motorized vehicles, and countless animal-powered jalopies. Rural areas are especially likely to have only unpaved roads: only 20% of Ethiopia's entire land area is located within a 10 km range of an all-weather road, and the walking time to a motorable road currently averages more than six hours for over 50% of the population!¹⁵⁹ Policy makers are working to reduce this average to less than three hours by the end of 2007, as part of the Road Sector Development Programme (RSDP), but the likelihood of accomplishing this goal is difficult to discover. It is currently estimated that only 20% of total transport and travel in Ethiopia is motorized; the remainder is non-motorized, which generally means people are walking or using animals for transportation (bikes are few and far between in Ethiopia).

Other forms of transportation are incapable of filling the void left by insufficient roads: there are no ports and only one railroad, 681 km long, which connects Addis Ababa and Djibouti. There

¹⁵⁹ UN – Ethiopia – “European Community Country Strategy Paper and Indices Programms for 2002-2007, Annex 2” pp. 44-59

are, however, 82 airports and airfields, which are rarely used for domestic travel but offer a somewhat bright spot on the transportation infrastructure portrait nonetheless.

Transportation has been a priority item on the Ethiopian government's development agenda for a number of years. Since Haile Selassie's regime, the government has allocated an average of 700 million birr in the planned budget for fifteen years (three five-year development plans, 1957-1974). After 1975, the Derg controlled all transportation and communication facilities and continuously expanded and improved the transportation infrastructure, using its own funds and loans from international organizations such as the World Bank.¹⁶⁰ Starting in 1991, the transportation system has developed dramatically along with a rapid growth of the construction sector. Yet compared with other African countries, transportation remains anemic and cannot support economic or social needs.

Currently, several foreign governments and companies from China, Japan, and the United States, among other nations, are cooperating with the Ethiopian government on several road improvement projects aimed at increasing access to and reliability of the Ethiopian transportation system. The increased financial resources and investment from international organizations and other countries will help Ethiopia achieve economic development goals, alleviate mass poverty, and improve the people's quality of life.

Air transport

There are 82 airports in Ethiopia, though only fourteen have paved runways. The only national airline in Ethiopia, Ethiopian Airlines (EAL), began to operate in 1946. A government-owned corporation, EAL provides both domestic and international air service and owns 25 planes, all manufactured by Boeing. In the domestic lines, EAL serves 45 cities and towns in Ethiopia. And the international flights service 21 cities in 18 African countries, Europe, the U.S., India and China. Many foreign airlines have also provided regular service between Ethiopia and other countries. Well-known for its excellent safety record, EAL has become one of the few profitable African airlines.

There are three international airports in Ethiopia, located in Addis Ababa, Asmara, and Dire Dawa. Addis Ababa's Bole International Airport served more than 195,000 passengers in 1986-87, and the Asmara and Dire Dawa airports handled 108,000 and 81,000 passengers, respectively. They also provided training and maintenance services to other African and Middle Eastern airlines, and started to support the nation's agricultural development in late 1986.

Recently, Ethiopian Airlines has become the major airline for anyone traveling among the countries of Africa, following the collapse of Air Afrique.¹⁶¹ Although its domestic services lose money because of the government's policy of keeping fares at an extremely low level, the total operation has been profitable. For instance, in the year ending June 30, 2001, net profit was \$4.5 million on total revenues of \$278 million, including \$29 million from ancillary services.

¹⁶⁰ "Ethiopia taps unprecedented World Bank funding" *International Trade Finance*, London: Jan 30, 1998., Iss. 304; pg. 9, 2 pgs

¹⁶¹ Vandyk, Anthony, "An African Success Story," *Air Transport World*, Cleveland: Feb 1992.Vol.29, Iss. 2; pg. 110, 3 pgs

Over the past 56 years of operation, EAL has suffered from some difficulties, including the inadequacy of Addis Ababa's airport and inadequate space in the terminal building for transit passengers. These problems should be solved by a \$130 million construction project financed by the African Development Bank.

Railroads

Ethiopia originally had two rail systems, the Franco Ethiopian Railroad (FER) and the Akordat-Mitsiwa railroad. The Franco Ethiopian Railroad (FER) was built by a French company in 1897. After spending 20 years (1897-1917) connecting the port city of Djibouti to Addis Ababa, in 1959 the Ethiopian government acquired a 50% holding in the line.

The Akordat-Mitsiwa railroad was built in 1922 by an Italian company. It connected Akordat and Mitsiwa. The Ethiopian government acquired ownership of the line after World War II, but it was closed in 1976, because of the threat posed by Eritrean guerrillas. The railroad's traffic was almost replaced by the existing road facilities, and thereafter it was partially destroyed in later fighting. Therefore, the Franco Ethiopian Railroad (FER) became the only railroad in Ethiopia. In order to compensate for the insufficiency of railroad traffic, the Ethiopian government expanded the port of Aseb and constructed a highway between Addis Ababa and Aseb. This highway reduced Ethiopia's dependence on the FER and, incidentally, forced the FER to improve the quality of railroad to remain competitive.

Roads

The 1936-41 Italian occupation witnessed a significant increase in road building in Ethiopia, largely because the Italian government believed that a developed road system could help consolidate its rule over Ethiopia, initiate development projects, and pacify unstable areas. After liberation, however, there was no progress on road construction and maintenance because of a lack of funds, equipment, and expertise. Beginning in 1951, the Ethiopian government established the Imperial Highway Authority, secured financial support from World Bank, and cooperated with the United States Bureau of Public Roads to improve the development of Ethiopia's highway system.

The Imperial Highway Authority played a major role in the construction of roads until the revolution. Then the Imperial Highway Authority was restructured as the Ethiopian Road Authority and the Rural Roads Task Force in the Derg government, responsible for the construction of roads. The government highlighted the development of rural roads outside the main system and feeder roads within the main system and cooperated with international associations. For instance, the World Bank financed four previous highway programs, the African Development Bank and the EEC provided assistance for road construction and maintenance.

Today, the road system is the most important means of transportation within Ethiopia. More than 93 percent of freight and 95 percent of all passengers rely on road transportation. In the road system of Ethiopia, Addis Ababa is at the center. Both asphalt and gravel roads go out from

Addis Ababa to other important cities, towns and centers of commercial, industrial and agricultural activities, forming what is known as a spoke-like pattern road system.

However, roads, like other forms of transportation, lack balance in development between urban and rural areas. The west, southwest, and southeast still lack all-weather connections to this network. Only about 12 percent of the population has ready access to roads. Most roads in the national network were concentrated in the central, eastern, and northern highlands.

In 1996 a Road Sector Development program (RSDP) planned to raise the coverage of road per each 1000 square kilometer. In this ten-year infrastructure development program, the Government has earmarked USD 4 billion for the road sector.¹⁶²

Ports

Ethiopia has two major ports, Aseb and Mitsiwa, on the Red Sea coast. These two ports are responsible for about 93 percent of Ethiopia's export-import trade. The third port of Ethiopia is the port at Djibouti, which operates as a free port, and is responsible for the remaining 7 percent of Ethiopia's sea-borne freight. All three ports handle deep-sea vessels, possess some mechanized cargo-handling equipment, and offer covered and open storage facilities.

The roads are the main transportation system to support the operation of these ports. The port at Aseb was developed by the imperial government in the late 1950s and connected with Addis Ababa by road. Aseb and Djibouti principally served Ethiopia's central and southern areas. In 1988 Aseb handled about 71 percent of the export-import trade. These imports (66% of total trade) included about 792,000 tons of crude oil for Aseb's refinery, and more than 2.8 million tons of cargo.

The port at Mitsiwa, connected with Asmera by both road and rail, handled traffic bound mainly for the northern part of the country until the Eritrean People's Liberation Front (EPLF) captured Mitsiwa in early 1990. Mitsiwa handled about 470,000 tons of cargo, of which imports made up about 14 percent.

In addition to the major ports, a water transportation system has also been used to transport goods. Using the water transportation system, traders transport local goods on Lake Tana in the northwest and Lake Abaya and Lake Chamo in the south. In 1986-87, about 2,000 tons of cargo transited local waterways. A total of 98 percent of this activity was on Lake Tana.

Investment in transportation

The Ethiopian government is now involved in two projects, the Road Sector Development Project (RSDSP) and the Second Road Sector Development Support Program Project. One major program was launched with World Bank assistance in 1997, and the Bank maintains a key interest in improving physical infrastructure. The aims of these projects are to restore and expand Ethiopia's road network, and to reduce poverty and increase employment. The projects include the improvement and development of access and utilization of regional rural roads, institutional

¹⁶² <<http://www.addischamber.com/aboutethio>>

capacity in both the public and private sectors for sustainable road development and maintenance, and providing economic opportunity for the rural poor by providing them affordable means of transport and services.¹⁶³ The resources of the financial supports and funding in these two projects come from World Bank, African Development Bank, Ministry of Finance of Japan, and some private sector funding.

Chinese companies and the Chinese government have increased their participation in the development of Ethiopia's infrastructure. For instance, Chinese companies have been involved in construction projects in Addis Ababa's ring road and the new US\$135 million terminal and runway at Bole International Airport.¹⁶⁴

In addition to Chinese investment, there is an important project for Ethiopia to enhance the access of roads. The government is certainly aware of this, and spends about 30 percent of its annual capital investment on roads. A US\$1.1 billion grant has been secured from the World Bank, the European Union and other donor countries for a five-year road development program in Ethiopia. This program plans to increase the total mileage of asphalt, highway and feeder roads from 24, 000 km in 1997-98 to 30,300 kilometers in 2001-02.

Road construction seems to suffer from a lack of planning and management. One road running southwest out of Addis Ababa has been under construction for over a decade and, while it is apparently ready for use, all traffic is still diverted to dirt and gravel paths along the side. Outside the capital, the road situation is dire, and a four-by-four is virtually a necessity to traverse the country. Many bridges are insufficient to support the weight of large vehicles, and even on the better roads the going can be slow. The World Bank is working with the Ethiopian government and the World Health Organization to reduce traffic fatalities, the rate of which is one of the highest in the world.

Policy Recommendations

Roads are the main means of transport in Ethiopia. Road transportation plays a vital role in economic and social development. About 95 percent of the country's passenger and freight traffic circulate via roads. It is also the only accessible connection between most of rural communities and small markets. Therefore, enhancing its efficiency and availability could lead to substantial savings in vehicle operating and infrastructure maintenance costs, while simultaneously reducing in travel time and transport costs for road users in the rural areas.

Regarding to the up-to-date circumstance of road transportation in Ethiopia, the prior missions for the government are as followings:

1. Bridging the gap of road quantity and quality between rural and urban areas: Paved roads are usually available only in urban areas, and about 88 percent of roads are unpaved within Ethiopia. There is even no accessible road in many remote restricts. Economic behaviors in rural areas are constrained by the unavailable and inefficient transport conditions. This factor is in large part responsible for poverty in the most remote districts. Therefore, the

¹⁶³ Documents & Reports, <<http://www-wds.worldbank.org>> Documents & Reports

¹⁶⁴ "Ethiopia Secures \$1.1Billion for 5-Year Road," *Xinhua News Agency – CEIS*, Woodside: Apr 1, 1999. pg. 1.

government should firstly increase the prevalence of unpaved roads (it is cheaper) in connecting rural and urban areas and secondly, improve the quality of roads (from gravel to asphalt pavement).

2. Develop public transportation systems to help connect remote districts and cities. Residents in most rural areas cannot afford to buy cars or trucks to support their businesses and daily lives. The government should develop a public transportation system aimed at helping to provide Ethiopians with affordable and accessible means for supporting their needs and aiding in economic development. Furthermore, public transportation can improve a community's ability to respond to emergencies and security threats.

Aside from road development, railroad development is an additional way to enhance the transport ability of Ethiopia. However, because investing in railroad networks is more expensive than road building, consumes a high amount of energy, and carries high maintenance fees, railroads should be a secondary priority in the Ethiopia transportation development.

Power Supply

The Ethiopian Electric Power Corporation (EEPCo), formerly known as the Ethiopian Electric Light and Power Authority (EELPA), is the national agency responsible for power generation, transmission, and distribution. Not surprisingly, Ethiopia has one of the lowest levels of per capita energy consumption in the world. Less than 13% of the population has access to electricity today, and EEPCo counts only 600,000 customers in a country of 70 million.¹⁶⁵ With electricity difficult to obtain, nearly 90% of the energy consumed comes from biomass fuels (firewood, charcoal, and dung, for example) and the majority of that energy is devoted to cooking. This widespread reliance on non-electric sources of energy has produced devastating environmental results, including mass deforestation and accompanying soil erosion problems, which in turn create additional barriers to development. Ethiopia's power consumption levels are shockingly low in comparison to other sub-Saharan African countries. (*See Table 5.1 Below*) In fact, Ethiopia today acts as a net importer of fuel and energy, though even its import levels are insufficient to improve total supply significantly.¹⁶⁶

Table 5.1: Electric Power Consumption Per Capita (KWH)

	1980	1988	1989	1990	1991	1992	1993	1994	1995	1996
All Africa	424.7	497.1	502.9	500.0	511.8	506.0	513.9	509.4	517.7	522.1
Sub-Saharan Africa	443.7	455.8	457.7	448.2	445.4	437.7	442.4	430.3	436.8	439.1
Ethiopia	16.2	17.9	17.4	17.2	17.8	21.8	22.9	22.2	21.8	17.9

Source: *African Development Indicators, World Bank 2002*

¹⁶⁵ World Bank, "Project Appraisal Document on a Proposed Credit of SDR 104.9 million to the Federal Republic of Ethiopia for an Energy Access Project," June 4, 2002.

¹⁶⁶ World Bank, "Ethiopia: Quick Facts (2002)," accessed March 13, 2005.

EEPCo's ability to expand services quickly is limited: over 100,000 customers remain on a wait-list to be hooked up for services today, and the quality of existing services is poor. The World Bank identifies "poor quality and variability of existing service, characterized by low voltage levels and voltage fluctuations beyond acceptable ranges, frequent breakdowns and delays in restoring supply after a breakdown has occurred," as ongoing problems.¹⁶⁷

Ethiopia does possess some natural oil and gas, with proven reserves at approximately 214,000 bbl oil and 24 billion cubic meters, respectively.¹⁶⁸ Yet these resources are not significantly developed, and Ethiopia imports virtually all the oil it consumes. The government has been pursuing privatization of the oil and gas sectors, in order to develop production, but these efforts are relatively new and have yet to produce significant national gains.

Yet, Ethiopia does possess one unique and virtually untapped natural resource to expand the power supply: water. Though Ethiopia is well-known for its susceptibility to drought and its low levels of access to clean, affordable drinking water and sanitation, it also possesses a number of exploitable water resources throughout the country, including eight river basins, and the potential for expansion is vast. In fact, out of a hydropower potential of about 15,000-30,000 MW, by 1997 Ethiopia was capturing only about 360 MW, or less than 2%, of this potential.¹⁶⁹ Investments in hydroelectric power make economic sense, as well, as it is a relatively cheap form of energy so long as adequate natural resources are available. Some reports indicate that the Ethiopian government is planning to liberalize this sector in the near future, in order to draw private investment to hydroelectric development. It is unclear, though, whether this is actually taking place or might be an option for future action.

But while most promising, hydroelectric power is not Ethiopia's sole option. Geothermal energy may present an addition source of viable energy for Ethiopia. It is thought that several locations within Ethiopia's Rift Valley may contain superheated steam, available for capture through drilling. The geothermal potential of Ethiopia, estimated at 4000 MW as of 1998, is among the highest of any African country.¹⁷⁰ In fact, geothermal energy is Ethiopia's second-largest source of energy.

Unfortunately, Ethiopia thus far has a poor track record of accomplishing significant progress in developing water resources in the past several decades. It has also had significant difficulty countering the vast environmental problems its lack of energy capacity has created, despite recent efforts aimed at encouraging reforestation projects meant to address soil erosion and other negative effects of mass deforestation.

International organizations, including the World Bank, have been involved in expanding the energy sector. Most recently, the World Bank, IDA, and the European Investment Bank are co-

¹⁶⁷ Ibid, p. 10.

¹⁶⁸ "Ethiopia: Oil & Gas Industry," Mbendi Information for Africa, www.mbendi.co.za/indy/oilg/af/et/p0005.htm, accessed March 13, 2005.

¹⁶⁹ Hailu, Solomon Seyoum. "Hydropower of Ethiopia: Status, Potential and Prospects," EA CE (Ethiopian Association of Civil Engineers) Bulletin Vol 1, No 1, 1998.

¹⁷⁰ Ibid.

financing a \$200 million dollar project aimed at improving urban power distribution in eight Ethiopian cities.

Ethiopia is also pursuing regional cooperation in order to improve the energy sector. In December, an energy trade deal with Djibouti was struck, giving Ethiopians access to the larger, though more expensive, electrical network in Djibouti, and giving Djiboutians access to cheaper electricity from Ethiopia. Authorities expect that this mutual access agreement will eventually lead to expanded coverage and lower average prices (at least for Djiboutians). The joint project required EEPCo and the Electricité de Djibouti (EdD) to begin work on a "Multinational Power Interconnection Project" in January 2005. The cost of this project, financed by the African Development Fund (ADF), totals \$59 million dollars and funding is directed at "consulting fees, institutional support, and auditing."¹⁷¹

Policy Recommendations

Ethiopia's energy sector is severely underdeveloped, and its shortcomings lead to high and unsustainable levels of environmental degradation, negatively affect the population's living standards, and produce a costly barrier to investment and development. High levels of investment must be injected immediately into this sector in order to both arrest the negative effects of underdevelopment, and to capture positive benefits of widespread electricity availability. With such a low percentage of the population currently connected to electric power sources, the rate of expansion must be the government's primary concern. Recommendations include:

- Open the energy sector to private investment (privatization)
- Secure additional donor funding (World Bank, UN, foreign governments, ADB, etc)
- Focus energy-related funds on the development of the hydropower sector
- Devise comprehensive strategies to combat energy-related environmental problems. This may include, for example, inviting NGOs or other environmental groups to help carry out education programs, small-scale terrace-planting projects, and reforestation projects.
- Make investment decisions on the basis of (1) how many people will be positively impacted per dollar spent, and (2) how the investment will positively impact the economy by drawing in new investment dollars (especially FDI) per energy dollar spent (ie, the multiplier effect).

Water Supply & Sanitation

Access to clean and affordable water is lacking in Ethiopia, and suffers from a serious urban-rural divide. In urban areas, access to clean water is estimated at nearly 80%. In rural areas, however, access to clean water has actually decreased in recent years, falling from 17% of the population in 1990 to only 12% of the population in 2000. This fall is in part due to Ethiopia's extremely high rates of population growth, and very low rates of urbanization. Likewise, Ethiopia's access to sanitation systems is very low, with only 12% of the population achieving access to improved facilities. Again, a significant urban-rural divide is present: 33% of the urban population has access to improved sanitation facilities, while only 7% of rural inhabitants have access. These rates are, again, low in comparison to sub-Saharan and low-income country

¹⁷¹ "Djibouti, Ethiopia Integrate Power Networks," 14 December 2004, Afrol News.

averages. (See Table 5.2 Below) The push to expand water supply and sanitation systems in Ethiopia is complicated by the disperse population: Ethiopia has one of the world's lowest rates of urbanization, which serves as a serious impediment to the development and spread of infrastructure.

Table 5.2: Rates of Urbanization, Water Supply and Sanitation System Access

	Ethiopia	Sub-Saharan Africa	Least-Developed Countries	High-Income Countries
Population in Urban Areas	16%	36%	27%	76%
Access to Clean Water	24%	58%	62%	Near Universal
Access to Sanitation System	12%	47%	44%	Near Universal

Source: *World Development Indicators (2004)*

It must also be noted that Ethiopia is drought-prone; from 1986-1998, Ethiopia experienced drought six times. This further complicates efforts to improve water supply and accessibility, and means that efforts must include expanding water storage facilities as part of any comprehensive strategy.

Ethiopia's dire need to improve its water supply and sanitation systems corresponds with the recent international efforts to expand these systems on a worldwide basis, through the United Nations' Millennium Development Goals (MDG). One goal of this project is to halve the proportion of people without sustainable access to water and sanitation by the year 2015. Ethiopia thus far has not recorded significant progress in achieving this goal, as its efforts are complicated in part by its high rate of population growth; however, it should be noted that the determination of the UN to achieve these goals should make international funding for water-related improvements relatively easy to secure in upcoming years

Policy Recommendations

As with recommendations in the power sector, the primary goal in the water sector is to improve access as rapidly as possible. Because the government has achieved such low levels of access to date, external involvement is strongly encouraged in order to maximize potential development.

- Privatize the water system in order to further attract foreign investment
- Secure additional external funding (World Bank, UN, ADB, etc)
- Focus on small-scale improvements in rural areas (fund groups tasked with drilling wells in rural communities, for example)
- Expand water storage capabilities
- Encourage involvement of NGOs and external donors interested in participating directly in expansion of this sector

Telecommunications

Introduction

Ethiopian telecommunications remain relatively undeveloped, even by African standards. Exact figures of telecom infrastructure and usage are difficult to come by, but according to the Ethiopian Telecommunications Corporation (ETC), the sole supplier of telecom infrastructure within Ethiopia, as of September 2003 there were approximately 417,000 land telephone lines, 58,000 mobile subscribers, and 9,600 internet users.¹⁷² It seems safe to assume, based on growth projections and infrastructure investment, that those numbers are currently probably closer to 450,000, 100,000, and 10,000 respectively. However, there is no consensus on these numbers, and numbers released by ETC are either outdated or unreliable. Still, this leaves Ethiopia with one of the lowest teledensities in the world at approximately 0.59. Ethiopia's digital access index (DAI) of just 0.10 is the fourth lowest in the world, trailed only by Mali, Burkina Faso, and Niger.¹⁷³

Access to telephones

Access to fixed-line telephones is limited across the continent. There are approximately 151 Ethiopians per fixed-line telephone.¹⁷⁴ The poor state of telephone access is compounded by two factors: the high cost and the long wait for service. As of 2000, the installation charge for a new telephone line was US\$37, or about 63% of the average Ethiopian's monthly income in purchasing power parity.¹⁷⁵ Even at these prices, there is a long wait for telephone installation: over seven years, as of 2000.¹⁷⁶ The effect that this has on entrepreneurship is clear: long waits stifle job and wealth creation.

There exists a major urban-rural divide in telephone access, which is particularly significant given the country's low rates of urbanization. Approximately 61% of the country's network capacity is concentrated in Addis Ababa, where less than four percent of the country's population lives.¹⁷⁷ Outside of the major cities, teledensity is only 0.16.

Two-thirds of telephone lines are residential, 19% are owned by businesses, 12% are owned by government entities, and a mere two percent are controlled by NGOs, diplomatic groups, and international organizations.¹⁷⁸ This distribution, and the capital-centered telecommunications network, are typical of former African colonies, and states such as France that feature a strong central government. While Ethiopia was never a colony and enjoys a federalist makeup, at least in principle, the system as it stands is a relic of former governments with much greater central authority. Network theory indicates that a new, geodesic network should appear, although it is too early to tell whether this will ever become a reality. Judging by physical transportation

¹⁷² ETC (2005).

¹⁷³ ITU (2005), <<http://www.itu.int/ITU-D/ict/dai/low.html>>.

¹⁷⁴ Based on data from ETC (2005) and CIA World Factbook (2004).

¹⁷⁵ UNECA (2005a) citing ITU World Telecommunications Indicators (2002); calculations based on these data and CIA (2004).

¹⁷⁶ Ibid.

¹⁷⁷ ETC (2005).

¹⁷⁸ Demeke and Biru.

infrastructure, such as roads and airline flight paths, this seems somewhat unlikely, at least for the time being.

Mobile phone coverage does not fare significantly better. EthioMobile, a division of ETC, has established a GSM-based network covering Addis Ababa and its environs, and several other major cities were added to the network in late 2004 and early 2005. Cellular telephony, like other telecommunications, is controlled entirely by the ETC. At this time, only pre-paid service is available. In early 2005, the number of available lines was increased, and cellular telephones can now be easily purchased. In one shop, I was quoted the price of Birr1100 for a new Samsung handset with SIM card. Nokia's low-price 1100 models, created for the developing world, are becoming available at a lower cost. In a country where the annual per capita GDP is less than Birr1000, these prices are still exorbitant, although similar to handset costs in developed countries.

There is some indication that the access situation may be improving. Recently, ETC signed a contract with China's Huawei Technologies to provide a CDMA wireless local loop system in Addis Ababa and three other cities. This should increase the speed at which telephone lines can be deployed, as it will eliminate a significant amount of the fixed wiring costs that ETC has been loath to spend. Nonetheless, it is far from a panacea and offers no assistance to rural farmers and peasants. In addition, it means that two mobile telephony protocols will be in operation, which creates redundant infrastructure.

Access to Computers and the Internet

ETC is the only internet service provider (ISP) operating in Ethiopia. Outside of Addis Ababa, internet service is rare. There are no broadband services to speak of, although DSL service is in the process of being introduced. Leased lines which achieve speeds of about 64kbps cost US\$562 per month.¹⁷⁹ By comparison, DSL or cable internet access is available in the United States at approximately 30 times the speed for about one-fifteenth the price, creating a value differential of approximately 450. While internet cafes and other public access points are available, their connection speeds tend to be slow. The entire internet data pipe into Ethiopia operates at about 10 mbps, or about five times the speed of a home broadband connection in the United States.¹⁸⁰

Internet access outside of major cities is virtually non-existent due to the lack of infrastructure and the low ownership rate of personal computers. While 12 cities and towns throughout the country ostensibly have internet access, 96% of Ethiopia's internet subscribers are in Addis Ababa.¹⁸¹

One major problem is in the spread of internet access is a first-mover problem involving content. According to Demeke and Biru, it was predicted that by 2002-03 there would only be about 100

¹⁷⁹ Research conducted by an IS group at DePaul University, available at <<http://facweb.cs.depaul.edu/yele/Course/IS540/Global-Project/20045/Ethiopia/index.htm>>. Hereafter referenced as DePaul (2005).

¹⁸⁰ UNESCA (2005b).

¹⁸¹ Demeke and Biru.

Ethiopia-based web sites; without content, there is little incentive to connect to the internet, and without connections, content is not incentivized. Clearly, thousands of Ethiopian-themed and/or Amharic-language web sites are hosted in expatriate communities, although an exact number is uncertain. Nonetheless, the lack of national, much less regional, internet content stifles domestic desire for internet connectivity. The United States Department of State requires all American visa applications to be filed online, which they claim will increase internet access in rural communities, although this seems to be putting the cart before the horse. Moreover, since the visa application fee is US\$100 (and non-refundable), it seems unlikely that these American policies will do anything to extend internet access to the poor and to rural populations.

One NGO we visited labeled ICTs “critical” to their work and to international development; fortunately, they have noticed positive change over the last six months, including the aforementioned increase in cellular telephony. An official at the US Embassy called telecommunications “the area that probably needs the most immediate attention.” The government recognizes this, at least in principle, and has created several programs to increase IT literacy. The ICT education plan issued by the Ministry of Youth, Sport, and Culture is utterly lacking in implementation and does not mention the role of the private sector in capacity and infrastructure building. This is a step in the right direction, but capacity without infrastructure is useless.

Finally, there is a general lack of education about information and communication technologies in Ethiopia. One survey found that 86% of those receiving training with computers and the internet resided in Addis Ababa, which further enhances the digital divide that excludes communities outside the Addis ring road from participation in electronic communication and lessens the chance that strong market signals will increase internet access outside the capital.¹⁸²

Regulation

Of course, the question remains as to whether market forces, no matter how strongly felt by ETC, would in fact change the availability of telephony and internet access throughout Ethiopia. ETC enjoys monopoly status and is regulated by the Ethiopian Telecommunications Agency (ETA), which was established in 1996 to oversee ETC. The ETA is a division of the Ministry of Infrastructure Development, which was established in 2001. The regulator appears to be a titular authority, and ETC operates with little oversight, which leads to what one source sees as rampant corruption within the organization. The government believes that social institutions are not strong enough to support privatization, although critics dispute this assertion.

It is almost beyond doubt that telecommunications systems in Ethiopia are overregulated. Scott Wallsten and other economists have found a significant and convincing relationship between regulation or monopoly telecom forms and high prices and low access. Private enterprise is barred from responding to demand to create access, and access thus expands only on the whims of the government. Even foreign investors of Ethiopian descent, who enjoy privileges in many sectors of the economy, cannot add to the nation’s information infrastructure. This has a stifling effect on the Ethiopian economy, especially within the current and potential future information

¹⁸² Demeke and Biru.

sectors. Without private entrepreneurship or an accountable regulator, there is little hope for improved telecommunications services.

Several sources indicated that the government views ETC as a “cash cow” and a source for revenues. That is, the government exploits the inelastic portion of the telecommunications demand curve to charge monopoly rents. With the appropriate data, the level at which tax revenue exceeds monopoly rents could be calculated; it would certainly be at a level where average cost and user price is lower and both consumer and producer surplus are increased. This remains an interesting question for an enquiring econometrician. One economist estimates that overregulation and lack of private telecom ownership cost the country one percent GDP growth annually.

Radio and television

Just as in Ethiopia’s old ally the Soviet Union, the most widespread communications systems are not bidirectional, but serve to give the capitol a megaphone throughout the country. Ethiopia has 15.2 million radios to listen to its eight AM stations and 682,000 televisions to watch the one television station.¹⁸³ Satellite television is available to the wealthy in Addis Ababa, featuring programming from South Africa and Europe. All national radio and television stations are operated by the state or its agencies, including the Educational Media Agency.¹⁸⁴ Three regional radio networks also operate. Despite the ostensible ban on political parties operating media outlets, Radio Fana, the radio broadcasting service of the EPRDF, manages to operate in many locations. Freedom House’s annual survey of media freedom lists Ethiopia as “not free” for the press, ranking it in 142nd place worldwide, in the dubious company of Angola and Iraq.¹⁸⁵ Extremely limited pressure comes from NGOs to increase press freedoms, but given their precarious relationship with the Ethiopian government, these calls are quiet and largely ineffective.

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¹⁸³ CIA.

¹⁸⁴ TvRadioWorld.com, <<http://www.tvradioworld.com/region3/eth/>>.

¹⁸⁵ Freedom House (2004), <<http://www.freedomhouse.org/research/presssurvey/allscore2004.pdf>>.

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Chapter 6. Agriculture & Food Security

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I. Background

A. Agriculture

Ethiopia is one of the world's most rural countries: of its 71 million inhabitants, nearly 84% live in rural areas.¹⁸⁶ The majority of Ethiopia's cereal and pulse production takes place in three provinces: Oromiya, Amhara, and SNNPR. Agricultural production, done largely by small-scale farm operations, and frequently without the aid of irrigation, depends heavily on the quality of the country's two rainy seasons, the *meher* and the *belg*. (See Tables 6.1 and 6. 2).

Table 6.1
Meher cereals and pulses production in 2002/2003 and 2003/2004

Region	Meher Season	Cereals		Pulses		Cereals and Pulses	
		Area	Production	Area	Production	Area	Production
		(‘000 ha)	(‘000 tonnes)	(‘000 ha)	(‘000 tonnes)	(‘000 ha)	(‘000 tonnes)
Amahara	2002/2003	3 212.3	2 760.2	683.1	360.5	3 895.4	3 120.8
	2003/2004	2 993.0	3 750.0	582.0	628.0	3 575.0	4 377.0
Oromiya	2002/2003	4 274.9	3 803.7	609.6	286.7	4 884.5	4 090.4
	2003/2004	4 409.0	5 673.0	578.0	409.0	4 987.0	6 082.0
SNNPR	2002/2003	1 041.1	973.3	169.6	97.7	1 210.7	1 071.0
	2003/2004	1 194.0	1 452.0	192.0	142.0	1 386.0	1 595.0
Total for Regions	2002/2003	8 528.3	7 537.2	1 462.3	744.9	9 990.6	8 282.2
	2003/2004	8 596.0	10 875.0	1 052.0	1 179	9 948.0	12 054.0
Total for Country	2002/2003	9 502.4	8 156.5	1 515.8	766.7	11 018.2	8 923.2
	2003/2004	9 653.5	11 827.6	1 422.7	1 219.9	11 076.2	13 047.5

FAO (2004), p.14

Table 6.2
Belg cereals and pulses production in 2002 and 2003

Region	2002		2003	
	Area (ha)	Production (tonnes)	Area (ha)	Production (tonnes)
Amahara	77 322	17 969	201 002	137 079
Oromiya	245 042	151 878	270 411	250 160
SNNPR	117 235	46 469	130 398	81 607
Total	439 599	216 316	624 101	489 472

FAO (2004), p.15

B. Famine Prevention

Ethiopia has a long history of famines. Its high population growth rate, poor access to markets, limited infrastructure, and scarce and erratic water resources are significant causes of its

¹⁸⁶ Food and Agriculture Organization, “Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia.” FAO Special Report; Rome. 1/12/2004, p.4

vulnerability to famine. While these basic characteristics make it hard for Ethiopia to secure food availability, they do not necessarily lead to devastating famine. Ethiopia has experienced some droughts in the past that did not reach crisis levels and lead to famine. However, this fragile situation always requires the government to handle a famine threat with great care. The two great famines in the 1970s and the 1980s were examples of failure of its economics and policies.

In considering the famine of 1972-1975 from an economic viewpoint, one surprising discovery is that this famine developed largely from a failure in *demand*, not, as might be expected, from a failure in *supply*. In 1973, at the height of the famine, the average calories available per day per Ethiopian were 2,081,¹⁸⁷ suggesting that within Ethiopia as a whole, there should have been a non-crisis level of food available. But Ethiopia's distributional network was insufficient; food availability was not evenly distributed throughout the country. In the province of Wollo, for example, drought devastated 80% of the crops,¹⁸⁸ yet instead of observing a net inflow of food from the other provinces with surplus crop production, Wollo instead experienced a net *outflow* to them. With the failure of their crops, farmers in Wollo lost income, and therefore lost purchasing power; despite the supply shock, crop prices did not go up to attract crop inflows from outside. It was not that people did not need food, but that they did not possess additional money. The lack of money meant that local food prices could not be pressured upward as expected during times of shortages. This demand crisis produced a ripple effect far beyond the farming sector. Because so many crops failed in these heavily-localized markets, farmers and non-farmers alike were trying to sell any non-crop asset they possessed, in order to obtain money to use for food. For instance, it is common in Ethiopia to own livestock, in the belief that if times get hard the family can sell the livestock to obtain money. Unfortunately, during times of crisis, everyone is motivated to act at the same time, flooding the livestock market, making prices crash, and eventually failing to provide people with adequate funds for use to buy food. The failure was systemic; while originally only farmers suffered from the crop failure, soon the nomads and wageworkers too found they could not sell their products and services to trade for food, and farmers and non-farmers alike were quickly plunged into hunger.

The famine of 1983-85, in contrast, can be mainly attributed to a series of government failures. First, the Ethiopian government's war with rebels in the northern provinces was detrimental. The Ethiopian forces adopted a "scorched earth" policy in rebellious areas, systematically destroying farms and infrastructure.¹⁸⁹ The government used hunger as a warfare tactic, trying to starve its enemies and their supporters by withholding food. Relief agencies struggled to deliver food aid once they were aware of food shortages, as damaged infrastructure and inaccessible populations limited their mobility.¹⁹⁰ Equally important, the Derg's socialist policies disrupted the rural food production capacities. State-owned farms and collectivization created inefficiency and disincentives to agricultural investment. Meanwhile, badly-planned resettlement policies forced people to relocate from the north to the south, resulting in many deaths without increasing agricultural production. The villagization to resettle scattered farmers disrupted rural communities and negatively impacted farmers' activities. Complicating the domestic problems,

¹⁸⁷ Sen, A., (1981), *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford: Clarendon, 93.

¹⁸⁸ Keller, E. J., (1992), "Drought, War, and the Politics of Famine in Ethiopia and Eritrea," *Journal of Modern African Studies*, 30: 611.

¹⁸⁹ Keller, E. J., (1992), 614, 624.

¹⁹⁰ Keller, E. J., (1992), 624.

the communist authoritarian regime had unfriendly relations with the West, which caused donor countries to be reluctant to respond to the famine crisis. In fact, the U.S. even cut its food aid completely in 1984.¹⁹¹ It is alleged that the Reagan Administration deliberately withheld food aid, expecting the Mengistu regime to collapse as Haile Selassie's empire did after the famine of 1972-75.¹⁹² Regardless of intent, though, the policy inarguably contributed to the severity of the famine.

C. IGO/NGO Food Security Assistance

NGOs and IGOs first appeared on a large scale in Ethiopia after the famine of 1973-74 to distribute food aid. Unfortunately, while there has been a significant increase in the number of organizations working within Ethiopia over the past thirty years, the country's overall food security has failed to record significant improvements. Developing a long-term strategy for overall food security has been listed as a priority by both the government and supporting NGOs and IGOs for the past two decades. In an effort to address this ongoing crisis, the international community has responded repeatedly with food aid. However, the structural change that is truly needed in the poor rural communities has been insufficiently addressed, leaving millions vulnerable to starvation every year, and dependent on the next food aid distribution.

II. Analysis

A. Agriculture

Food insecurity remains one of the most significant issues in Ethiopia. As recently as 2004, it was estimated that 7.2 million people required assistance to meet their minimum food requirements, while over two million more required close monitoring.¹⁹³ The USAID-funded Famine Early-Warning System (FEWS) projects "that the number of people unable to meet their food needs could exceed 17 million in 2007-08 if rainfall is unsatisfactory."¹⁹⁴

Agriculture accounts for forty-five percent of the nation's GDP, making the health of the economy very susceptible to variability in production. Contributing to this variability are pricing policies and the institutional environment in the agricultural sector. The volatility of prices for agricultural products constrains production, adversely affects farm income, and creates the potential for prices to collapse after strong harvests.

Inconsistent rainfall is one of the biggest challenges to the agricultural sector; water shortages are endemic to the country. There are two rainy seasons during the year; the first is the *belg* and is the less important of the two. It typically begins in January or February and ends in April or May. The *meher* is the greater rainy season, beginning in June or July and ending in September or October. The *belg* season is key for land preparation early in the year, and accounts for 5 percent of crop growth. A reliable start to rainfall during the *meher* season is particularly

¹⁹¹ Keller, E. J., (1992), 615

¹⁹² Devereux, S., (2001), Famine in Africa, In S. Devereux & S. Maxwell (Eds.) *Food Security in Sub-Saharan Africa*, London: ITDG, 136

¹⁹³ Food and Agriculture Organization, "Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia." FAO Special Report; Rome. 1/12/2004,p.2

¹⁹⁴ Economist Intelligence Unit, "Country Profile 2004: Ethiopia." The Economist, London. (2004) p.42

important since that is the time when long-cycle crops are planted. Longer rains allow for a late planting of short-cycle crops at the end of the season.

The main crops for domestic consumption are cereals and pulses. The main cereal staples include: wheat, barley, teff, finger millet, maize, and sorghum. The pulses include: lentils, horse beans, and chick peas. During the 2003-04 *meher* season, the most widely produced cereal was maize (3,201,000 tonnes), followed by wheat (2,753,000 tonnes), and then sorghum (1,989,000 tonnes). The total production of all pulses combined was approximately 1,220,000 tonnes.¹⁹⁵ Maize is a very versatile crop, but highly susceptible to variable rainfall, causing the country's erratic rainfall to have a particularly devastating affect on its production.

Agricultural exports are critical to the economic health of the country. The main export crops for the country are coffee, oilseeds, pulses, chat or *qat*, spices, and increasingly, flowers. The amounts these crops contributed to the economy in 2002-03 are as follows: Coffee, \$165.3 million; Pulses, \$20.0 million; Oilseed, \$46.1 million; and Chat at \$58.0 million.¹⁹⁶ As is noted, coffee is the leading crop, responsible for 37% in 2001-02 of the national GNP. But the crop's volatile price decreased this share from a high of 70% in 1997-98. Consequently, many growers have shifted production to higher-priced crops such as chat. With commercial prices ten times higher than coffee, chat production has gradually increased. Unfortunately, its addictive nature and slightly narcotic properties has led several governments outside of Ethiopia to ban its sale, leaving its future contributions to economic health in question.

Inadequate agricultural infrastructure in Ethiopia contributes significantly to food shortages. Only two percent of the country is irrigated, leaving farmers highly dependent on consistent rainfall. Furthermore, the lack of water storage facilities means that water from the seasonal flooding cannot be utilized beyond the rainy season. Conversely, excessive rainfall coupled with inadequate storage facilities leave cereals and pulses vulnerable to rotting from the increase in humidity. In the wetter southwestern zones of the country, maize losses are noted to be as high as forty percent in good rainfall years.¹⁹⁷

Sparse road coverage throughout the country restricts market access for producers/sellers, limiting their ability to earn agricultural-based income. Sellers and buyers commonly have limited options for shopping. It should be noted, as well, that this lack of access to markets makes it difficult for producers to specialize; because it may be difficult to obtain a variety of crops at any given time, and it is unknown when prices might crash next, producers tend to produce similar crops instead of diversifying, in a form of sustenance farming. Lack of road infrastructure also makes exporting agricultural goods difficult since the closest international shipping port is in Djibouti. Spoilage and damage from transport over poorly-maintained dirt roads makes meeting export quality standards difficult.

¹⁹⁵ Food and Agriculture Organization, "Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia." FAO Special Report; Rome. 1/12/2004, p.13

¹⁹⁶ Food and Agriculture Organization, "Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia." FAO Special Report; Rome. 1/12/2004, p.4

¹⁹⁷ Food and Agriculture Organization, "Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia." FAO Special Report; Rome. 1/12/2004, p.4

A large part of Ethiopia's agricultural sector is livestock. With more than 35 million cattle and 40 million small ruminants, one million camels and eight million equines, Ethiopia is the top producer of livestock in Africa and ninth in the world.¹⁹⁸ However, as in the agricultural sector, periods of drought adversely affect the livestock industry. Drought will often promote premature movement of herds. If the animals begin to lose too much weight from lack of food, there may be a regional sell-off of livestock; market flooding will follow, contributing to a drop in prices. Access to markets also limits the area where pastoralist can sell their livestock, limiting market linkages to local abattoirs and market integration of local livestock economies.

Agricultural Development Led Industrialization (ADLI)

Recently, the Ethiopian government has emphasized the importance of agriculture as the main tool of growth and development for the Ethiopian economy, adopting the Agricultural Development Led Industrialization (ADLI) strategy in 1992. This development strategy pushes the agricultural sector as the driving force of the national economy despite recurrent droughts, fluctuations in output, and the fact that the population has been growing at a faster rate than agricultural production. Despite the initiatives introduced by both the federal and regional governments, improvements in agricultural performance have thus far been unsatisfactory.

Economists, government agencies, NGOs, and policy makers have debated heavily on whether or not the Ethiopian economy can grow and prosper solely through its agricultural sector. While the debate still persists, there has been some consensus that in order to improve the livelihoods of farmers, there needs to be significant changes and improvements to the agricultural markets, the current land tenure system, and a reduction in the country's dependence on food aid.

Agricultural Markets

Under the ADLI, prices for agricultural products were deregulated leaving the prices to adjust through market forces. Because of market imperfections and failures, many have suggested that the Ethiopian government intervene in the pricing and marketing of agricultural outputs and inputs.¹⁹⁹ The agricultural markets in Ethiopia consist of a relatively informal system where individual farmers sell their goods to a small number of traders who then sell the goods in nearby markets. Due to poor road infrastructure there is no mechanism that brings together markets in different areas so that surpluses and deficits can be equalized. Consequently, farmers face low prices with a good harvest when supply may exceed demand and high prices when demand may exceed supply. The government and NGOs have started implementing a system in which they buy up the surpluses at a fixed price, but until the government invests in improved infrastructure, as well as ways to ensure a sustainable living in agriculture without severe fluctuations in harvests, the agricultural markets in Ethiopia will continue to be inefficient.

Land Ownership

Land ownership has become a hot topic in Ethiopia and has attracted widespread attention from policy makers, economists, and the private sector. Ethiopian agriculture has been stressed as the government's primary development strategy, and the success of this strategy depends on how the

¹⁹⁸ Food and Agriculture Organization, "Special Report: FAO/WFP Crop and Food Security Supply Assessment Mission to Ethiopia." FAO Special Report; Rome. 1/12/2004, p.10

¹⁹⁹ Federal Democratic Republic of Ethiopia (FDRE). (2001). "National Review Report on the Implementation of Agenda 21". Addis Ababa, Ethiopia.

government addresses the current land tenure system. With the overthrow of Emperor Haile Selassie, all land came to be owned by the government, which prohibited private ownership. The government allocates land to farmers, and in some cases redistributes land.²⁰⁰ The farmers are given rights to farm the land and to transfer the land to their heirs but the government bans the functioning of formal land markets such as selling.

Many believe that the lack of security in which one receives from owning their own land has weakened the incentives for farmers to invest in increasing the productivity of their land. As the population continues to outstrip production growth, farmers are finding it harder to grow enough to feed their families. While the majority of interested parties believe that some form of privatization or land rights will improve agricultural lands, the government and other opponents of land privatization have expressed concern that without an industrial sector poor farmers may sell their lands and find themselves landless and homeless.

While it is unlikely that the government will privatize land anytime in the near future, it has started to implement long-term lease contracts. The long-term lease contracts should provide farmers with some security and lead to increased investment and improved productivity. But as long as the government continues to ban land from being used as collateral for loans, the development of an industrial sector will be hindered and increase the countries dependence on agriculture.

Food aid

In 2002 the Ethiopian government introduced the Sustainable Development and Poverty Reduction Program (SDPRP) as its strategy to help reduce poverty. The SDPRP is part of an international process devised by the World Bank and the International Monetary Fund to produce poverty-reduction strategy papers such that once approved by the World Bank and IMF the countries can then qualify for debt relief and aid. Most of Ethiopia's strategies focus on environmental rehabilitation, increasing agricultural productivity by using more fertilizers, and food aid.

Ethiopia is one of the poorest countries in the world; 49 percent of the population is malnourished, with 50 percent of Ethiopia's population estimated to be living below poverty.²⁰¹ Ethiopia receives more food aid than any other country. In 2003, food aid was as high as 15 percent of domestic cereal production. Ethiopia has a high level of food insecurity due primarily to recurrent droughts, from 1999 to 2002 Ethiopia experienced four consecutive years of drought. Approximately 7million Ethiopians out of a population of 70 million are currently in need of food assistance.²⁰² While the need for aid in Ethiopia has dropped by 45 percent in 2004 from its 2003 level due to the 2003 *meher*, hunger needs are still an important issue in Ethiopia.

²⁰⁰ Redistribution is not as common as it has been in the past but has not been abandoned. For example, in the Tigray region the government passed a policy of no future land redistribution and in the Oromiya region its been over 10 years since land redistribution while in the Amhara region there was a major land redistribution in 1997. Benin S. and Pender J. 2002. *Impacts of land redistribution on land management and productivity in the Ethiopian highlands*. Socio-economics and Policy Research Working Paper 43. ILRI (International Livestock Research Institute), Nairobi, Kenya. 26 pp.

²⁰¹ FAO report, The state of food insecurity in the world, 2000.

CIA: The World fact book, 2004

²⁰² WFP, 2004. World Hunger--Ethiopia.

To address concern about Ethiopia's seemingly dependence on food aid, Ethiopia's National Policy on Disaster Prevention and Management (NPDPM) states that disaster relief should ensure adequate income transfer for disaster-affected households, promote self-reliance among the beneficiaries, preserve assets to promote speedy recovery, be geared to eliminate the root causes of disaster vulnerability, and contribute to sustainable development.²⁰³ Aid comes in two different forms: free distribution-primarily reserved for the elderly and individuals that cannot work, and food for work (FFW), in which food is paid out in return for services provided to the community.

Food aid beneficiaries differ in how they are selected depending on the type of aid the individual receives. For free distribution food aid beneficiaries are selected by the wereda district administration and assisted by community elders and representatives. Neither NGOs, nor the Disaster Prevention and Preparedness Commission (DPPC) have any input into the selection of beneficiaries. The selection for who can participate in FFW projects differ across areas. In some areas self-selection is the criteria, in others a local committee determines who can participate.

Ethiopia's goal is to move away from emergency or relief food aid (free distribution) and towards a development-oriented food aid scheme. The goal is to have 80% of all food aid to be work based.²⁰⁴

B. Famine Prevention

After losing nearly a million people, Ethiopia decided to make a serious effort to eradicate famine with international support. In fact, despite the fragile food security conditions, it has not had a mortal famine since the one in 1982-85. Has the threat of famine been eradicated from Ethiopia? What follows is analysis of the four main factors that cause famine.²⁰⁵

Demography

The current annual population growth rate at 2.3 percent is still high. While its declining trend is welcome, the average annual growth rate of agriculture between 1993-2003, at 1.6 percent, suggests that there remains population pressures on food availability per person.

Climate

Because changing the erratic rainfall pattern in Ethiopia is not an option, it is important to improve responsiveness to drought and reduce susceptibility to fluctuating levels of precipitation. Regarding the former, the Famine Early-Warning System has played an important role in improving the predictability of food availability so that the government and the international donors can prepare food aid in advance. Regarding the latter, while the government has stressed

²⁰³ Transitional Government of Ethiopia (TGE), 1993. Directives for disaster prevention and management.

²⁰⁴ WFP, 1995. World food programme and food aid in Ethiopia.

²⁰⁵ Devereux, S., (2001), Famine in Africa, In S. Devereux & S. Maxwell (Eds.) *Food Security in Sub-Saharan Africa*, London: ITDG, 120-122.

the importance of diversifying crops as well as expanding irrigation,²⁰⁶ little progress has been reported.

Economics

In the situation of demand failure in the 1970's, if the needy had received cash assistance to alleviate the demand failure, the market might have helped the inflow of food into the drought-hit areas. The current policy shifting support for poor people from food-for-work to cash-for-work can respond to this lesson. However, this market-oriented approach requires improvement of transportation infrastructure. As Ethiopia often has a regional gap of food availability, its market mechanism has not worked well. Development of roads and integration of the markets will help alleviate the stress on local markets.

Government

After Ethiopia's war with Eritrea in 1998-2000 and severe food insecurity in 1999-2002, food aid helped to avert mortal famine. There remains tension along the border with Eritrea despite the ceasefire. This situation has kept the food availability in the north fragile. Also, socialist policies remain. As mentioned previously, the government has been reluctant to privatize land and has revitalized the resettlement policy. These policies, which may discourage farmers from investing in the land they use, have done little to prevent famine. However, the government did not necessarily want their policies to be discussed openly. It is notable that both the regimes of Haile Selassie and the Derg failed to deal with famines and in many cases exacerbated them, leading to their eventual collapse. This is not surprising because of the lack of channels for popular dissent for the affected people, coupled with an under-developed mass media, greatly increased the risk of famine.

C. IGO NGO Food Security Assistance

Despite a wide-ranging debate on the positive (additional supplies) and negative (production disincentive due to the declines in local prices) effects of food aid, the consensus is that food aid is beneficial for relieving transitory and emergency food insecurity. Although the immediate costs of food aid are relatively small when compared to long-term development assistance, according to the WTO, the overall costs in many ways exceed the benefits when one takes into account the effect on local agricultural markets.²⁰⁷

Due to the rapid onset and devastating nature of many of Ethiopia's manmade and natural disasters, direct humanitarian assistance was the path chosen initially for dealing with the country's problems. According to Bronek Szynalski, the United Nations Regional Humanitarian Coordinator for the Horn of Africa, "there isn't yet a coherent policy in regard to the mix between what is emergency food needs and the chronic food deficit, which is more the result of poverty, lack of arable land, overpopulation and basically, underdevelopment. We have to get the Government involved in further discussion and development of a food security policy that does

²⁰⁶ Economist Intelligence Unit, (2004), *Country Profile 2004: Ethiopia*, London: The Economist Intelligence Unit, 43

²⁰⁷ Clark, Stuart. "Food Aid in WTO Agricultural Trade Policy", available at http://www.foodgrainsbank.ca/downloads/fjfa_foodaid.pdf.

not depend on food aid.”²⁰⁸ The Ethiopian government is highly dependent on food aid. Requests for direct food aid have been incorporated into every budget since 1996, a true reflection of the dependent relationship that exists between Ethiopia and donor countries.²⁰⁹

Predictably, as Ethiopia’s dependence on per capita food aid has grown over the last 30 years, its agricultural production per capita has decreased. In 2003, almost 20 years after the famine that brought Ethiopia to the world’s attention, USAID gave approximately \$450 million in food aid to the country, but only \$4 million for agricultural development programs.²¹⁰ Although USAID was the largest donor, this pattern of giving was followed by other contributors interested in keeping people alive rather than creating development solutions that would help in eliminating famine from the country.

Because of the massive amounts of food aid distributed in Ethiopia, a number of current development initiatives focus on the idea of food for work (FFW). In theory, FFW seems to be an appropriate response to the food security issues facing the country because it involves beneficiaries in productive, community-based activities in which food aid is used as payment for services rendered. However, the reality in many cases is that FFW is a difficult long-term strategy to employ if sustainable development is the ultimate goal. One problem with FFW is that contributes to the problem mentioned previously of depressing prices in local agricultural markets, creating a disincentive for farmers to engage in agricultural production in the targeted communities. A second concern is the ability of those most in need to participate in a FFW program: women. In many communities, women have family and home responsibilities that make it difficult to fully participate, thereby limiting the potential benefit they can receive from such programs.

In the case of Ethiopia, it is clear that current and future development models need to follow a different path to find success. One approach that is currently being advanced is cash for work (CFW) programs. CFW takes a similar approach to FFW, but the cash infusion works to spur local agricultural and economic development, rather than having the unintended effect of depressing it. A byproduct of this type of initiative will be increased agricultural production due to higher prices and lack of competition from free food. Another key component of CFW programs is that the NGOs and IGOs involved work to impart skills that beneficiaries can use well into the future to generate income. In addition, women can gain tangible skills in areas which are more accommodating to the responsibilities they already possess, rather than forcing them to make a difficult choice that may take her away from her family.²¹¹

III. Recommendations

A. Agriculture

²⁰⁸ Africa Studies Center, University of Pennsylvania. “One on One with Bronek Szynalski”, available at http://www.sas.upenn.edu/African_Studies/Hornet/ehu031601.html

²⁰⁹ Robinson, Clive. “Nothing to fall back on: Why Ethiopians are still short of food and cash”, available at <http://www.christianaid.org.uk/indepth/0302ethio/fallback.pdf>

²¹⁰ International Foreign Policy Research Institute. “Promoting Development, Not Dependence, in Ethiopia”, available at <http://www.ifpri.org/pubs/newsletters/ifpriforum/200312/if04ethiopia.htm>

²¹¹ United Nations Office for the Coordination of Humanitarian Affairs. “Use Cash, rather than Food Aid, to avert Famine”, available at <http://www.irinnews.org/print.asp?ReportID=37619>

Dealing With Surpluses

Even during severe times of famine, parts of Ethiopia have been able to produce agricultural surpluses. The ability to utilize surpluses has, however, been stymied by a severe lack of infrastructure. Roads in rural areas, especially in parts of the country that experience consistent surpluses, need to be established so that the government can rely on its domestic supply of food as opposed to the importation of food aid to address shortages. Doing so will open up additional markets to rural producers and will give the government a means to provide price supports and stabilize price fluctuations during boom and bust times. International funding may also be used for this. Furthermore, food storage must be addressed in rural areas. The government currently maintains food supplies to address emergency food shortages, but rural, micro-level food storage can help rural populations quickly address shortages on a local level and address undernourishment that can arise due to food spoilage. Basic storage facilities can be made out of clay, adobe, or corrugated steel. It is recommended that such storage facilities be built before roads as they take less time, are more inexpensive, and can address local food storage issues before a proper road network is in place.

Grain production

A shift to more traditional grains such as wheat and teff should be encouraged in rural areas. Maize is currently the most widely produced crop in the country. However, maize is very vulnerable to drought and inconsistent rainfall. Traditional grains are more resilient and have a potential market to the vast Ethiopian diaspora in places like the United States, especially teff. Delivery via freightliners would keep prices low, but would take some time given the distance to reach ports in Djibouti.

Processing facilities

As a manner of adding value to crops, substantial investment is needed in the agricultural processing sector of the country. Trading unprocessed agricultural crops increases the amount of global competition that producers must face, leading to lower prices for their crops. Investing in processing facilities provides added value and opens up additional markets while helps reduce spoilage of certain crops. Increased credit is needed to make this happen, especially in areas outside of Addis Ababa where most agricultural production takes place. Accession into the WTO would further expand market possibilities. The nation's highly efficient airline and brand new airport could be a potential form of increasing efficient exporting, but this would potentially require increasing the size of the available fleet and it is not a cost-effective mode of transport for grain.

Water Policy

Lack of adequate irrigation infrastructure in rural areas has made rural agricultural producers very susceptible to inconsistent rainfall patterns. Simple, micro-level irrigation projects, such as the MERET project established by the World Food Program would help dozens of families and make use of the underutilized Nile water that is currently flowing out to Sudan and Egypt. Large-scale irrigation would be difficult at this time given the arid conditions in Ethiopia. Small-scale irrigation with restoration of watersheds should be a priority for both the government and NGOs. A stable water supply would also allow for crop diversification and personal food security. Environmental restoration, especially reforestation, needs to be a key component of any water

policy. The country's heavy deforestation has devastated watersheds, causing inconsistent water supplies.

B. Famine Prevention

Democratization and Good Governance

Although Ethiopia has shown significant improvement in preventing famine in several areas, conditions are still fragile. Concurrence of a drought and bad policies may easily trigger famine. Even if they do not have famine, it is worrisome that even the threat of famine can distort people's behavior and make it difficult for the poor to pursue policies that work to their greatest benefit.. The necessity of conserving food for potential emergencies can hinder the poor from maximizing their welfare and keep them trapped in poverty.²¹² Thus, eradication of the famine threat is also important for poverty reduction. One of the least costly policies would be to enhance democracy and free the mass media. In addition, reviewing the resettlement policy and the land ownership regulations would be worthwhile. Détente with Eritrea is also urgent to secure the food availability in the northern, drought-prone areas.

C. IGO NGO Food Security Assistance

For any development strategy to find success at achieving overall food security in Ethiopia, it must have women at its core. According to the FAO, women are 70 percent of agricultural workers and produce roughly 70 percent of food for household consumption and sale in the country.²¹³ For this reason, the enhancement of women's access to and control over resources and assets is crucial. The Ethiopian government can play an important role in this area by ensuring that girls have equal access to education. This is necessary because as the primary food providers, women are most responsible for ensuring that the nutritional needs of the family are met.

NGOs need to increase their collaboration with IGOs to ensure that resources are effectively delivered to the areas of the country with the greatest need. Unlike the government, many NGOs have significant histories of producing creative solutions to alleviate poverty that have been carried out the world over and can be employed in Ethiopia. In addition, NGOs work directly with community members and understand the needs of particular villages more so than government bureaucrats located in Addis Ababa. This direct community involvement allows NGOs to work on skill development that will serve the beneficiary well for their particular environment.

NGOs and IGOs need to work to keep Ethiopia on the world's agenda in order to maintain access to donor resources. This is an increasingly difficult task considering the current world climate, but necessary for any real development to take place. Past strategies have at best maintained the status quo and at worst exacerbated existing problems. By employing different programs such as CFW, Ethiopia may have a future in which it is no longer dependent on food aid, though no matter what programs are implemented the need for direct food aid will continue

²¹² Deaton, A., (1991), "Saving and Liquidity Constraints," *Econometrica*, 59: 1221-1224

²¹³ FAO. "FAO/WFP Crop and Food Assessment Mission to Ethiopia", available at

http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/004/X9320E/X9320E00.H

for the foreseeable future and is likely to worsen. For this reason, NGOs and IGOs need to hold the government accountable for meeting the needs of its people. The USAID funded famine early warning system network reports that the number of people unable to meet their food needs could exceed 17m in 2007/08 if rainfall is unsatisfactory, considerably more than the number affected in 2002/03 and approaching the numbers of 1984.²¹⁴ In contrast, the Ethiopian government is claiming that the country will be food secure by 2007.

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²¹⁴ FAO. “FAO/WFP Crop and Food Assessment Mission to Ethiopia”, available at http://www.fao.org/documents/show_cdr.asp?url_file=/DOCREP/004/X9320E/X9320E00.H

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Chapter 7. Education & Social Policy

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Poverty, social spending and poverty reduction programs in Ethiopia

The first section of this chapter assesses how economic growth in the last ten years has affected the poor population. Main sources of growth, poverty reduction policies (such as the Ethiopian Social Fund), and the extent to which growth has been pro-poor will be examined. The second section contains an overview of education policy, and a set of policy recommendations. The final section discusses gender and family planning issues, and provides additional recommendations.

Ethiopia's Sustainable Development and Poverty Reduction Strategy states that the government is seeking "an economic system which will enable poor people to be the main beneficiaries from economic growth." The overarching objective of the SDPRP is to reduce poverty while maintaining macroeconomic stability. An important part of the government's strategy involves reorienting budgetary resources towards social spending. Trends in social spending will be considered in order to explain how demographic pressure affects the amount of money necessary to achieve policy objectives.

Poverty Overview

In order to design social programs to reduce poverty, it is necessary to have information about the structure of the population and the characteristics of the poor. Information concerning basic trends in poverty in Ethiopia are based mainly on information provided by the Poverty Assessment of the World Bank and the SDPRP. Despite the overall improvement of the economy during the 1990's, Ethiopia's rate of poverty is still among the highest in the World.²¹⁵

The overall poverty incidence in Ethiopia was 44% in 2000. It is much higher in rural than in urban areas, with the poverty headcount index standing at 45% and 37% respectively. Poverty slightly decreased in the rural areas (-4.2%) but increased in the urban areas (+11.1%) between 1995 and 2000. There are large regional differences in poverty levels: In 1999/00, the highest rural rate was recorded in Tigray, and the lowest in Harari. Among the urban areas, the highest rate again was found in Tigray and the lowest in Somalie. An alternate way of gauging poverty is to look at the share of food in total expenditure. These numbers indicate a different trend, increasing in rural areas from 60% in 1995/96 to 67% in 1999/2000, while declining in urban areas from 56% to 53% in the same period. In the case of food poverty,²¹⁶ the relative position of the rural and urban areas have reversed in the periods considered. In the first period, food

²¹⁵ We compare data from the 95/96 and 99/00 Household Income and Consumption Surveys.

²¹⁶ Food poverty refers to the situation in which the food expenditure per adult equivalent is less than the food poverty line.

poverty was higher in the rural than in the urban areas (47 and 32% respectively) and in the second it changed to 41 and 47% respectively.

Income is fairly evenly distributed in Ethiopia compared to other Sub-Saharan countries. The overall consumption Gini coefficient is 0.28. Not surprisingly, income inequality is higher in urban areas than in rural ones (0.38 and 0.26 respectively).

Characteristics of poor families

The average family size in Ethiopia is 4.9 persons per household. Families in the poorest quintile have sizes of 5.8 on average, while those in the richest quintile have average sizes of 3.9. The dependency ratio²¹⁷ increases with poverty, from 0.89 in the richest quintile to 1.34 in the poorest. Poorer households tend to have older household heads. Females head 26% of households, but there are big differences among urban (41%) and rural areas (23%). In urban areas, female headed households have higher poverty incidence, depth and severity than their male counterparts.

Urban households are more vulnerable to shocks than rural households, likely because rural households have access to assets such as land and livestock. The major risk coping mechanism of rural people is the sale of animal products or other agricultural outputs, while for urban families it is reserved savings and loans from relatives. The role of modern banks appears quite limited.

Stunting is a reflection of long term malnutrition. The period considered saw a remarkable 47% decline in the proportion of severely wasted children. The improvement was especially pronounced in rural areas. Even so, the 1999/00 prevalence of stunting was 57% and of severe stunting was 31%.

About 85% of household in Ethiopia live in low quality houses made of wood and mud. 65% of homes are grass-roofed, and just 17% of the houses in Ethiopia use latrines. Urban houses have relatively better quality than rural.

Agriculture constitutes the main livelihood in Ethiopia. Land ownership is thus an important determinant of welfare. According to the annual agricultural sample survey,²¹⁸ about 64% of the households in Ethiopia had holding sizes of less than 1 hectare in 1999/00. This indicates a problem of land fragmentation in Ethiopia. About 80% of the households in the countryside own cattle. (*For more information on this topic, please see Chapter6: Agriculture and Food Security*)

Primary determinants of poverty in the rural areas²¹⁹

According to the study used in the PRSP, the probability of a household being poor is related to a set of explanatory variables. The dependency ratio is an important aspect of poverty status in

²¹⁷ Dependency ratio is defined as members older than 65 and younger than 15 divided by the complement.

²¹⁸ Cited by the PRSP.

²¹⁹ The information was originally elaborated using data from the 1995/96 and 1999/00 HICE and WM surveys conducted by the SCA. Addis Ababa University also conducted small household surveys that were incorporated in this study.

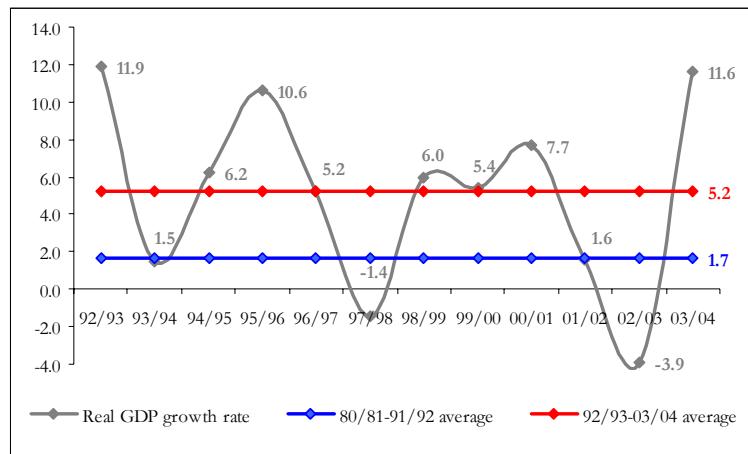
rural areas; an increase of one unit multiplies the probability of falling into poverty by 30%. Family size also has a positive effect on poverty: bigger families are more likely to be poor. Primary education of the mother reduces the risk of poverty: if the wife of the typical rural household has completed primary school, the probability of being poor falls by 20%. Educated women help to reduce poverty through various channels, including postponing childbirth, having more knowledge of how to care for their children, and being able to earn more income. The probability of being poor decreases when households cultivate exportable and internally traded crops. Chat and coffee seem to have higher poverty-decreasing effects than tef and enset. Farming assets, such as oxen, also help to reduce the probability of being poor. Finally, households that are involved in off-farm activities are more likely to be poor than those that are not. Non-farm activities seem to be a coping mechanism for poor people rather than a way of accumulating more wealth.

Economic Growth and Poverty²²⁰

The current growth strategy under the SDPRP puts an overriding emphasis on agriculture. Driven by productivity gains in smallholder agriculture and a rural development program, growth in agriculture is expected to induce industry growth and bring a structural transformation to the economy.

According to Easterly,²²¹ Ethiopia has had one of the lowest growth rates in the world over the past half century. Having experienced major disasters such as drought, famine, civil war, HIV/AIDS and international war, it remains one of the least developed countries in the world. As a consequence, the government has faced high pressures to respond to demands of the crisis.

Graph 7.1: Real GDP Growth Rate



As can be seen in Graph 1, growth in Ethiopia has an erratic pattern, the source of which can be traced mainly to performance of the agricultural sector. Growth is still dependent on exogenous conditions such as climatic factors and the price of coffee. Economic performance of the last decade improved considerably over the previous one; the average GDP growth rate in the 80's

²²⁰ Kassahun. 2003.

²²¹ Easterly. 2002.

was 1.7%, and 5.2% in the 90's. Nonetheless, it was insufficient to reduce poverty levels significantly.

While economic growth has historically relied on agriculture, generating a dependence of Ethiopia's economy on agricultural performance, Easterly (2002) found that during the 1990s, the services sector contributed the most to growth, followed by industry. (*Please See Table 7.1*)

Table 7.1: Decomposition of Ethiopian growth in the 90s by sector
(average growth log per year- 1991-92 to 1999-2000)

	Share	Average log growth per year	Decomposition
Agriculture	48.80	2.10%	1.00%
Industry	11.00	8.50%	0.90%
Services	40.10	9.10%	3.60%
Total GDP	100.00	5.50%	5.50%

The current focus on rural and agricultural development is not surprising in a country where 85% of the population lives in rural areas and works on agricultural activities. However, recent and considerable growth in the services sector demonstrates that Ethiopia is now in a position to diversify their economy and avoid the dependence on agricultural performance and prices.

Recommendations

When the government designed its poverty strategy it stated that "for some countries economic growth is the primary policy goal, and poverty reduction is to be achieved through measures complementary to growth. This is not the approach of the Ethiopian government. Poverty reduction is the core objective of the Ethiopian government. Economic growth is the principal, but not the only means to this objective."²²² However, research²²³ suggests that while growth in the period 1994-97 reduced poverty, the rate of poverty reduction compared to overall growth was fairly low. This is due in part to an increase in inequality over the period. Others have found that economic reforms and growth reduced poverty from 1989 to 1995, but some of the poorest groups did not benefit.²²⁴ The government must ensure that further economic growth does not lead to higher levels of inequality. This can only be achieved through an economic strategy that promotes pro-poor growth, or growth with equity. A strategy designed to change the distribution of the gains from growth would go in this direction.

In order to maintain the rate of growth experienced during the last decade, Ethiopia will have to face complicated reforms in coming years related to institutions, literacy, the AIDS crisis, land titling, deforestation, and openness to trade.

Although the services sector grew the most over the 1990s, pro-poor growth in a country where 85% of the population lives in rural areas cannot be imagined without discussing agriculture. Although modernization is needed, agriculture still constitutes Ethiopia's main comparative

²²² PRSP

²²³ Bigsten et all. 2001.

²²⁴ Dercon 2001.

advantage. During the last years, foreign investment has been interested in the floricultural sector, which has been growing considerably.

- ***Address the dependence on rain-fed agriculture*** through different methods for improving irrigation, such as small scale irrigation and water storage.
- ***Regularization of the land tenure*** is a necessary prerequisite to generate investment in the rural areas and stem deforestation. This does not seem a feasible policy for the present government, which has continuously opposed such a change. There is concern with small farmers selling their parcels and emigrating to the cities, and a subsequent generation of poverty and dependence, especially if industry and services do not grow to absorb all the immigrants. However, if land tenure is not regularized, the most promising sector of the economy may receive less investment.
- ***Diversification of exports*** is key for a country whose main export product is coffee given that coffee prices world-wide have been declining considerably²²⁵ and it does not appear to be a cyclical decline, but rather a consequence of an enormous increase in supply. During the visit, some sectors, especially flowers, were mentioned several times as promising.²²⁶ The government must generate incentives to increase the cultivation of tradable crops to decrease poverty.
- ***Increase the productivity of the factors of production***, both of the labor force (see below) and of the land, through fertilizers, credits and again, land regularization.

Education Policy

Literacy, Enrollment, Completion

The adult literacy rate in Ethiopia is low, even for sub-Saharan Africa. In 2002, just 41.5% of persons aged 15 and older were literate.²²⁷ This was a slight improvement from 1999, when the rate was 38%. The average literacy rate in sub-Saharan Africa is 64.9%. In 2002, the literacy rate for females in Ethiopia was lower than the national average, with 34% being able to read compared to an average of 57% in other sub-Saharan African countries.²²⁸ Rates are also much lower in rural areas (22%) than in urban areas (70%).

Not surprisingly, primary and secondary school enrollment rates for Ethiopia are also below average for sub-Saharan Africa. Table 7.2 contains comparative gross school enrollment rates.

Table 7.2: Gross School Enrollment

School Enrollment (% gross)	Ethiopia	Sub-Saharan Africa
Primary Total, 2000	61.6	86.9
Primary, Female	53.0	79.9
Primary, Male	74.8	93.6
Secondary, Total, 2000	17.1	25.7
Female, 1996-2001	14.6	23.2

²²⁵ According to Easterly (2002), from 1998 to 2001 prices declined by 29%.

²²⁶ During the interview at the Chamber of Commerce and at the Ministry of Trade and Industry.

²²⁷ Adult literacy is defined as the percent of the population aged 15 and above who possess basic reading and comprehension skills.

²²⁸ World Bank, (2002). Retrieved February 14, 2005 from <http://devdata.worldbank.org/external/CPProfile.asp?SelectedCountry=SSA&CCODE=SSA&CNAME=SubSaharan+Africa&PTYPE=CP>.

Source: World Bank

Recently, there has been an effort by the government to increase primary school enrollment. Enrollment has almost doubled in the past 15 years. In the early nineties, just over a third of primary school-aged children were enrolled. By 2002, the gross enrollment rate had risen to over 60%. According to government figures, primary school enrollment grew at an annual rate of 13.4% between 1996 and 2001.²²⁹

The gross enrollment rate does not, however, tell us the percentage of the relevant population enrolled in school. The gross enrollment ratio is the total number enrolled in primary schools, regardless of age, divided by the population of the age group that officially corresponds to the level of education shown. Net primary enrollment is the ratio of children of official school age who are enrolled in school. In 1999, 40% of the relevant population was enrolled in primary school and 13% in secondary school.²³⁰

While the number of children attending school has risen in the last ten years, the number of teachers has not. As a result, the pupil-teacher ratio rose from a low of 30:1 in the early nineties to a high of 60:1 in 2002.²³¹ Increased enrollment is especially problematic for secondary schools where there is already a shortage of qualified teachers.

Completion rates are low as well. In 1999, a quarter of the primary school age population completed primary school. For girls, only 12% completed school. Of those who enroll in first grade, under two-thirds (61%) eventually reach fifth grade.²³²

Regional and gender disparities in school enrollment are striking. In 1994, (47%) of school-age girls attended school in urban centers, but only 31% did so in rural areas. For the past ten years, the gender gap in education has been consistent, with about 20% more boys attending school than girls. Government, NGO, and international organizations such as UNICEF have made increasing gender parity in education a priority.

Barriers to Education

The government faces many barriers in the recruitment and training of teachers. Teachers in grades 1-4 are required to have a teacher training institute (TTI) degree (10 years of general schooling plus one year of teacher training); teachers in grades 5-8 are required to have graduated from a teacher training college (10 years of general schooling plus 3 years of training); and teachers in grades 9-12 must have a university degree. In grades 1-4, almost all teachers have the required TTI degree, but in grades 5-8 only 26% do; in grades 9-12, only 18% do.²³³

In the 1990s a number of school-based and household surveys investigated reasons for nonattendance and non-completion in primary schools. Several studies, including those by Weir

²²⁹ World Bank, (2002), "Ethiopia: Sustainable Development and Poverty Reduction Program," p.89.

²³⁰ World Bank (1999). Retrieved February 14, 2005 from <http://devdata.worldbank.org/external/CPProfile.asp?CCODE=ETH&PTYPE=CP>

²³¹ World Bank, (2002), "Ethiopia: Sustainable Development and Poverty Reduction Program," p.89.

²³² World Bank (2002). Retrieved February 14, 2005 from <http://devdata.worldbank.org/external/dgcomp.asp?rmdk=110&smdk=473881&w=0>.

²³³ World Bank (2005), p.25.

and Knight (1996), KUAWAB Consultants (1996), and USAID (1994), found the cost of clothing to be the most inhibiting school expense.²³⁴ Many studies found household income to have a positive and significant effect on school attendance and completion. In interviews with parents, USAID found hunger or insufficient food to be reasons for not enrolling children in school. Many low-income families need their children to work in the home, leaving little time for school. In the USAID study, girls out of school reported spending an average of 14-16 hours a day on household tasks.²³⁵

Another potential barrier to attendance is the distance that students must travel to school. Both USAID (1994) and Biazen and Junge (1988) found that the majority of those who attended school lived within a 30-minute walk. The World Bank, however, did not find distance to school to be statistically significant.²³⁶

Parental attitudes are also important determinants of school attendance. Many Ethiopian parents perceive low returns to education and choose not to send their children to school. This can be partly explained in terms of the scarce job opportunities available even to those who are better educated: The World Bank found that the unemployment rate was 25% among those attaining grades 5-8, and 44% among those attaining general secondary education (grades 9 and 10).²³⁷ Gender is also an important factor. USAID found that parents prefer to educate sons because the return on their investment is more tangible: Sons remain close to home after they marry, whereas daughters move to their husband's home. The study also noted that 50% of parents believe that boys are more intelligent than girls.²³⁸

Parental education also influences school enrollment. Yelfign (1995) found that girls are more likely to attend school if their mother is literate.²³⁹ Other studies (e.g. Weir and Knight 1996, and KUAWAB Consultants 1996) have found that educated household heads (male or female) had a positive effect on school attendance.²⁴⁰ Due to the cost and lack of accessible schools, it reasons that parents who have attended school and possibly value education more would incur the additional costs of sending their children to school. In the future, as school availability increases and the costs of education fall, educational attainment of parents may be less of a reliable predictor of whether a child attends school.

Returns to Education

Many studies have attempted to measure the benefits of education. Returns may include higher incomes and improved health outcomes, although it is uncertain how exactly education translates into these improved outcomes. Woldehanna (2003) examined the impact of education on the farmers' choices of activities and household welfare. Using data from rural Ethiopia, he estimates that an additional year of schooling increases household income by 8.5% in rural

²³⁴ Pauline Rose and Samer Al-Samarrai (2001), "Household Constraints on Schooling by Gender: Empirical Evidence from Ethiopia," Comparative Education Review, vol. 45, no.1, p.40.

²³⁵ Rose and Al-Samarrai (2001), p.41.

²³⁶ USAID (1994) and Biazen and Junge (1988) cited in Rose and Al-Samarrai (2001), p.42.

²³⁷ World Bank (2005), "Education in Ethiopia: Strengthening the Foundation for Sustainable Progress," p.25.

²³⁸ Rose and Al-Samarrai (2001), p.41.

²³⁹ Yelfign Worku, Zewdu Desta, Alemnesh haile Mariam, and Anbesu Biazen (1995), "Primary School Female Participation and Performance in Cheha District," found in Rose and Al-Samarrai (2001).

²⁴⁰ Rose and Al-Samarrai (2001), p.40.

Ethiopia. He hypothesizes that schooling leads to the adoption of new farming technologies that increase crop yields and facilitates entry into profitable farm and non-farming activities. In turn, this translates into higher income.²⁴¹ Increased education may also cause individuals to feel comfortable taking on higher-risk and higher-return projects. Psacharopoulos and the World Bank (1994) provide additional estimates of returns to education, positing that an additional year of schooling increases household income by 8-20%.²⁴² Table 7.3 presents the World Bank's estimates of the return on education by level of education.

Table 7.3: Rate of Return to Education by Level of Education, 1995/96 (percent)

Rate of Return	Primary	Secondary	Tertiary
Private	25	24	27
Social	15	14	12

Source: Household Income, Consumption and Expenditure Survey and Welfare Monitoring Surveys

Education may also lead to improved child health outcomes. Kiros and Hogan (2001) found that child mortality was highest among children born to illiterate parents. The role of parental education in determining child mortality was most important during famine periods. There are a number of possible explanations for this. Education may mean the parents have a higher income or knowledge of cleanliness and sanitation measures. It may also indicate a level of skill and the mother's ability to utilize health systems. Kiros and Hogan hypothesize that educated parents may be able to better cope with crises because they are better able to protect their children from military conflict and famine, have access to stashes of food, and possess the means to send their children out of dangerous areas.²⁴³

Current Initiatives

Ethiopian Government:

In 1994 the Ethiopian government adopted a new Education and Training Policy (ETP). This policy focuses on increasing access to educational opportunities with enhanced equity, quality and relevance. The goals of ETP include:

- To make education more relevant and to link schools closer to the community by use of local languages as a medium of instruction at the primary level.
- To increase students' access to textbooks by reducing the textbook/pupil ratio from 1:5 to 1:1 in core subjects (language, math and science).
- To enable increasing numbers of students to complete 8 years of basic education by changing the existing structure of 6-2-4 to 8-2-2 (see below).
- To provide a good quality primary education with an ultimate aim of achieving universal primary enrollment by 2015.

²⁴¹ Tassew Woldehanna (2003), "The Role of Schooling in the Alleviation of Rural Poverty in Ethiopia," presented at International Conference of Agricultural Economics in South Africa. Retrieved April 13, 2005 from http://www.iaae-agecon.org/conf/durban_papers/papers/005.pdfp.1.

²⁴² George Psacharopoulos (1994), "Returns to Investment in Education: A Global Update," cited in Katharina Michaelowa (2000), "Returns to Education in Low Income Countries: Evidence for Africa, presented at the annual meeting of the Committee on Developing Countries of the German Economic Association, 6/30/00.

²⁴³ Kiros and Hogan (2001), "War, Famine, and Excess Child Mortality in Africa: The Role of Parental Education," International Journal of Epidemiology, vol. 30, p. 449.

- To provide vocational education and training at different levels attuned to the manpower requirements of the economy.
- To provide a secondary education of appropriate quality in an equitable way.
- To promote a higher education of better quality, relevance, and with a focus on research and development.
- To streamline the management and organization of the education system so as to make it decentralized, coordinated, participatory, professional and efficient.
- To increase education financing by encouraging community participation, introducing cost sharing mechanisms, and involving the private sector in the provision of education.

From 1962 to 1994, the education system had a 6-2-4 structure: students attended six years of primary schooling, followed by two years of junior secondary education, and four years of senior secondary education. National exams were taken at the end of each cycle, after grades 6, 8, and 12. In 1994, the government created a new 4-4-2-2 structure. Under this system, students attend four years of basic education (grades 1-4), a general primary cycle for grades 5-8, two years of general secondary education, and two years of preparatory secondary education. National examinations are administered at the end of grades 10 and 12. The government hopes that through this structure students will attain functional literacy skills in grades 1-8, while secondary education would prepare them for university education.

This policy was the basis for the Educational Sector Development Program (ESDP). ESDP I began in 1997 and ran for five years. ESDP I achieved its goal of increasing gross primary enrollment. The government built new schools during this time period and expanded technical and vocational programs. Higher education also expanded, with four new universities starting and five private colleges accredited. Enrollment in higher education doubled between 1997 and 2002.²⁴⁴

In recent years the government has expanded funding for non-formal education, technical and vocational programs. “Non-formal education” is an alternative to formal basic education (grades 1-4). Under the three-year program, education is provided for out-of-school children and adults. In 2000, over 1 million youth and adults participated in the program. The government expanded the number of technical and vocational institutions, and hopes to increase enrollment from the current 25,000 to 130,000 by the end of 2005.²⁴⁵

International Organizations:

NGOs and intergovernmental organizations are working to improve education in Ethiopia. UNICEF selected Ethiopia to be part of its “25 by 2005” campaign, which aims to achieve gender parity for school enrollment by 2005 in 25 countries. In Ethiopia, they are working to publicize the disparity in education and increase community support for girls attending school. Evidence from this campaign can be seen in Addis Ababa. Large billboards of smiling girls with the caption “Girls Education Benefits All” can be seen at busy city intersections. USAID began Ethiopia’s Basic Education Strategic Objective (BESO) in 1995 to strengthen community involvement in the education of young people and develop community-government partnerships. USAID, in partnership with World Learning Ethiopia, has built schools, trained teachers, and

²⁴⁴ World Bank, (2002). Ethiopia: Sustainable Development and Poverty Reduction Program, p.90.

²⁴⁵ Ibid, p.95.

strengthened local involvement in primary education. A continued partnership with the aid community and the Ministry of Education is necessary in order to expand the construction of primary schools.

Recommendations

- ***Increasing primary and secondary enrollment rates*** should remain the government's top education priority. The country needs an educated workforce in order to reach its economic and development goals. The government hopes to achieve a gross primary enrollment rate of 65% by the end of the 2004/2005 school year, and universal primary education by 2015. This is an ambitious goal. A more realistic one may be universal education through grade 4 in rural areas and through grade 8 in urban areas by 2015.
- ***Allocate a larger percentage of the current education budget to primary schools*** in order to achieve the goal of universal primary school enrollment. Extra funding is needed for teachers and school construction, especially in rural areas. One way to achieve this is to allocate more of the existing education budget to primary schools.
- ***Secondary and tertiary schools could undertake cost sharing*** in order to expand capacity and allow more of the government's education budget to go to primary schools. In the past, the Ethiopian government provided free tuition, room, and board for students attending government universities. Recently, the university has begun levying some education fees. These user fees could be expanded and implemented in some more affluent secondary schools in order to free up funding for primary and secondary school expansion in poorer areas.
- ***Reduce the costs of education for poor families.*** The cost of food, clothing, and school materials often keeps poor parents from sending their children to school. Allocating money for school lunch programs and for free school uniforms would help to lower these direct costs and possibly increase the primary enrollment rate. Flexible school schedules that allow children time off from school to work in agriculture would address a significant indirect cost of education: the loss of family labor.
- ***Reducing class size and improving quality must remain a priority.*** Adding teacher assistants to classrooms is a cost-effective way to lower the pupil-teacher ratio. Assistants would not need as much education as the head teacher.²⁴⁶ In addition, the government should consider providing free tertiary education for students who in return promise to teach in rural areas for four years. International funding should be used to increase teacher salaries and pay for the training of new teachers.
- ***Training standards for teachers should be lowered.*** Standards for teacher training are set too high, especially for teachers in rural areas. The government should allow teachers with a TTI degree to teach grades 5-8. Recruiting teachers at lower levels of formal education and encouraging them to upgrade their qualifications while teaching would be a better way to reduce shortages while keeping costs low. In addition, teachers should be trained to teach multiple subjects to students in grades 1 through 8. This is a necessity in rural areas where there is a shortage of qualified teachers.

Gender, Reproductive Health, and Contraception

²⁴⁶ Conversation with World Bank officials, February 28, 2005.

Gender inequalities are pervasive throughout Ethiopian society, and contribute in significant ways to the cycle of poverty. This section examines reproductive health and contraceptive policy, as well as women's role in society. These issues cannot be discussed in isolation from one another. Beyond this macro-level analysis, current policies and efforts regarding family planning and reproductive health will also be discussed.

The Social Role of Women

Women face a number of significant barriers to full social participation. These include limited access to socially and economically valued resources, greater household responsibility, under-representation and recognition in social affairs, lack of educational opportunities, and under-representation in decision-making and policy planning bodies. It is estimated that women contribute 60-100% of farm labor while their economic benefit from this labor is less than 2%; yet it was not until 1997 that women were allowed to lease land.²⁴⁷ Traditional marriage practices continue to contribute to the secondary status of women in society.

Ethiopian law has begun to change, reflecting a desire to equalize legal rights. Yet while laws regarding rape, abduction and domestic violence are evolving, tradition and culture often trump formal law and women do not enjoy equal status.²⁴⁸ Individual states often do not have laws as progressive as those at the federal level, and traditional practices remain both legal and common. One traditional practice is that of bride wealth, wherein women's families receive benefits in exchange for their daughter's marriage. This practice encourages high fertility, as women attempt to secure their old-age through bearing many female children.²⁴⁹ Abduction is another practice that continues to be a socially accepted means of initiating marriage. Abduction can be any number of acts, from kidnapping and forced rape, to a couple's means of marriage despite family disapproval.²⁵⁰ Ruth Kennedy of the Fistula Hospital mentioned that Western pressure to discourage early marriage actually may result in a greater incidence of abductions, as married women are recognized as "claimed" and will not be abducted.

Women are also denied equal status within marriage. Domestic violence is common; marital rape is not illegal and remains unaddressed by the government. This likely affects the spread of HIV within Ethiopia. Polygamy is also common, and contributes to high fertility rates and women's lower social status. The practice causes women to be more dependent upon their children and thus have a reduced incentive to lower fertility or use contraception.²⁵¹ Women's rights are severely constrained under divorce. Until recently, men were considered the legal head of household and had sole guardianship of children over the age of five. Though divorce laws have changed, it is Family Arbitration Councils, rather than courts, which have the power to

²⁴⁷ (2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁴⁸ (2001, February 28.) Retrieved January 31, 2005, from
<http://www.afrol.com>

²⁴⁹ (1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁵⁰ (2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁵¹ Hogan, B.H. (1999). Household Organization, Women's Autonomy and Contraceptive Behavior in Southern Ethiopia. *Studies in Family Planning Vol. 30, No. 4*. 304.

dissolve marriages.²⁵² These bodies are commonly more discriminatory in the rural areas and may not enforce current written law.

Fertility & Contraception

In the area of reproductive health and family planning, women's under-empowerment is a primary contributor to the precariously high fertility rate of the country. While the reasons for high fertility are numerous, the relatively lower levels of fertility in surrounding nations, as well as in other poor countries, point to room for improvement even given the country's fiscal insecurity. Estimates of Ethiopia's fertility rate vary from a low of 5.4 to a high of 7.2. The rate is substantially higher in rural versus urban populations.²⁵³ The resulting population growth rate strains Ethiopia's economic capacity. The current growth rate is straining land capacity, the health and education systems, and the agricultural sector.²⁵⁴ Given the current population growth rate, Ethiopia's population will double every 23 years.²⁵⁵ Efforts to stem this growth have not been successful, as contraceptive use is currently limited to just 8% of married women.²⁵⁶ It is difficult to predict what the demand for contraception might be, as lack of knowledge and supply remain significant barriers. However, the NGO Engender Health found that contraceptive demand could be increased to between 30% and 50% in one community under study.²⁵⁷

There are myriad social, cultural and practical barriers to women's use of contraceptives in Ethiopia. A primary impediment is that contraceptive use is seen as a sin by the primary religious establishments.²⁵⁸ Women's social status also discourages the use of contraception. Children may act as security both for women and poor societies as a whole. There is often not open dialogue between husbands and wives regarding family planning, and women fear that their husbands would not approve. Contraceptive use is estimated at 8% of all married women, though 33% in Addis Ababa.²⁵⁹ This rural/urban difference holds throughout the country, with rural areas contracepting at 2% but 25% in urban areas.²⁶⁰ This differential may be a result of educational disparities as well as lack of access. Long-term availability is also an essential component of contraceptive use. Cost may also be prohibitive.²⁶¹ The Packard Foundation²⁶²

²⁵²(2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁵³(1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.8.en.html

²⁵⁴Ibid.

²⁵⁵(2003, July 28.) Retrieved January 31, 2005 from
www.irinnews.org/report.asp?ReportID=35634

²⁵⁶(2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁵⁷Retrieved January 31, 2005 from
[Http://www.engenderhealth.org/itf/ethiopia.html](http://www.engenderhealth.org/itf/ethiopia.html)

²⁵⁸(2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁵⁹(1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁶⁰Hogan, B.H. (1999). Household Organization, Women's Autonomy and Contraceptive Behavior in Southern Ethiopia. *Studies in Family Planning Vol. 30, No. 4*, 307.

²⁶¹(1999.) Retrieved January 31, 2005, from

http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.9.en.html

²⁶²(2004, January 13.) Retrieved January 31, 2005 from,
http://www.irinnews.org/report.asp?ReportID=38905&SelectRegion=Horn_of_Africa&SelectCountry=ETHIOPIA

noted that although students were informed that condoms were subsidized by the government, currently no funds for contraceptives or contraceptive education are provided.

Early and near-universal marriage is another contributor to the high fertility rate as well as to a number of serious health problems for women. Marriage occurs at a young age for women with an average of 15 in rural areas and 16 in Addis Ababa.²⁶³ Pregnant girls under the age of fifteen are five times more likely to die in childbirth than women in their twenties; older teenagers are twice as likely to die. Early marriage may lead to a number of negative health outcomes from nutritional anemia to problems with the body being unprepared for pregnancy. Childbearing before pelvic growth is complete can cause fistulas and obstructed labor.²⁶⁴ Fistulas occur when prolonged labor leads to the death of tissue in the bladder or rectum; this condition then leads to urinary or fecal incontinence, and the baby is often stillborn.²⁶⁵ From a study conducted at the fistula hospital in Addis, over half of the young patients had been abandoned by their husbands and nearly a quarter lived by begging for food.²⁶⁶ Roughly one thousand cases of fistula are treated yearly at Addis hospital, estimated to be only 10% of need.²⁶⁷ Yet early marriage may not be the primary culprit. Kennedy noted that widespread chronic malnutrition also contributes significantly to these negative health outcomes during childbirth.

Pregnancy and childbirth are precarious propositions for women in Ethiopia due to a lack of adequate pre and post natal care and birth assistance. Prenatal care is received by 30% of the population while postnatal care is received by just 3.5%.²⁶⁸ Prenatal care occurs for half of women in the third trimester - the least essential trimester in which to seek it. Most births are attended by friends and family members, 19% by traditional midwives and only 7% by health personnel.²⁶⁹ Maternal death is extremely high and significantly higher than surrounding Sub-Saharan countries; estimates range from 600 to 1400 per 100,000 births. Causes of this include early marriage, famine weakness, lack of health facility access, and unsafe abortions. A report on the obstetric fistula notes that "in virtually no other area in which health statistics are commonly collected is the disparity between the industrialized and the developing worlds so great as in the area of maternal health."²⁷⁰ The US maternal death rate is currently 12 per 100,000, while Sudan has a rate of 660 and Iraq only 310 per 100,000. The Ethiopian infant

²⁶³ (1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁶⁴ (2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁶⁵ Wall, L., Arrowsmith, S.D., Briggs, N.D., & Lassey, A. (2001).

Urinary incontinence in the developing world: The obstetric fistula. In: P Abrams S. Khoury (eds); Incontinence (Report of the 2nd International Consultation on Incontinence, jointly sponsored by the International Continence Society and the World Health Organization, Paris, France, July 1-3, 2001.)

²⁶⁶ Ibid, 900.

²⁶⁷ Ibid.

²⁶⁸ (1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.8.en.html

²⁶⁹ Ibid.

²⁷⁰ AbouZahr and Royston (1991). As cited in Wall, L., Arrowsmith, S.D., Briggs, N.D., & Lassey, A. (2001). Urinary incontinence in the developing world: The obstetric fistula. In: P Abrams S. Khoury (eds); Incontinence (Report of the 2nd International Consultation on Incontinence, jointly sponsored by the International Continence Society and the World Health Organization, Paris, France, July 1-3, 2001.) 895.

death rate is improving, however, and is currently 113/1000. The under-five death rate is 188/1000.²⁷¹

Adding to the health crisis for Ethiopian women are the high rates of dangerous and illegal abortions. The abortion health crisis is exacerbated by the lack of contraceptives and emergency contraceptives. Despite being illegal, abortion is widespread and practiced by non-professionals. A 1987 study found abortion to be the most common reason for women's hospitalization, accounting for 16% of women's hospitalizations and 10% of hospital deaths.²⁷² The high maternal death rate and high number of complications of abortion reported by the World Health Organization suggest that this problem is undiminished. Of those seeking abortion after-care services at hospitals, over 70% were under age 24. The majority of these women did not use contraceptives or know where to obtain them.²⁷³ Ethiopia's abortion rate is one of the highest in Sub-Saharan Africa, and is common to both urban centers and rural regions.²⁷⁴ Abortion was legalized in 2004 for victims of rape or incest, and for cases of extreme danger to women's health.²⁷⁵

Analysis

There are numerous barriers to successful reproductive health service access and contraceptives in the country. The World Health Organization²⁷⁶ found that there was a lack of reliable health information for both clients and providers. Their study repeatedly found insufficient information given out by health professionals, as well as little commitment to preventative education. In addition to a lack of information, there is a serious dearth of health care professionals, particularly in rural areas.²⁷⁷ In terms of family planning efforts, the government's recent decentralization of the public health sector requires regional advocates committed to family planning programs for success. Given the cultural impediments to contraception, abortion, and gender equality in other forms, this may not be possible. Many forms of contraception are subject to stock-out, as their supply is dependent upon delivery by foreign aid. On the individual level, women's commitment to home, work and family may leave little to no time to participate in family planning workshops or other contraception trainings.

Ethiopia was selected by the World Health Organization as one of five African countries to participate in the Safe Motherhood Initiative. The Initiative was created to publicize the fact that pregnancy and childbirth are the leading cause of death for women aged 15-19 in developing countries. Launched in 2001, four regions have begun implementation of the program. The four

²⁷¹ (2005, February 10) Retrieved February 14, 2005 from <http://www.cia.gov/cia/publications/factbook/geos/as.html>.

²⁷² (1999.) Retrieved January 31, 2005, from http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.8.en.html

²⁷³ (1999.) Retrieved January 31, 2005, from http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁷⁴ Retrieved January 31, 2005 from <Http://www.engenderhealth.org/itf/ethiopia.html>.

²⁷⁵ Ethiopia Okays Abortion (2004, December 9). *Global Information Network*, p.1..

²⁷⁶ (1999.) Retrieved January 31, 2005, from http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁷⁷ For further discussion see the health policy section of the paper.

primary programs are: Family planning, Antenatal care, Clean & Safe Delivery and Essential Obstetrics Care. The implementing regions have initially focused on training for emergency obstetrics and making the necessary equipment and tools available.²⁷⁸ To publicize the Safe Motherhood Initiative, the WHO has also begun a photo essay entitled Great Expectations. This worldwide educational initiative is intended to reveal cross-country disparities in prenatal care. Ethiopia is one of six countries selected for the tour. The Ethiopian government has enacted a variety of policies to address the issues brought forth in this essay, with limited success.

Gender- and reproductive-related policies, though evolving positively, have yet to significantly impact the country's development. In 1993 the Ethiopian Government adopted an explicit population policy under the rubric of the National Policy for Women (NPW). Initiated with the Family Guidance Association and the International Planned Parenthood Federation, it aimed to increase contraceptive use to 44% and decrease the average birth rate to four children per woman. NPW included government-initiated family and community based organizations, committees, women-specific policies and affirmative action programs to counteract the ongoing under-representation of women across society. These laws have been in existence for 12 years, though no significant social change has occurred.²⁷⁹ The Ethiopian Government also created a brochure titled "Guidelines for Family Planning." However, at the time of the WTO assessment, few health centers had received the guide.²⁸⁰ Obstacles to the achievement of these goals have been a lack of commitment by government officials, devolution of implementation of national policies to state-level actors (which necessitates regional commitment), and lack of resources and access.²⁸¹ As a further example, Ethiopia has had a Daily Integrated Maternal Child Health Program for two decades which continues to lack the capacity to care for mothers. As Haile of the Packard Foundation notes, "We seem to be very good at developing good policies, but very poor at implementing them."²⁸²

Recently, the Ethiopian government has been at the forefront of initiating positive change to the Ethiopian health system. Under a new program, health extension workers, usually female, are trained and assigned two to each of fifteen-thousand remote communities to provide primarily preventive health services including maternal and child health. The first class will soon graduate.

Recommendations

Recommendations regarding improvements of family planning and reproductive health services must address the difficult issues noted above as well as social and cultural barriers. The Ethiopian Government has begun changing laws and priorities to address high fertility, maternal danger and legal inequalities for women. The roll-out of these laws across all states will be slow and subject to communities' acceptance of the new values. Efforts to expand education for

²⁷⁸ (2003.) Retrieved January 20, 2005 from,
<http://www.who.int/countries/eth/areas/pregnancy/en>

²⁷⁹ (2004, January 26.) Retrieved January 31, 2005, from
<http://www.un.org/News/Press/docs/2004/wom1431.doc.htm>.

²⁸⁰ (1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1.4.en.html.

²⁸¹ (1999.) Retrieved January 31, 2005, from
http://www.who.int/reproductive-health/publications/HRP_ITT_99_1/HRP_ITT_99_1_summary.en.html

²⁸² (2004, January 13.) Retrieved January 31, 2005 from,
http://www.irinnews.org/report.asp?ReportID=38905&SelectRegion=Horn_of_Africa&SelectCountry=ETHIOPIA

Ethiopian girls and the health extension worker program will likely contribute, albeit slowly, to cultural change. Essential to these policies is a focus on providing access and education, never coercion. Interventions must be culturally appropriate and relevant, building where possible upon efforts already in place.²⁸³

Contraception and family planning

- ***The existing Family Planning Guide must be distributed on a widespread basis.*** This will begin addressing the issue of information failure, if not access. Regarding the access of contraceptives, government commitment to fertility reduction necessitates state support of contraceptive programs. Were the government to purchase and distribute contraception, there would be less insecurity and stock-out that discourage long-term contraceptive use and success. Men should also be involved in discussions of contraception. NGO's and other actors should also consider investigating and investing in natural methods of family planning that may be more amenable to the population. Natural methods require a teaching session and then limited informational follow-up; unlike other methods, supply and cost are not prohibitive factors. Contraceptive expansion should also include the use of emergency contraception. Emergency contraception is an essential step towards reducing reliance on abortions as well as treating rape victims.
- ***Legalizing abortion*** for victims of rape and incest is a positive first step, but the government should also consider legalizing abortion for the population as a whole. While this will not solve the problem of insufficient doctors or lack of access, it should encourage medical training in abortion, at the very least marginally. The issue of abortion in Ethiopia should be treated as a public health crisis rather than a moral issue.
- ***Provide all elderly Orthodox Christian women with a prayer stick,*** commonly used for standing support in church, to measure one meter 45 centimeters. According to Ruth Kennedy of the Fistula Hospital, one meter, 45 centimeters is the height of a girl physically prepared for childbirth. Elderly women in the church could measure girls before marriage to determine that they are the appropriate height. If a girl were below this height, she would be informed that, upon beginning labor, she must reach a health center.

Conclusions

Attacking the social policy conundrums currently present in Ethiopia is a challenging task. Many of the recommendations presented above assume some availability of government funds to support programs and new initiatives, while other recommendations assume a willingness by Ethiopians to forego traditional cultural practices. Neither of these assumptions may be correct. However, our research and first-hand experiences revealed that the Ethiopian government, non-governmental organizations and individuals are making important changes in the directions we advocate. The economy shows signs of diversification into the service sector and alternative agricultural products, the government appears committed to equalizing educational opportunities for girls, and health extension workers promise to spread health care access to formerly isolated rural communities. These are important steps, but they are only a beginning. Themes of gender inequality, poverty, and high fertility affect not only Ethiopian social stability, but all other sectors essential for the country's wellbeing as well. For this reason, we firmly advocate

²⁸³ The author acknowledges that the efforts currently in place may in large part reflect previous interventions also rooted in Western values.

governmental attention and vigorous commitment to the expansion of educational opportunities for children and particularly girls, as well as to family planning services, information and contraceptives. Focus on these key objectives will contribute significantly to Ethiopia's development and wellbeing.

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Chapter 8. Public Health

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Most countries in Sub-Saharan Africa suffer from an incredibly high burden of disease compared to developed countries and even developing countries in other parts of the world; yet Ethiopia is in a situation worse than most. Still reeling from the effects of famine and war, with a health system debilitated by poverty and poor infrastructure, many important public health issues are just beginning to be addressed. The number one health problem facing Ethiopians is lack of equitable access to health care. Health policy has been evolving in Ethiopia towards decentralization and the utilization of health extension workers to deliver services to those who remain without access to health care facilities. Malaria and other vector-borne illnesses, malnutrition, reproductive health, HIV-AIDS, and vaccine-preventable disease are areas of special concern in Ethiopia. Existing health policies can be examined based on how effective and comprehensive they are in reducing the burden of disease in these areas.

Background

Official health policy has a short history in Ethiopia. Emperor Haile Sellassie began to format health policy beginning in the 1950s. By the end of his reign, the World Health Organization (WHO) had influenced a substantive policy for health service provision which focused on preventive care alongside curative treatment.²⁸⁴ The Derg regime had its own its own health policy priorities, focusing on disease prevention and control with priority given to rural areas. They promoted self reliance and community involvement by training and engaging community health workers and traditional birth attendants.

After the Derg, the Transitional Government of Ethiopia (TGE) formed a health policy that concentrated on development of preventive and promotive health care, and equitable and acceptable standard of health services accessible to all sectors of the population. The transitional government formed a five tier system of health care with a strict referral system between each level. Their original aim was to reach 80% coverage by 2015. In order to reach this goal, the TGE enacted policies stipulating a payment system: For those who could pay, there were user charges for services, and for those who could not, there were special assistance mechanisms. They also left the door open for integrating traditional medicine. However, the availability of functioning health care varied because of wide regional disparities in physical infrastructure. Even when health care was available, it was not affordable for most. The TGE also had difficulty staffing the health centers. An urban bias in distribution of human resources and a shortage of front-line and mid-level professionals created an inappropriate staff mix.

²⁸⁴ Von Massow F. (2001). *Access to Health and Education Services in Ethiopia: Supply, Demand, and Government Policy*. Oxford: Oxfam Publications.

Health infrastructure in Ethiopia remains very similar to what it was under the transitional government.²⁸⁵ Goals of the current health sector development program are to improve the coverage and quality of health service, be primarily implemented and managed by health officials at each level, and to be financially sustainable. Ethiopia has both public and private sector providers. Building on the system of user charges developed during the transitional government, there are four different possible relationships between providers and consumers. In the full payment for services relationship, all clients are charged for services, although it has been strongly argued that the prices paid by consumers are lower than the minimum cost of rendering services. This leads to questions of the economic sustainability of this relationship. In the health coverage benefit for government employees, government health facilities and services are half price with an official letter proving their employment. This coverage does not include pharmaceuticals. The third relationship is exemption, where government health facilities provide free services to those who can not afford the price of services. Lastly, there is the waiver system where entire members of the society are exempted from paying for certain types of health services provided by government facilities.

In fiscal year 1996-97, Ethiopia spent 1454.31 million birr (approximately US \$230.11 million) per year on health care costs, approximately 3.83% of the GDP. If the Health Sector Development Program was implemented as planned, heath sector spending has increased by approximately 50% costing Ethiopia 4086.12 million birr over two fiscal years. A breakdown of costs by program is found in Table 8.1. The money flows from sources to financing intermediaries to providers. The sources are the government (both federal and regional), external (assistance and loans), households, and Parastatals (companies owned or controlled wholly or partly by the government). Intermediaries are generally government offices; from there, the money goes to both public and private sector providers. While there are a variety of funding sources, the biggest spenders are households, which make up more than half of Ethiopia's total health spending. Households are followed by the federal government which provides only a little more than half of the health funding as the households.

The Health Extension Package (HEP) is an innovative new program being implemented under the Health Sector Development Program. Under the HEP, 24,000 trained health extension workers will be deployed to health centers in 15,000 villages around the country in the next five years to provide coverage to over 72 million people by 2010.²⁸⁶ The program is focused on prevention rather than treatment in five target areas: disease prevention and control, family health services, hygiene, environmental health, and first aid. Because the target groups are women and children, the workforce will be 75% female. Workers will be selected from the regions (though not necessarily the villages), in which they will be employed, and are required to have successfully completed at least the 10th grade. Specific targets and monitoring guidelines have been defined, and the Woreda Health Offices and Regional Health Bureaus are charged with conducting surveys and preparing reports to assess the effectiveness of the program.²⁸⁷ The

²⁸⁵ NHA Team (Tassew D., Miraw M, Gulema S, and Ayele A) Ethiopia: National Health Accounts 1995/96. Retrieved February 1, 2005, from http://www.who.int/nha/docs/en/Ethiopia_NHA_report_english.pdf

²⁸⁶ Center for National Health Development in Ethiopia. Retrieved March 15,2005 from <http://cnhde.ei.columbia.edu/programs/hep.html>

²⁸⁷ Federal Democratic Republic of Ethiopia, Ministry of Health. *Health Sector Development Program II, 2002/02 – 2004/05*. Retrieved March 15, 2005. from <http://cnhde.ei.columbia.edu/files/4/1/2004-Dec-Thu-014433>.

first 2,800 trainees graduated at the end of 2004 and 7,000 more are currently in training in 24 centers around the country.²³ Historically, retention of community health extension workers has been a major problem, either because of lack of adequate compensation or the temptation of more lucrative employment. The Health Extension Package hopes to avoid this problem by treating the workers as government employees and considering them part of the National Health System. This is likely to have tremendous positive impact on retention and sustainability.²⁸⁸

Table 8.1

**Estimates of Total Program Costs by Component and Region (in birr)
EEFYs 1995–97²⁸⁹**

Region/FMOH (Federal Ministry of Health)	Share (%)	Total
Total Budget	100%	6,868,232,099
HSD&QC (Health Service Delivery and Quality of Care)	50.6	3,477,625,644
Drug Procurement*	7	477,226,719
Health Facility Construction & Rehab	23.4	1,609,119,986
Human Resource Development	6.4	440,983,604
Pharmaceutical services	9.8	677,417,817
IEC (Information, Education, and Communication)	1.2	84,934,535
Support and Advisory Services**	8.4	577,808,202
Management and HMIS (Health Management Information System)	0.8	60,332,671
Monitoring and Evaluation (and OR)	1.0	68,726,321
Health Care Finance	0.3	21,006,042
General: recurrent (RHB [Regional Health Bureau], WHOFF.,)	6.2	427,571,965

Source: Regional Plans for 1995 – 1997 EFY (with some adjustments)

In cases where Component #2 only is finalized, the indicative plan has been adjusted according to the new plan for this component
The indicative plan does not provide comprehensive costing – costs for the HSD&QC, HRD, HCF (for which annual figures are lacking) were assumed, as a very rough estimate, to be equally distributed over the three years, and to increase by 10% in the case of HSD&QC

* The budget for Drug Procurement is drawn only from HSD&QC component

** The budget for “Support and Advisory Services” is drawn from all components including general recurrent (RHBs, WHOs, FMOH)

Malaria and other Vector-borne diseases

Malaria is an important cause of morbidity and mortality in Ethiopia. Incidence of the disease has increased in recent years, from 1.1 million cases in 1995 to 1.5 million in 2001.²⁹⁰ Reasons for the increase are not clear, but local climactic changes including higher average temperatures, abnormally high rainfalls over short time periods, and unusually long dry seasons are said to be factors, especially in highland populations where the disease is relatively new and communities do not have natural immunity.²⁹¹ It is also possible that an increase in water development

²⁸⁸ Federal Democratic Republic of Ethiopia. Ministry of Health. *Accelerated Expansion of Primary Health Care Coverage in Ethiopia: 2005-2009*. Retrieved March 15, 2004 from <http://cnhde.ei.columbia.edu/files/4/1/2004-Dec-Thu-023839>.

²⁸⁹ Federal Democratic Republic of Ethiopia, Ministry of Health. *Health Sector Development Program II, 2002/02 – 2004/05*. Retrieved March 15, 2005. from <http://cnhde.ei.columbia.edu/files/4/1/2004-Dec-Thu-014433>.

²⁹⁰ WHO. *Country Cooperation Strategy: Ethiopia (2002-2005)*. Retrieved February 1, 2005 from http://www.who.int/countries/en/cooperation_strategy_eth_en.pdf

²⁹¹ Ethiopian Ministry of Health, Malaria and other vector-borne diseases control unit. *Guidelines for Malaria Epidemic Prevention and Control*. Retrieved February 1, 2005 from <http://cnhde.ei.columbia.edu/files/4/2/2004-Oct-Mon-084426.pdf>.

projects and irrigation systems has increased the available breeding habitat for the mosquito vector and exacerbated the spread of the disease. Ghebreyesus (1999) demonstrated that microdams in Tigray constructed for irrigation purposes may have increased the incidence of malaria in children and lengthened the cycle of transmission.²⁹²

Malaria is not the only disease that can become more prevalent with water development. As Ethiopia continues to develop its water resources, it can learn from its neighbors. In Egypt, the construction of the Aswan High Dam and the subsequent creation of slow moving irrigation canals along the Nile have been linked to an explosion of infection with the snail-borne parasitic disease Schistosomiasis, Egypt's number one public health problem.²⁹³ Along the Blue Nile in Sudan, the Kariba and Aswan High Dams have been linked to the spread of Rift Valley Fever.²⁹⁴

Mosquitoes do not survive at altitudes higher than 2000 meters, but the threat is still significant, and about 75% of the country is actually at risk.²⁹⁵ Now that Chloroquine-resistant strains of the parasite are documented in Ethiopia, sulfadoxine-pyrimethamine (Fansidar) is the drug of choice for treatment. The cost of Fansidar, considerably more expensive than Chloroquine, constitutes an additional barrier to treatment for many Ethiopians.

Ethiopia has secured US \$37.9 million in funds from the Global Fund to treat AIDS, TB and malaria to implement three major control strategies.

- Provision of insecticide treated nets and encouragement of their use.
- Provision of emergency medications and insecticides to epidemic prone areas, establishment of an emergency surveillance system to respond to epidemic risks, and training of qualified personnel to apply pesticides safely.
- Training of community health workers to ensure early diagnosis and prompt treatment of cases.

The goal of these interventions is to reduce the overall burden of malaria by 25% by 2007, using the 2001 rates as a baseline. The Ethiopian malaria control program already has three to five professionals in each district that will be called upon to coordinate activities.

Because it is unlikely that the malaria parasite will be eliminated, preventative measures are the best defense against the disease. While most Ethiopians are familiar with the disease, recognize its symptoms and know to seek treatment, the mode of transmission is often poorly understood, particularly in rural populations. A study in Kishe settlement in southwest Ethiopia showed that while 80% of community members knew that mosquitoes are responsible for spreading the disease, appropriate measures for mosquito control were less well understood.²⁹⁶ Many people believed that dirt and poor hygiene rather than standing water breeds mosquitoes; only 3% of the

²⁹² Ghebreyesus, Tedros et. al. (1999). Incidence of malaria among children living near dams in northern Ethiopia: community based incidence survey. [Electronic version]. *British Medical Journal*. 319, 663-666.

²⁹³ Jobin, William. (1999). *Dams and Disease: Ecological Design and Health Impacts of Large Dams, Canals, and Irrigation Systems*. New York: E & FN Spon.,

²⁹⁴ World Commission on Dams. (2000). *Dams and Development: A New Framework for Decision Making* London: Earthscan Publications.

²⁹⁵ Global Fund to treat AIDS, TB, and Malaria. (2000). *Ethiopia Project Proposal*.

²⁹⁶ Adera, Tilahun. (2003) Beliefs and traditional treatment of malaria in Kishe settlement area, Southwest Ethiopia. *Ethiopian Medical Journal*. 41 (1), 25-34.

population was familiar with mosquito nets. DDT spraying in homes is widely accepted and practiced, but numerous long-term health and environmental risks associated with the chemical make it less than an ideal choice for mosquito control. Prevention education, widespread use of mosquito nets, and increased availability of affordable anti-malarial treatment are critical in controlling the disease in rural areas. Under the Health Extension Package, health extension workers will educate communities on preventative measures, distribute malaria drugs based on treatment guidelines, distribute insecticide treated bednets, and undertake indoor insecticide spraying. Workers will also administer community surveys, identify vector breeding sites, and report epidemics.²⁹⁷

Malnutrition

Following two recent great famines (in 1972-75 and 1983-85) and ongoing food insecurity, malnutrition has become a major problem in Ethiopia. Two-thirds of children are considered moderately to severely malnourished. This is not only a health problem in itself, but can also exacerbate health problems in later life. Caloric intake is a concern due to unavailability of food, but micronutrient consumption is also a major problem. Iodine deficiency, largely an environmental health issue due to lack of iodine in drinking water, can cause goiter and thyroid conditions. In the case of babies born to iodine deficient mothers, it can cause cretinism (a form of mental retardation). Blindness due to Vitamin A deficiency is also a major problem, but providing Vitamin A supplementation to children in conjunction with National Immunization Days has shown some success. Organizations such as the World Food Programme are focused on increasing food security, improving agricultural practices, and providing better nutrition. The HEP contains a training module on nutrition, and health extension workers, in cooperation with agricultural extension workers, will hold community training sessions on proper nutrition micronutrient deficiencies. Health extension workers will not distribute vitamin supplements or food aid; they will function in a strictly educational capacity.²⁹⁸

HIV-AIDS

HIV-AIDS has been declared a national emergency in Ethiopia, with between 0.95 and 2.3 million people currently infected, primarily in urban centers and along main transportation routes. The adult prevalence rate is estimated to be 4.4% and increasing, although the accuracy of this number is questionable due to low rates of testing and reporting HIV status. Prevention education is a priority for reducing the rate of infection, but although the general population is knowledgeable about the causes of AIDS, real changes in behavior are slow to come. It is estimated that less than one half of sexually active youth use condoms. Ethiopian doctors are reluctant to pass bad news to patients on any health matter. In the past, they would tell patients' family members about the diagnosis and leave them to inform the patient in a culturally appropriate manner.²⁹⁹ However, they are now unable to do this because of AIDS. Many people with AIDS have been evicted from their homes by their families or rejected by their friends or colleagues. The stigma towards AIDS forces physicians to tell the patients themselves of their

²⁹⁷ Federal Democratic Republic of Ethiopia, Ministry of Health. (2003). *Malaria Prevention and Control Extension Package*. Retrieved February 1, 2005 from

http://cnhde.ei.columbia.edu/training/documents/Malaria_Prevention.pdf

²⁹⁸ Federal Democratic Republic of Ethiopia, Ministry of Health. (2003). *Nutrition Extension Package*. Retrieved February 1, 2005 from <http://cnhde.ei.columbia.edu/training/documents/Nutrition.pdf>.

²⁹⁹ Sepulveda, C. et al. (2003). Quality care at the end of life in Africa. [Electronic version] *British Medical Journal*. 327, 209 - 213

diagnosis. Under the HEP, Health Extension Workers are expected to collect data on the number of new AIDS cases, deaths, and individuals living with HIV-AIDS in their districts, hold community trainings on the treatment, prevention and spread of the disease, and ensure that people living with AIDS have appropriate medical and emotional support systems.³⁰⁰

Anti-retroviral treatment (ART) is generally not available to the public. At a cost of US \$360 per year, it is out of the financial reach of most Ethiopians, and only 4,500 HIV infected people receive ART in Ethiopia. ART provision is seen as critical to the successful implementation of testing; if people know that a treatment is available, they are more willing to learn and disclose their status, thus curbing the spread of the disease.³⁰¹ Yet, ART is complicated to administer, and its success depends on well-managed health infrastructure and close monitoring.

The WHO's 3 by 5 initiative to provide retro-viral treatment to 3 million people worldwide by the end of 2005 has set a target of 93,000 people in Ethiopia to receive treatment. The estimated cost of this initiative in Ethiopia is US \$223-263 million, but currently there is a funding gap of about US \$111-151 million. It is not clear from where the funds to successfully implement the initiative will originate.³⁰² In 2002, Ethiopia developed a policy on the supply and use of ART, establishing that ART would be exempted from taxation, supplied at a reduced price through government negotiations with manufacturers, importers and distributors, and the government would encourage local manufacture in the private sector.³⁰³ In order to reduce mother to child transmission of the disease, pregnant and lactating mothers are prioritized. The policy also indicates intent to establish monitoring systems for patient adherence to the regimens. In 2005 a Guideline for Implementation of ART was published, but viable monitoring systems will be difficult to achieve given the current medical infrastructure.

Ethiopia has received a US \$55 million grant from the Global Fund to fight AIDS, TB and Malaria for a variety of programs directed towards HIV-AIDS. The funds will be used to increase training in HIV-AIDS prevention and treatment for health professionals, expand availability of testing, establish blood banks and monitoring blood supply to ensure safety, and develop and implement condom promotion and distribution programs. The Global Fund has also provided monies for combating TB, an illness strongly correlated with AIDS.³⁰⁴

Although the HIV-AIDS epidemic has not reached the level of some other crisis countries, such as Uganda and South Africa, the situation in Ethiopia is truly an emergency. A national HIV/AIDS task force was established in 1985, before the first AIDS case had been officially diagnosed, and instituted an HIV/AIDS department within the Ministry of Health in 1987. An

³⁰⁰ Federal Democratic Republic of Ethiopia, Ministry of Health. (2004). *HIV-AIDS and Tuberculosis Prevention and Control Package*. Retrieved February 1, 2005 from http://cnhde.ei.columbia.edu/training/documents/HIV-AIDS_and_Tuberculosis.pdf.

³⁰¹ Degefa, Ambaye. (2003). Knowledge and attitudes towards antiretroviral therapy among factory workers participating in a cohort on HIV and AIDS, Addis Ababa, Ethiopia. [Electronic version] *Ethiopian Medical Journal*. 41(Suppl. 1), 75 - 87

³⁰² WHO 3 by 5 Initiative. *Summary Country Profile for Treatment Scale-up*. Retrieved February 1, 2005 from <http://www.who.int/3by5/en/Ethiopia.pdf>

³⁰³ Federal Democratic Republic of Ethiopia, Ministry of Health. (2002). *Policy on Anti-Retroviral Drugs Supply and Use*. Retrieved February 1, 2005 from <http://cnhde.ei.columbia.edu/files/4/3/2004-Dec-Mon-010748>.

³⁰⁴ Global Fund to treat AIDS, TB, and Malaria. (2000). *Ethiopia Project Proposal*.

official policy was approved in 1998. Currently, the National AIDS Prevention and Control Council, with members from government, NGOs, religious groups and chaired by the Ethiopian president, is charged with implementing this policy.

In spite of the development of the National AIDS Prevention and Control Council, most government ministries have yet to address HIV-AIDS in their policies. The Ministry of Youth, Sports and Culture does include language on youth and HIV-AIDS in its National Youth Policy, expressing the desire for youth to mobilize in the fight against HIV-AIDS and promote awareness and behavior change.³⁰⁵ As part of this enabling environment, it has held participatory trainings for youth leaders in all regions of the country, encouraging knowledge to be shared and behavior change initiated from within the young community. Other ministries have been slower to respond. The Ministry of Education has not developed an HIV-AIDS curriculum for primary or high schools. Although more than 75% of the population is involved in the agricultural sector, the Ministry of Agriculture has yet to make HIV-AIDS a priority in its development policies.³⁰⁶

Other countries in sub-Saharan Africa are confronting similar cultural and social barriers to dealing with AIDS, and have implemented policies and interventions that have met with great success. Since the mid-1990's, HIV prevalence in Uganda has been on the decline. The Ugandan government's multi-sectoral approach to HIV-AIDS as not only a health issue, but a far-reaching social problem, has been lauded as key to this success. Every ministry in the government has incorporated a work plan on HIV-AIDS into its policies, and religious and civil society leaders have been engaged in their development and implementation.³⁰⁷

Vaccine-preventable Disease

Only 21.9% of Ethiopian children are fully immunized according to WHO standards for DPT, Polio, Measles and TB. Ethiopia has been entirely dependent on donors for funding the implementation of the WHO's Extended Program on Immunization (EPI), and a 2003 report by the World Bank recommended that the Ethiopian government increase its level of contribution to the program to encourage further donor support.³⁰⁸ Immunizations for polio are largely conducted in the course of National Immunization Days, during which eligible children are immunized in their households in selected communities. This has been successful in increasing the number of children vaccinated for Polio from 294,000 in 1996 to 14.1 million in 2001.³⁰⁹ Health extension workers will be trained to administer vaccinations, recognize and report cases of polio and epidemics of other vaccine-preventable disease such as measles, and educate

³⁰⁵ Federal Democratic Republic of Ethiopia, Ministry of Youth, Sports, and Culture. (2004). *National Youth Policy*.

³⁰⁶ Garbus, Lisa. (2003). *HIV/AIDS in Ethiopia*. 2003. Retrieved March 15, 2005 from <http://ari.ucsf.edu/policy/profile/Ethiopia.pdf>.

³⁰⁷ Garbus, Lisa and Elliot Marseille. (2003). *HIV/AIDS in Uganda*. Retrieved March 15, 2005 from <http://ari.ucsf.edu/policy/profile/Uganda.pdf>.

³⁰⁸ Stevenson, Sally and Brenda Candries. (2002). *Ethiopia National Immunization Program: Costing and Financing Assessment*. Retrieved February 1, 2005 from http://www.who.int/immunization_financing/analyses/en/wb_ethiopia.pdf

³⁰⁹ WHO. *Country Cooperation Strategy: Ethiopia (2002-2005)*. Retrieved February 1, 2005 from http://www.who.int/countries/en/cooperation_strategy_ethylene.pdf

communities about the importance of vaccinations and improve sustainability. People are unlikely to seek vaccinations for children on their own if they are not educated on the reasons for vaccination and the appropriate vaccination schedules.³¹⁰ In-house administration of the oral polio vaccine has worked well, but because injections for other vaccine preventable disease are easily damaged by heat, they must be given in local health posts rather than in homes to protect vaccine integrity.³¹¹ In-home vaccinations are ideal, and if an improved storage and transportation can be ensured, this strategy will be implemented.

Traditional Medicine

Traditional medicine is an aspect of culture that impacts public health practices in Ethiopia. Ethiopians choose to consult traditional healers before turning to government health workers because they are close by and cheaper than formal services.³¹² There are no consultations, and patients feel they are treated with respect. This has caused a very rocky relationship between government health workers and traditional healers. Government health workers often have a strong dislike for traditional healers because by the time patients turn to them, it is too late to help them.

Religion also has an effect on health practices. It is difficult to ascertain exactly how deep the belief in traditional medicine runs. In one study, a woman was diagnosed with a condition, and was prescribed a treatment, but it was one that she could not afford. When asked what she did when that happened, her only answer was “We pray to Allah.” It is uncertain how much faith people have in traditional medicine because of the reasons they give for its use. It may simply be that they turn to it because they cannot afford other treatments.

Analysis

Lack of equitable access to healthcare in Ethiopia is not only a matter of poor infrastructure and physical distance to health centers. The prohibitive cost of medication and low retention rate of qualified health care professionals to deliver services are major obstacles in providing health care to poor, rural populations.

Drug supply in Ethiopia comes through the national drug program via bilateral and multilateral agencies and NGOs.³¹³ Unfortunately, the most frequently needed drugs are either not delivered or they are delivered in insufficient quantities. When drugs do arrive, they are often close to the expiration date. Health facilities divide the pharmaceuticals into two supply lines, one for non-fee paying patients and the other for fee paying patients. Non-fee paying patients receive the government supply of drugs, but this is the supply that is most often empty. Patients in this

³¹⁰ Streefland, Pieter et. al. (1999). Patterns of vaccination acceptance. [Electronic version] *Social Science and Medicine*. 49, 1705-1716.

³¹¹ Federal Democratic Republic of Ethiopia. (2003). *Vaccination Service Extension Package*. Retrieved February 1, 2005 from <http://cnhde.ei.columbia.edu/training/documents/Vaccination.pdf>.

³¹² Von Massow F. (2001). *Access to Health and Education Services in Ethiopia: Supply, Demand, and Government Policy*. Oxford: Oxfam Publications.

³¹³ Von Massow F. (2001). *Access to Health and Education Services in Ethiopia: Supply, Demand, and Government Policy*. Oxford: Oxfam Publications.

group generally have to go without treatment. Even if sufficient supply could be assumed, many Ethiopians do not know that the program exists and in rural areas. Where people do know about treatment, there is often no one to process the application for exemption, and benefits from the program are not received. Fee-paying patients receive drugs from a revolving fund such as one established by doctors without borders. These supplies are where drugs required for treatment usually are. The cost of medication is extremely high. Drugs in Ethiopia are also taxed, and the government has removed direct subsidies. As a result, some hospitals attribute 80% of the running costs to the price of drugs.

Brain drain plagues Ethiopia as well as most other African countries, yet it is not just a problem of physicians leaving their country for the U.S. or U.K. There exists a series of internal and international migrations of health personnel to places deemed more favorable.³¹⁴ Migration includes rural to urban areas and general movement to areas of greater development. Ethiopia's capital, Addis Ababa, has 14% of the country's hospitals, doctors, and nurses, but only 4% of the population. Physicians' bias towards urban areas exacerbates the country-wide problem of only having one third the number of physicians as recommended by the WHO. Just 48.5% of Ethiopians are presumed to have access to some kind of modern health services. The ability of health ministries to develop and implement policies is hampered by the physician shortages, which are in turn aggravated by donor preferences. Donors choose to give money to vertical, single disease programs. The extreme clinical focus contributes to the shortage of health professionals with management skills.

More traditional approaches to counteract brain drain included three types of policies

- Restrictive policies – Policies that make migration more difficult such as compulsory national service
- Incentive policies – Policies designed to make emigration less attractive such as offering highly skilled workers incentives to remain in the home country
- Compensatory policies – Policies where either the receiving country or the individual migrants get taxed in order to compensate the sending country for the loss of human capital.³¹⁵

The above policies were ineffective and have led to a new approach called the Diaspora option that capitalizes on Africans living abroad.³¹⁶ This approach has been streamlined by the Mobilizing the African Diasporas for the Development of Africa (MIDA) program into three parts which can be implemented individually or, preferably, in combination. The first option is virtual/tele-work, which uses information and communications and technologies (ICTs) to

³¹⁴ Friedman E for Physicians for Human Rights. (2004). An action plan to prevent brain drain: Building equitable health systems in Africa [Electronic version]. Retrieved March 20, 2005, from <http://www.phrusa.org/campaigns/aids/pdf/braindrain.pdf>

³¹⁵ Brown M. Using the Intellectual Diaspora to Reverse the Brain Drain: Some Useful Examples. [Presented at University of Cape Town, South Africa]. Retrieved March 20, 2005, from www.uneca.org/eca_resources/Conference_Reports_and_Other_Documents/brain_drain/word_documents/brown.doc

³¹⁶ Friedman E for Physicians for Human Rights. (2004). An action plan to prevent brain drain: Building equitable health systems in Africa [Electronic version]. Retrieved March 20, 2005, from <http://www.phrusa.org/campaigns/aids/pdf/braindrain.pdf>

reduce the costs incurred by physical presence, while easing mobility and enhancing availability of skills. This could include not only distance learning, but also a knowledge network that will mobilize expatriates to contribute their skills to the development process in their country. Expanding internet accessibility is critical for this strategy. A second option is temporary assignments for Diaspora members to return and create or complement teams in their home country. This requires increased mobility of expatriate African professionals between the host country and country of origin. The last option is permanent return to the country of origin.³¹⁷

The above options do not pertain only to health professionals, but because of the dire situation in Ethiopia, where one third of physicians have left the country to practice abroad, they are particularly relevant.³¹⁸

Recommendations

Because public health is influenced by and has an influence on so many sectors of Ethiopian society, policy recommendations extend not only to health policy, but to many government ministries that deal with domestic and international affairs. Some diseases, such as HIV-AIDS, are addressed by specific governmental policies, but other health issues must be addressed more broadly.

HIV-AIDS Policy

- While in the process of monitoring and evaluating its existing HIV-AIDS policy, Ethiopia can take cues from the successes of other Sub-Saharan African countries such as Uganda and incorporate a more multi-sectoral approach to address HIV-AIDS not as simply a health problem, but as a social problem affecting all sectors of society and government.
- In line with this multi-sectoral strategy, Government ministries should incorporate similar strategies as the Ministry of Youth, Sports and Culture to implement integrated policies encompassing all branches of government and society necessary to address the AIDS epidemic.

Domestic Policy

- Incorporate health education into education policy and public school curricula. Prevention is the key to many public health issues, and education is the key to prevention. Schools can play a vital role in educating youth on issues such as HIV-AIDS prevention, risk factors for disease, and vaccination schedules. In terms of women's and reproductive health, educated and empowered young women achieve more sexual and reproductive autonomy and improve health outcomes in this respect. Poor health and

³¹⁷ International Organization for Migration. Migration for Development in Africa: Mobilizing the African Diasporas for the Development of Africa. (2004). Retrieved March 20,2005, from http://www.iom.int/DOCUMENTS/PUBLICATION/EN/Mida_E.pdf

³¹⁸ Tebeje A. et al. Stopping the Brain Drain from Africa: Their Loss, our gain. (2004) Retrieved March 20, 2005 from <http://www.ethiopiandiaspora.info/articles.asp?id=52>

lack of education comprise a vicious cycle wherein unhealthy people are unable to attend school, and thereby cannot reap the health benefits provided by increased education.

- Ensure the Health Extension Package's success through continued monitoring and evaluation.
- Ensure equitable distribution of health centers. Because of conflict between ethnic groups, it is important that one ethnic group not be seen as favored over another as health infrastructure development continues. This is complicated by existing disparities between regions within the country, but in order to ensure a unified Ethiopia, equitable development is imperative.

Infrastructure/Technology

- Prioritize the development of infrastructure to facilitate the rapid implementation of house-to-house immunizations and provision of ART.
- Include health impact assessments with all new water development projects that could result in negative health consequences and spread of vector-borne disease.

International Policy

- Finalize inscription of MIDA (Mobilizing the African Diasporas for the Development of Africa)
- Improve government-Diaspora relations and information technology in order for virtual participation to become a factor in helping ease and reverse the brain drain
- Improve dialogue and migration policy options to allow health professionals to return to Ethiopia and share knowledge with permanent local health workers

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¹ Federal Democratic Republic of Ethiopia. Ministry of Health. Accelerated Expansion of Primary Health Care Coverage in Ethiopia: 2005-2009. Retrieved March 15, 2004 from <http://cnhde.ei.columbia.edu/files/4/1/2004-Dec-Thu-023839>

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Chapter 9. Social Entrepreneurship

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Social Entrepreneurship in Ethiopia: An Analysis

A social entrepreneur is ambitious, savvy, and unwaveringly driven toward social change in her community; That is, unless her determination is cut short by a lack of information or capital. Social entrepreneurship, the phenomenon that is empowering the poorest in the developing world, fascinating the richest in the corporate world, and inspiring everyone in between, is featured on the world stage not because natural entrepreneurs are new to the developing world – they’re not; they’ve always been there. Rather, it is because increasing access to information and markets has made their dreams more viable.

Communities need innovative ideas that will break the cycle cyclical poverty of. Often, due to meager education and lack of technical know-how, these innovations must come from the outside. Yet without capital, new ideas cannot be launched. Without access to markets or a consistent source of funds, they will not be sustainable over time. The arrival of new ideas and financial resources allows social entrepreneurs to thrive, paving the way for development in the most destitute areas of the world.

Despite its relatively stable democracy, perennial support from other countries, and current initiatives to decentralize government control, Ethiopia has thus far failed to cultivate a conducive environment for grassroots social entrepreneurship. This failure appears to result from a lack of the two essentials described above: information access and financial resources. In such an environment, rural communities are unable to ease their own poverty and vulnerability to external shocks, and indigenous innovations are stymied.

Before elaborating further on the Ethiopian environment for social entrepreneurship, it will be helpful to define the concept more precisely. The following section both clarifies its usage among agencies active in the field, and makes its tenets more appropriate to Ethiopia in effecting positive social change.

Social Entrepreneurship Defined

Even among organizations directly involved in social entrepreneurship, the definition can be hazy. The term is often used interchangeably with “social enterprise,” which The Social Enterprise Alliance (www.se-alliance.org) defines as “any earned-income business or strategy undertaken by a nonprofit to generate revenue in support of its charitable mission. ‘Earned income’ consists of payments received in direct exchange for a product, service or privilege.”³¹⁹ This definition is quite broad, encompassing anything from Oxfam shops to Nature Conservancy

³¹⁹ Homepage of the Social Enterprise Alliance, www.se-alliance.org. Cited 3/18/2005.

neckties,³²⁰ not to mention any fee paid for service in non-profit hospitals, museums, or organizations. For-profit business ventures that respond to societal needs may constitute an even broader category.

For the purposes of the present study, five central components of social entrepreneurship will be outlined:

- Local-specific innovation;
- Social impact;
- Sustainability;
- Replicability; and
- Inspired Leadership.³²¹

Local Innovation

The very meaning of “entrepreneur” implies some sort of innovation, directed at an untapped niche in the social or business environment. This innovation may take the form of a new product or service, a new approach to a certain activity or business, or a more efficient method of conducting an existing activity. With social entrepreneurship, the innovation is a specific response to a local problem. A pair of entrepreneurs in Ethiopia’s neighbor, Kenya, for example, saw a local need for better irrigation systems. They also identified the limited capacity of local people for purchase of intricate equipment. Their innovation, a small, inexpensive, but powerful hand pump, combined technical innovation with local specificity; it is now used widely throughout the country and its inventors run a very successful business.

Social impact

The concept of social entrepreneurship contrasts subtly with the “bottom of the pyramid” concept, popularized by Dr. C.K. Prahalad of the Ross School of Business at the University of Michigan. This model emphasizes the potential of such business endeavors aimed at the world’s four billion poor to both bring large profits, and to alleviate poverty.³²² However, although Prahalad’s business model may bring social impact, it does not mandate this second crucial component of social entrepreneurship. Iqbal Quadir, the architect of GrameenPhone, a company that has brought mobile phones to 2.5 million people in Bangladesh in the past eight years, responded to this popular question of whether business can help people out of poverty: “A business might sell wrong things like sodas and cigarettes that do not necessarily advance people’s lives. But if it sells phones, power generators or eye glasses, it offers opportunities and advances peoples’ lives. That’s a good thing.”³²³

Social entrepreneurship requires a social impact, both for the community and for the local entrepreneurs themselves. As another example, a group of young men from the Australian

³²⁰ Necktie example used by Gregory Dees in a lecture at the Wharton School of Business, as related in “New Definitions of Social Entrepreneurship: Free Eye Exams and Wheelchair Driver,” Knowledge@Wharton, December 17, 2003. <http://knowledge.wharton.upenn.edu/index.cfm?fa=viewArticle&id=897>.

³²¹ Gathered primarily from the Schwab Foundation for Social entrepreneurship

³²² Prahalad, C.K. The Bottom of the Pyramid: Eradicating Poverty through Profits. NJ: Wharton School Publishing, 2005.

³²³ “Why Not Capitalism for Developing Countries?” Interview with Iqbal Quadir in *Ode* magazine, April 2005. p. 36 (adjacent to an article by C.K. Prahalad).

outback decided to make a profit by making and selling environmentally-friendly mosquito repellent – which also brings a positive impact on social, environmental, economic, and institutional aspects³²⁴ of their local area.

Sustainability

As has been indicated in other chapters, the international aid community has, for the most part, failed to contribute lasting solutions to cyclical poverty in the developing world. Social entrepreneurship, therefore, aims always to be sustainable. The social impact of an innovation leads to local awareness and increased demand, which in turn leads to revenue for expanded projects. Many social entrepreneurs can rely on government or philanthropic funds, but most ventures need natural market forces to be sustainable, operating as small businesses. Although most ventures require some seed money to get started (just as new business ideas need venture capital), the social entrepreneur can then sustain, expand, and adapt her business for the shifting social problems in her area.

Replicability

Unlike many businesses, a social entrepreneur is concerned at least as much with social impact as with maintaining market control. In this way, they allow and encourage their innovations to be replicated to solve social problems in other communities, other regions, and even other countries. The microfinance model of Grameen Bank, which began making small financial loans to female villagers in rural India in the 1970s, has since been replicated in over 100 countries. In cases where a social venture is very culturally or geographically specific, a social entrepreneur would be equally happy to see her business expire as its target problem is erased.

Inspired Leadership

Finally, as many individuals and organizations involved in social entrepreneurship agree, the most crucial aspect of a social venture is an inspired leader. Bill Drayton, head of Ashoka, one of the world's leading investors in social entrepreneurship, makes decisions on grant recipients based primarily on the drive and integrity of the social entrepreneur herself. According to the Skoll Foundation,³²⁵ a social entrepreneur is not only ambitious, mission-driven, strategic, resourceful, and results-oriented, but also humble and persistent. Finding good candidates may be the biggest challenge for a willing social investor, but once you meet one, a social entrepreneur is unmistakable.

Most elements of these tenets can be fostered locally, but an unsupportive business culture and lack of access to information can crush the potential of successful social ventures. If a country's private or civil sector can encourage the exchange of information for the sake of appropriate innovations, and a government can foster a supportive business environment for market-based sustainability, inspired leaders will appear naturally to expand and replicate these ideas for social impact. Social entrepreneurship requires an encouraging environment among businesses, governments, and NGOs to achieve its ultimate goal: lasting social change.

³²⁴ The Sustainable Development division of the UN Department of Economic and Social Affairs outlines the four central categories of impact of any endeavor as social, environmental, economic, and institutional.

³²⁵ founded by Jeff Skoll of eBay fortune

Enabling Social Entrepreneurship

As with all enterprises, social entrepreneurs need a structure that allows them to build businesses. This section provides an overview of environments that enable or prohibit enterprise, especially in developing countries, and describes the Ethiopian environment for building enterprise. While that environment presents numerous challenges to entrepreneurs, there are examples of efforts on the part of government, the business sector, and NGOs to allow Ethiopian enterprise to grow.

Obstacles to Developing an Enterprise

In discussing the enabling environment, it is important to first understand what obstacles exist to developing enterprise and how the correct environment addresses them. There are three main obstacles to starting an enterprise in a developing country:

- Access to Start-up and Working Capital: *Addresses the financial limitations that prevent organizations from moving beyond the start-up phase to a phase where they can stabilize, expand, and diversify. Issues that lead to financial limitations include legal status, lack of assets, and cash flow.*
- Unclear regulatory (Legal and Tax) Environment: *Addresses how inadequate, insufficient, and inaccurate information about tax and legal structure in addition to burdensome procedures make it difficult for business to start and flourish.*
- Ambivalent or Negative Public Perception: *Addresses how societal opinions discourage people from trying new endeavors including starting new social enterprises.³²⁶*

To address these problems, an enabling environment must be created that will allow social entrepreneurs to build enterprises or businesses. Three key methods to do this are:

- Allowing for information flows: *Communication infrastructure, such as telephones and internet, is a necessary first step. Flows of information that allow people to have more knowledge about various processes in the regulatory environment must also be developed.*
- Removing institutional barriers: *Various obstacles exist that prevent businesses from starting, including financial barriers that limit access to funds and regulatory barriers that make it difficult to register and start business. These must be eliminated.*
- Improving learning capabilities: *A forum for entrepreneurs to build capacity and learn skills that lead to the start-up of a new enterprise must be created and enhanced.*

These methods begin to address the obstacles to developing an enterprise. If implemented correctly, they can lead to an environment that encourages social entrepreneurship.

Enablers in Ethiopia

It is the role of the government and the private sector, including both for-profit and nonprofit organizations, to improve the Ethiopian business environment and allow for social enterprises to

³²⁶ Oster, Sharon M.; Cynthia W. Massarsky, Samantha L. Beonhacker. Generating and Sustaining Nonprofit Earned Income. Jossey-Bass, San Francisco. 2004. p 185-187

thrive. The government has potential to play an enabling role in two ways: (1) by creating laws and regulations that make it easier to start businesses and (2) by providing support through trainings and workshops to individuals and organizations. Businesses, NGOs, and IGOs influence the business environment in two ways: (1) by advocating for laws that support a better business environment and (2) by providing trainings, workshops, and programs to actual and potential entrepreneurs.

Government Enablers

Federal Micro and Small Enterprise Development Organization (FeMSEDA) is a federal government organization established in 1998 to promote micro and small enterprise development. It coordinates regional government, NGOs, and private sector involvement with micro and small enterprise development. It also provides services including training, information and consultancy that allow them to gain the skills to succeed.

Ethiopian Business Development Services Network is a federal government organization that aims courses at entrepreneurs and support and regulatory agencies. This organization is unique because it focuses on the needs of the individual as well as the environment. It works closely with the Chamber of Commerce and the German Technical Corporation (GTZ) to provide services including trainings, manuals, and start-up business tool kits to help small and medium size enterprise.

Business Enablers

The Ethiopian Chamber of Commerce, created in 1947, is an apex organization which coordinates fifteen regional Chambers. Each individual Chamber is autonomous and comprised of local businesses that pay membership dues and have voting privileges. In turn, each local Chamber pays dues to the national organization. The services provided are advocacy and assistance and training for business development. In terms of advocacy, they identify bottlenecks and develop solutions to address them. In 2002, they compiled a book identifying 34 major issues inhibiting business in Ethiopia and ways to address these problems. They have also formed a public-private partnership with the Ministry of Trade to work towards addressing issues that inhibit business development. For business development services, the Ethiopian Chamber of Commerce has organized exhibitions to bring businesses together and provide trainings to entrepreneurs. For example, since realizing that many businesses are hurt by their lack of clarity regarding the tax system, the organization has begun providing trainings and publishing materials to clarify relevant laws and policies.

Microfinance Institutions: Recognizing that commercial banks were unable to provide necessary financial services to poor households due to transaction costs and high risk, the Ethiopian government developed a legal framework for the establishment of a microfinance sector in 1996. NGOs provided and continued to provide credit services to poor rural households and urban micro entrepreneurs through funding from international donor agencies and NGOs. Outreach under these schemes was limited. By establishing a method of registering and licensing microfinance institutions through the National Bank of Ethiopia, the government has developed a method to extend financing to untouched sectors.

Non-Government Organizations

A number of international agencies and NGOs in Ethiopia actively promote social entrepreneurship. International development and aid agencies are beginning to understand that emergency interventions and aid alone will not promote sustainable development. By enabling small-scale and community-based projects, organizations can lessen communities' vulnerability to external shocks and disasters. Projects are diverse and generally involve outside training, expertise, financing, or materials. Much of the work is based on developing "added value" for existing projects or practices: making extant economic activity more lucrative by using resources more efficiently, exploiting raw materials more completely, or developing products further. Other projects focus explicitly on the entrepreneurial environment or making capital more readily available to potential small scale entrepreneurs.

Oxfam International and the various Oxfam country offices active in Ethiopia work to promote these activities in all regions. Much of their work concentrates on developing the environment for entrepreneurial activity, such as improving infrastructure and education in rural areas. Other activities are more direct. Oxfam Great Britain's programs in East Hararge include

- Credit & income generation schemes;
- Training in credit management, accounting, and book keeping;
- Training courses in beekeeping; and
- Petty trade groups for women of 6,000 Birr (\$826)

The coffee industry is a significant focal point for many development organizations' activities. Oxfam and others are working to develop added value to coffee production, by roasting the beans prior to sale or export, using the husks for fuel, and developing coffee-based soft drinks. Chat production is being promoted in some places to replace non-lucrative coffee, although this continues to be controversial.

ACDI/VOCA is a US-based NGO active in 33 developing countries, including throughout Ethiopia, promoting social enterprise. It was formed in 1997 with the merger of Agricultural Cooperative Development International and Volunteers in Overseas Cooperative Assistance, and is a member of the United Nations Global Compact. They work with USAID, international donors, and governments to promote broad-based economic growth and civil society development. Over 10,000 volunteers and paid technical consultants are active in ACDI/VOCA's activities. Multisectoral partnerships are important to their work, bridging universities, companies, and diverse NGOs to formulate coordinated projects and leverage funds. On the ground, the focus is on leadership development, networking, improved access to resources, and collective planning and bargaining. ACDI/VOCA's work in enterprise development concentrates on the following:

- Promoting access to critical business services, such as market information, business linkages, training, and technology;
- Providing technical assistance at the firm level to help entrepreneurs better participate in and benefit from new markets; and
- Improving the entire enabling environment for businesses.

Since 1994, ACDI/VOCA has worked with Ethiopian pastoralists to “strengthen local markets, form marketing cooperatives, provide banking services, & build capacity of producers.”³²⁷ Their Southern Tier Initiative, in partnership with USAID, Save the Children, and Care International, is active in the Somali and Oromia regions. The program works to improve market access and promote cooperatives among agro-pastoralists, as well as to encourage collaboration between cooperatives and rural financial services providers. The organizations are also conducting studies of Kenyan trade associations and cooperatives to apply best practices to the development of Ethiopian associations, as well as to promote cross-border cooperation and information exchange.

FARM-Africa (Food and Agricultural Research Management) is an international NGO whose mission is to reduce poverty through innovative approaches to natural resource management, community and women’s empowerment, and development of local organizations. In Ethiopia, Kenya, South Africa, Tanzania and Uganda, they work with marginal small-scale farmers and herders to improve farming techniques and land management. Their work with rural communities focuses on pastoral development, community forest management, and smallholder development and land reform. Pastoralist programs support early warning systems for draughts, advocacy, marketing, and crop and animal production, as well as community-based funds that are managed by the pastoralists themselves. Local traditional institutions are encouraged to develop their own micro projects, while FARM-Africa assists with strategic planning, draught preparedness, and management. The Women’s Enterprise Development Project, active in the SNNPR, increases women’s roles in economic and social life. Credit Group Associations provide women with goats which they can later repay by donating female kids to other groups. The organization also works to raise awareness about women’s legal rights and opportunities.

A particularly promising venture of FARM-Africa is their Participatory Forest Management Program in the Bonga and Chilimo forests of the Southern & Oromiya regions. Sponsored by the UN and various NGOs and international governmental organizations, the program shifts forest management and conservation from the Federal government to the community, with the Federal government offering technical support. Forest rights and responsibilities being established, and forest user groups developed using “secured common property resource management systems.”³²⁸ Alternative sources of income, such as poultry & beekeeping, are also being introduced to reduce dependency on the forests and diversify economic activity. Partnerships between communities and government are being developed to monitor the ongoing management, and farmer-led participatory research is being conducted.

NGOs and IGOs in the Enabling Environment

In addition to supporting entrepreneurs themselves, a number of NGO-driven programs focus directly on improving the enabling environment for social entrepreneurs. The Training and Advisory Unit (TAU) and Woreda Capacity Building Project (WCB), both FARM-Africa projects, aim to strengthen the structures available to communities and potential entrepreneurs. The TAU provides training to government officials in participatory approaches, implementation

³²⁷ Homepage of ACDI/VOCA, <http://www.acdivoca.org/acdivoca/acdiweb2.nsf/acdivoca?OpenPage>, Cited 2/11/2004.

³²⁸ Homepage of FARM-Africa, <http://www.farmafrica.org.uk/>, Cited on 2/12/2005.

of Woreda-level programs, and pastoralist livelihoods. Trainings are based on lessons learned from past work, and the focus is on advocacy and policy development and implementation. The WCB, currently in its startup phase but building on the work of past capacity building projects, focuses on building partnerships with and among community-based Woreda Development Associations. The project strengthens Development Associations to support community initiatives and assist community members in managing development activities.

Various UN agencies are also playing a larger role in making Ethiopia's institutional environment more conducive to micro and small enterprise. The UNDP is providing support and assistance in the current civil service reform being promulgated throughout the country, and education programs are being conducted to help constituents understand their legal rights and opportunities. The World Food Program is also shifting its focus towards increasing community participation in planning and development through Local Level Participatory Planning (LLPP), which could significantly increase the likelihood that individuals will partner with one another and attempt innovative projects.

Analysis

Social Entrepreneurship is one of many ways Ethiopia can work its way out of poverty. Encouraging entrepreneurship generates employment and a healthy economy. Expanding local business helps Ethiopia to build on its own resources rather than relying on outside sources. The work being done by the government, business and NGO sectors all plays a significant role in promoting social entrepreneurship; the programs mentioned above are but a fraction of the innovative work being conducted in communities throughout Ethiopia. Unfortunately, programs are difficult to access and evaluate because of the remote nature of Ethiopia's rural areas, inadequate infrastructure, and scarce resources. Nonetheless, best practices can be identified across the various projects.

Collaboration: Ongoing and innovative collaboration is necessary for programs to be effective and sustainable. Mutual accountability, trust, information and resource sharing, and co-planning are integral components. Unfortunately, a lack of collaboration between NGOs, government, and business institutions is often apparent. This stems from three primary causes: lack of awareness of others' activities; inadequate resources or infrastructure to share information and expertise; and an unwillingness to partner stemming from a fear of losing resources to "competing" organizations. Transparency and partnership between and among public and private sector organizations is critical to the fulfillment of development goals and sustainable planning. The public-private partnership between the Chamber of Commerce and the Ministry of Trade has been key in advocating for policies that promote business development. Similarly, while the microfinance institutions mentioned above need expansion, they represent an effective government-NGO partnership.

Integrated interventions: For interventions to have long-term effects, they must address multiple needs. As an example, FARM-Africa's Participatory Forest Management Program includes a reproductive health program. While forest management and reproductive health do not seem natural partners at first blush, their combination forms a holistic intervention in caring for various aspects of the targeted communities' livelihoods.

Building on lessons learned: Successful programs learn from and build on lessons learned from past and concurrent programs. FARM-Africa's Woreda Capacity Building Project uses lessons and best practices from previous programs to develop a targeted “enterprise system” across five woredas.

Obstacles in the Ethiopian Environment

Ethiopia has recently made strides in creating a better business environment, but there are still some key factors that prevent enterprises, especially small and medium enterprises, from starting or flourishing. The World Bank found that at the end of 2003, it took Ethiopians an average of 32 days to start a business.³²⁹ The long process filling out paper work created burdens for entrepreneurs. In the last year, this process has been reduced to a couple hours due to a computerized registration system that the US government paid for and trained Ethiopians to use. This highly efficient system makes it easier for Ethiopians to register and start businesses. While systems like this are helping Ethiopia create a better business environment, more need to be put in place to encourage entrepreneurship. This holds true especially for poor rural communities and other disadvantaged groups that face multiple barriers in starting enterprises.

The key factors holding back Ethiopian enterprise are similar to those mentioned above:

- **Lack of Access to Financial Capital:** There are currently three government owned commercial banks and six private commercial banks in Ethiopia. These banks only extend short-term finance to small or medium sized enterprises.³³⁰ This makes it difficult for the sector to expand. Access to long-term finance from banks and foreign investment would allow businesses to develop.
- **Unclear and Inequitable Tax System:** An unclear tax system often leads to a divergence in application of law by authorities and intention of law.³³¹ Many Ethiopian businesses are unclear about the tax system and do not understand how much money to save to pay taxes at the end of the year. As a result, they often are hit with large tax bills at the end of the year that they cannot afford to pay and are forced to go out of business.³³²
- **Unequal Playing Field for Public and Private Enterprises:** Different laws and regulations are in place for public and private enterprises, which make it harder for private institutions to form and compete with public institutions. Private businesses face a higher tax rate, which creates a disincentive for them to start, grow, and compete with the public sector.

While the Ethiopian Chamber of Commerce has good programs in place, their revenue stream is insufficient, and they are having difficulty building membership. Businesses demand their services, but fail to pay the yearly fess. The Chambers are therefore unable to provide necessary services. Beyond lack of resources, Chambers face problems in disseminating information and

³²⁹ World Bank, (2004). Report: Doing Business in 2004.

³³⁰ Kidane, Teklu, Fantahun Melles, Dieter Gagel, and Christine Peter. Loan Conditions of Commercial Banks and Microfinance Institutions. Ethiopian Chamber of Commerce, Addis Ababa. January 2004. p. 1

³³¹ Kirkpatrick, C. Report on Private Sector Investment in Ethiopia: Constraints and Opportunities Workshop. Institute for Development Policy and Management. May 2001

³³² Andu Alem Tegegne, Secretary General Ethiopian Chamber of Commerce – informal meeting. March 3, 2005.

technical assistance. The Ethiopian Chamber of Commerce recently published a series of manuals designed to make current and potential entrepreneurs better able to navigate the regulatory environment and aware of available services and opportunities for creating and expanding businesses. However, the manuals were published in English. When a small number were printed in Amharic and made available at a public fair, only one percent of the Amharic versions but the majority of English copies were sold. This project demonstrated the enormous potential of the Chambers for building capacity of potential social entrepreneurs. Their services and assistance are clearly needed in the vast majority of communities throughout Ethiopia. Yet there is a lack of knowledge regarding how to access the communities that need it most. Culturally and linguistically competent channels must be formed between the Chambers and rural communities in order to fully ascertain needs and to adequately disseminate information.

Recommendations

Social Entrepreneurship

- **Promote information flows that enable people to learn about different social entrepreneurship ventures:** To enable socially beneficial innovation in the face of inadequate education and information flows, a new pipeline of knowledge and innovation must be created between research organizations, successful implementers, and the rural public. Although such a best-practices clearinghouse might be the role of a coordinating body such as UN-OCHA or CRDA, these organizations are highly deficient in Ethiopia. Either these bodies must undergo a drastic renovation, or a new organization should be created to manage the transfer of appropriate information from local or international projects to rural communities.
- **Institution Building:** The current decentralization process holds great potential for enlivening local governments. With increasing autonomy, local governments and institutions can create improved culturally and developmentally appropriate systems for aiding and encouraging social entrepreneurs. The process is still in its early stages. In many cases, local governments lack the skills, experience, resources, or credibility to effectively perform this role. NGOs and UN agencies active in Ethiopia should play a stronger role in bolstering local governments, building capacity and credibility and ensuring against corruption in their early stages. As local governments develop the precedent and ability to adopt a sustainable, prevention-oriented, and “community-first” approach in their development activities, they will be more likely to succeed.
- **Strengthen the Chambers of Commerce:** The Chambers of Commerce represent enormous potential for sharing information, innovations, and resources. They will be critical to the development and proliferation of social entrepreneurship in Ethiopia. They can also be key players in helping would-be entrepreneurs understand how to translate new ideas into lucrative ventures. Unfortunately, thus far they are unable to penetrate Ethiopia’s rural areas. Knowledge about their workings and benefits of membership is scarce outside of the biggest cities. In order to realize their full potential, the Chambers need to work with NGOs and other non-traditional partners, particularly in the rural areas. As a complete sector, NGOs have the physical web of access to rural and disadvantaged communities; however, they are diffused and not well networked. By

combining the technical knowledge and business tools of the Chambers with the community development and grassroots perspective of NGOs, poor communities and would-be entrepreneurs will be able to access the information and networks necessary to starting and sustaining new enterprise.

Building a Better Business Environment

- Broaden the tax base and develop tax incentives that encourage private business to develop. *High tax rates are a discourage businesses from expanding. Tax incentives should be made available for underdeveloped sectors or to encourage business in regions the lack strong business investment.*
- *Access to financial capital for small and medium size enterprises must be made available through banks and by encouraging foreign direct investment. The following three steps should be taken:*
 1. Banks, and especially government owned banks, should be required to provide a percentage of loans to SME that will generate employment and allow the economy to grow.
 2. Ethiopia needs to harness the brain drain by encouraging Ethiopians who are abroad to invest in business. By providing people of Ethiopian decent with information about innovative ways that people from other countries like India are supporting social entrepreneurship in their home countries and showing them how this investment is promoting growth, Ethiopians from abroad will be encouraged to invest in their home country.
 3. Ethiopia receives large sums of money from international donors. Much of this money is channeled into projects, where it is hard to see any real results. Portions of this money should be directed towards projects with visible results like the US investment in a computerized system for registering businesses.

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Chapter 10. Concluding Remarks

Our report opens with a discussion of Ethiopia's tremendous cultural assets to impress upon the reader the country's potential both as a historical Mecca and a future creative powerhouse. Indeed, in our discussions with Ethiopian policymakers – from dissident politicians to government officials – the one common theme was pride in the fact that there are over seventy ethnicities in modern Ethiopia. In a time when world relations between Islam and Christianity are strained from events in Israel and Iraq, Ethiopia presents an impressive case study of centuries of relatively peaceful co-existence between Muslims and Christians.

The first responsibility of the Ethiopian government must be to incorporate diverse cultures into a cohesive, transparent, and enabling state. Unfortunately, in nearly all the policy realms we have investigated, the EPRDF government's policies have been divisive, partial, short-sighted, and above all, shrouded in unnecessary secrecy and control. As a result, many of the recommendations contained within this report seek to address concerns about transparency and unwillingness to cede any ground on the part of government ministries. Imperious policy decisions have ranged from the merely obstructionist Ethiopian Telecommunications Commission to the occasionally genocidal Ministry of Defense.

There are certainly bright spots in the country's development: Ethiopian Airlines' impressive safety record and commercial success, and the Fistula Hospital's dedicated commitment to maternal health. However, as the social entrepreneurship chapter demonstrates, social innovation and courage must be nurtured and rewarded. The EPRDF must begin to see Ethiopian citizens as allies in their own governance, rather than obstacles to milking the "cash cow" of government. Consequently, our over-arching recommendation to the Ethiopian government is to create an enabling environment for its citizens by spending less on war with Eritrea, more on food security, HIV/AIDS prevention and care and vital infrastructure, and we implore government officials to seek to inspire the trust in government that leads to national unity.