

“African Conflicts and the Change from the Inside: the case of Ethiopia”

Dynamics of Conflict, Promises of Renaissance

An International Conference organized by Al-Jazeera Centre for Studies, Doha, Qatar

November 1-3, 2013

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“Peace cannot be kept by force. It can only be achieved by understanding.”

Albert Einstein

Part I of five

This series is intended to raise awareness among Ethiopians and others with keen interest in African-Arab relations and the dynamics that are shaping political, social, cultural, economic, trade, investment and religious relations between the Arab world and Sub-Saharan Africa. Presentations and discussions revealed “ignorance,” commonality and rifts. The first of its kind, the Conference was represented by a cross-section of African and Arab experts, scholars and prominent ex-officials including the key note speaker, Mr. Thabo Mbeki, former president of South Africa and one of Africa’s leading statesmen. Below is Part I of the series. I suggest that, in reading the series, readers take account of the current degrading and inhumane treatment of Ethiopians in Saudi Arabia by state and non-state actors and its long-term impact on Arab-African relations. Their treatment is a tip of the iceberg. Unspoken and undocumented mistreatment of Ethiopians is wide-spread.

The presentation

I am honored to present this paper at this distinguished conference sponsored by Al-Jazeera Center for Studies. I have often felt a gap in intellectual deliberations that affect Africa and Africans without Africans shaping the conversation. We can no longer attribute this gap to dearth in African intellectual power; but in a colonial tradition that makes Africans secondary in setting policy for their own societies. I therefore note with appreciation that this Center is doing its part to fill the void. The theme of this Conference is not only timely; it is dear to Africans, the Middle East and the rest. Research shows that **sustainable and equitable development in Africa and elsewhere** is virtually impossible without dialogue, peace, justice, inclusion, a system of checks and balances and popular participation. Africans paid immense prices in the post-colonial period because of repressive and dictatorial governments. The good news is that this is changing fast. By 1991, only one African country, Mauritius, changed its government through a competitive election. Since then, the ballot box has become the way out from one party rule. At least 30 ruling parties were removed from the scene through popular multiparty elections. Today, the multiparty system outnumbers the single party system in Africa. African youth demand governance with accountability and are achieving it. This is a welcome and an inevitable trend.

Historically, Africa was and in some parts, still is, characterized by perpetual civil wars and conflicts. It was one of the most repressed continents on the planet: the Slave Trade, colonial domination, the pain and agony of establishing viable nation states, dictatorships and lack of competent governments, “Africa’s Lost Decades,” boundary and internal civil wars, ethnic genocide and ethnic-based nepotism and corruption, the “resource curse” etc. Aside from the human toll, these have entailed enormous

capital costs. The 1998-2000 war between Ethiopia and Eritrea took a huge toll: 80,000 innocent people died and the unfinished war cost billions of dollars that neither side could afford. Animosity from the conflict continues to simmer. External interests continue to finance and fuel this animosity with a view of undermining the historical ties and future mutual interests of the Eritrean and Ethiopian people who share much in common. The Eritrean and Ethiopian ruling parties sponsor proxy wars prolonging mistrust and keeping both societies in suspense and poor. The social and economic costs to both countries are substantial. Despite cases such as this, Sub-Saharan Africa is transforming at a rapid rate today than was considered possible in the 1980s and late 1990s. For example, economic and trade relations between Africa and China has increased dramatically, from a negligible few billions in the late 1980s to \$200 billion at the end of 2012. Investments and trade contributed an average growth in African GDP of 5.5 percent per annum for at last ten years. In many respects, we can conclude from this dramatic growth that “Africa’s dark days” are over. However, growth and development is **uneven and income inequality** is widening. While growth is likely to continue, there is no assurance that sustainability and equity would deepen. Ethiopia is a prime example of growth without sustainability and equity. Nowhere is this gap in wealth and incomes as staggering as it is in Ethiopia, one of the poorest countries in the world.

As shown in Chart I, Eritrea and Ethiopia are among the least developed and poorest countries in Sub-Saharan Africa. Their biggest exports are human capital, especially youth. Why is there continued exodus among the most educated and youthful population? The lead and primary trigger of this exodus of young Ethiopians to Saudi Arabia, the Gulf, North Africa and rest is because they wish to escape destitution and poverty in their home land. In the words of Paul Collier, a leading British Political Economist, mass immigration from poor to wealthy countries is driven by poor, repressive and what he calls “dysfunctional social models” of governance. “Dysfunctional” governments are competent at extracting rent and at silencing dissent. They are not competent or caring at boosting human capabilities or at protecting their rights. An estimated 23,000 Ethiopian immigrants—so-called “illegals,” in Saudi Arabia suffer from two sides: a non-caring and un-empathetic Saudi Government that devalues the lives of black people; and a callous Ethiopian government that cares very little about the plight of Ethiopians. As an African observer at the conference who worked closely as an Ambassador to Ethiopia confided in me and my wife, the current government has no “regard whatsoever for competent and highly experienced Ethiopians.” It anchored its development strategy on an ethnics lens and “removed educated and experienced people in mass, especially Amharas.” Here is the problem. If a government follows such a strategy of non-inclusion, it ends up treating its youth as liabilities rather than assets. Quoting Collier, an Economist piece (September 28, 2013) put it this way. “If too many educated people leave their homeland, poor countries are worse off” from immigration than they would be otherwise. Poor countries such as Haiti lost 85 percent of their highly educated human capital and continue to suffer from the exodus. Ethiopia’s capacity to create a sustainable and equitable society has been diminished by a wave of immigration triggered by non-participatory and non-inclusive governance. This shows in real terms when we compare Ethiopia with its peers.

I acknowledge the notion that there is no concrete data to show the extent to which Ethiopia’s human capital has been reduced as a result of the government’s inability to create opportunities or to allow the educated to contribute to sustainable and equitable development. But, it is huge. An estimated two million Ethiopians live and work in the Middle East and North Africa; another two million in the two Sudans etc. The social and economic value of this exodus is diminished for Ethiopia. At the same time,

remittances boost incomes for the ruling party and the state. So, it hard for Ethiopian government officials to defend the rights of Ethiopians in distress in part because of remittances; in part because a restive youth within the country is a liability and in part because growth has not opened-up job and other opportunities for millions of youth who are either underemployed or unemployed.

For reasons that will be evident, authoritarian Ethiopia is growing but not performing at the same level as its African peers. My presentation explores the extent to which the Tigray People's Liberation Front (TPLF)—the minority ethnic party that dominates the ethnic-elite ruling coalition, the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF), that has been ruling the country for 23 years, has established a firm foundation for durable peace, a just, sustainable and equitable development framework that is **people-centered**; and a path toward an all-inclusive and pluralist society. I will examine the question of whether or not this rebel group--sponsored and supported by Western Governments, especially the US and the UK, to dislodge the pro-Soviet Socialist Military Dictatorship—has taken advantage of the peace dividend that ensued in 1991 to make the country better; or whether it has failed to reform itself and institutionalize freedom, justice and democracy for Ethiopia and its 80 linguistic groups and major religions? If not, what are the likely risks? If they exist and persist, these risks are likely to be compounded by deepening inequality, hyperinflation, youth unemployment and disenfranchisement of millions from their ancestral lands to pave the way for Foreign Direct Investment (FDI) in large-scale commercial farms.

Nothing explains a country's state of affairs than the wellbeing of a country's citizens backed by facts, intellectual rigor and honesty. In this connection, aside from the hordes of Ethiopian youth who cross the Red Sea, the Sinai and the Sudanese and Kenyan borders each month seeking a better life in unfamiliar territories, the extent to which Ethiopia is doing as good or better than its Sub-Saharan African peers is depicted in three Charts. Chart I shows how far the majority of SSA countries progressed and or are running like Cheeta's to catch-up with the rest of the world. At least 22 Sub-Saharan African countries can no longer be considered basket cases. Eight Sub-Saharan African countries are Middle Income and some higher. Seven of them are high flyers with GDP per capita above \$1,500. By any measurement, this is remarkable. Some of these are natural resource rich and depend on commodities such as petroleum and gas to raise their GDP and per capita incomes. There is no evidence to suggest that some of these countries have changed the structure of their economies thereby enhancing sustainability and equity. Some are trying and others may slide back. Not all these growth stories are democracies. Ethiopia has the potential to join this club; but is burdened by a political and socioeconomic system in which party, endowment and state actors dominate.

There is widespread acknowledgement among donors, experts and governments, including many in the Arab world that Ethiopia is growing. They see the façade of growth that does not mirror wellbeing for the vast majority. For this reason, we need to compare Ethiopia's relative position to the rest of Africa rather than taking the growth story at face value.

Chart II shows correlation between lower GDP per capita and the attribution of a "failed or failing state" by think tanks such as the Fund for Peace. Nations fail for a reason: injustice, inequality, human rights violations, lack of freedom, repression, unemployment, corruption, nepotism, ethnic and religious conflicts, hunger, hyperinflation etc. There is ample evidence to show that these conditions persist in Ethiopia. When compared to countries that show high growth in per capita income and therefore wellbeing, Ethiopia falls into both categories, namely, low per capita income and a "failing state." The

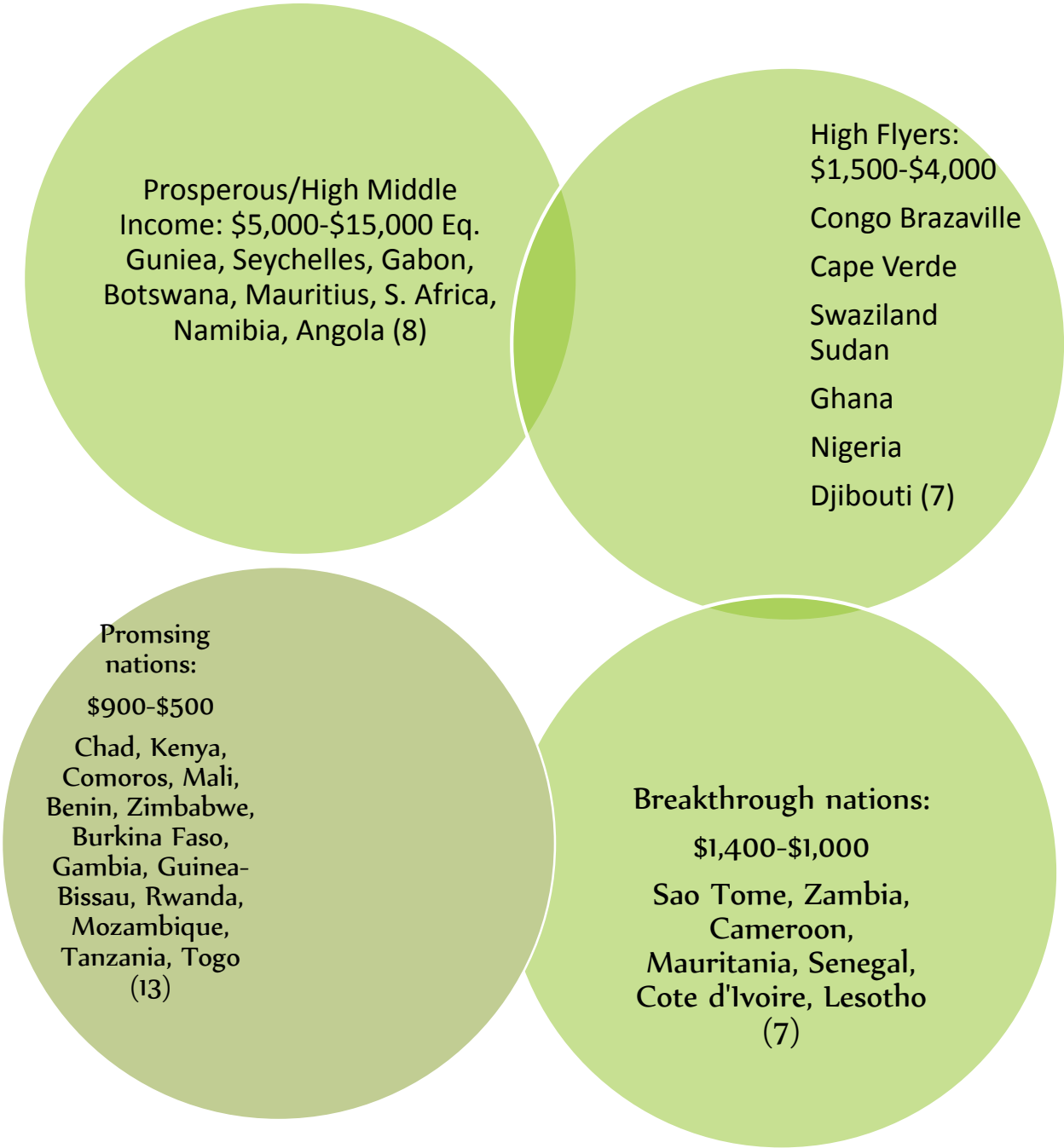
overarching point I should like to suggest here is that Ethiopia's growth has not been accompanied by an empowering and enticing investment environment that open-up political and socioeconomic space for all stakeholders. Consequently, the country is not performing at a level that would boost productivity, per capita income and equitable wealth and wealth creating assets for the vast majority of its population. This is why I subscribe to Collier's thesis of a poor country with "a dysfunctional social model" that reduces the fulfilment of human potential.

This is by no means to say that there is no growth. The argument is that the growth model is intentionally top down, elite capture-oriented and inequitable. It is not anchored in broad participation. It is therefore shallow and not sustainable or equitable. This inequity has consequences. It contributes to persistent injustice, human rights violations, repression, conflicts, sporadic unrest and fight or flight common to failed and or failing states. Peace and stability are maintained through the use of force rather than through popular participation, consent and accommodation of interests.

It is virtually impossible to understand Ethiopia's growth story without reviewing the incredible and massive role of Official and non-official development aid; and most recently, the flow of Foreign Direct Investment (FDI) from China, India, Turkey and oil rich Arab countries. It is not my intention to focus on FDI but on ODA for this presentation. Chart III represents increased and massive flow of Official Development Assistance (ODA) to Ethiopia that contributes substantially to impressive growth, corruption and illicit outflow of capital, especially over the past decade.

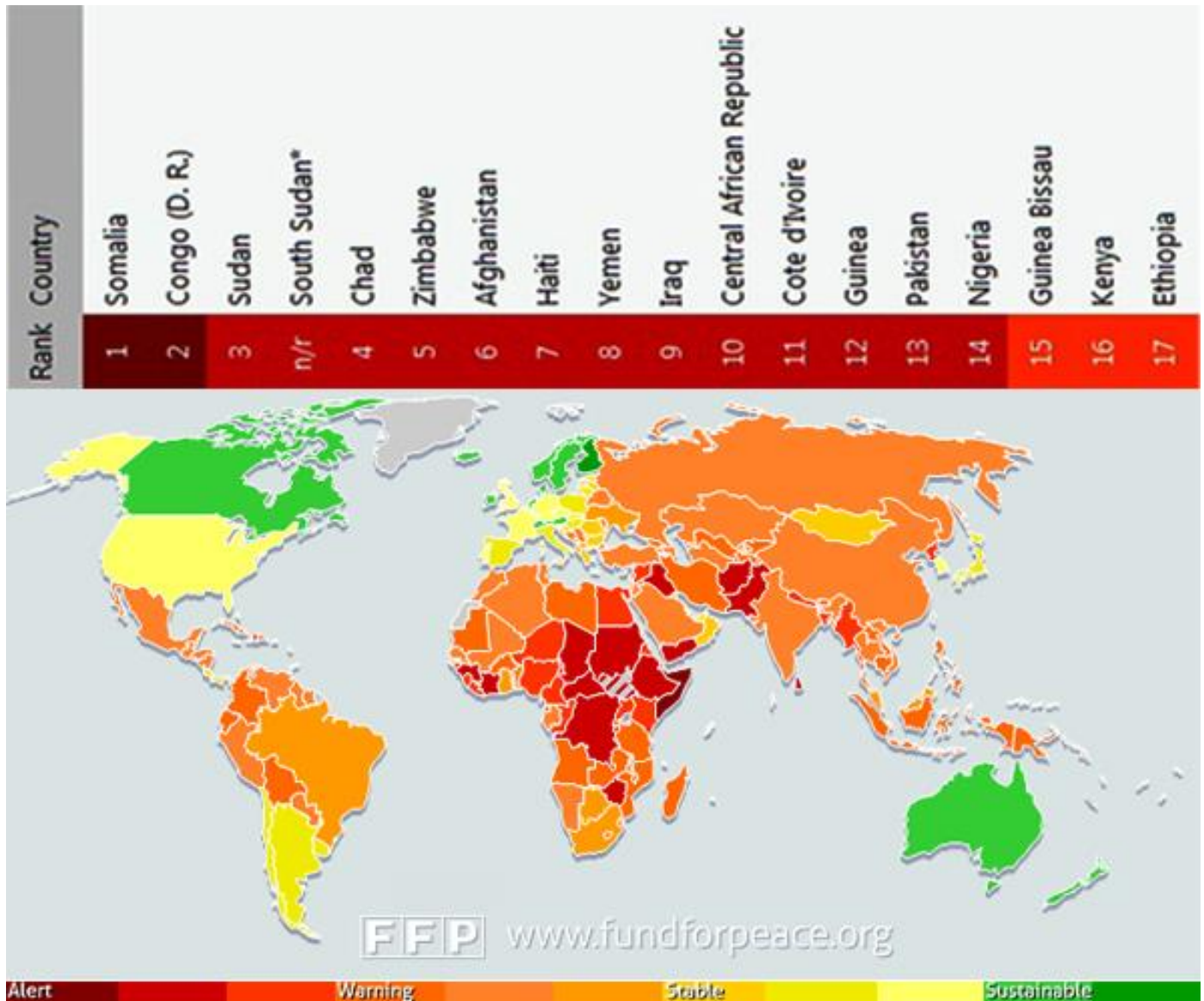
I intend to consider these three Charts throughout my presentation today.

Chart 1: Circles of Prosperity and Poverty: SSA GDP per capita from high to low income (as of end 2102)



The rest of SSA fall below \$480. Niger, Ethiopia and Malawi at bottom.

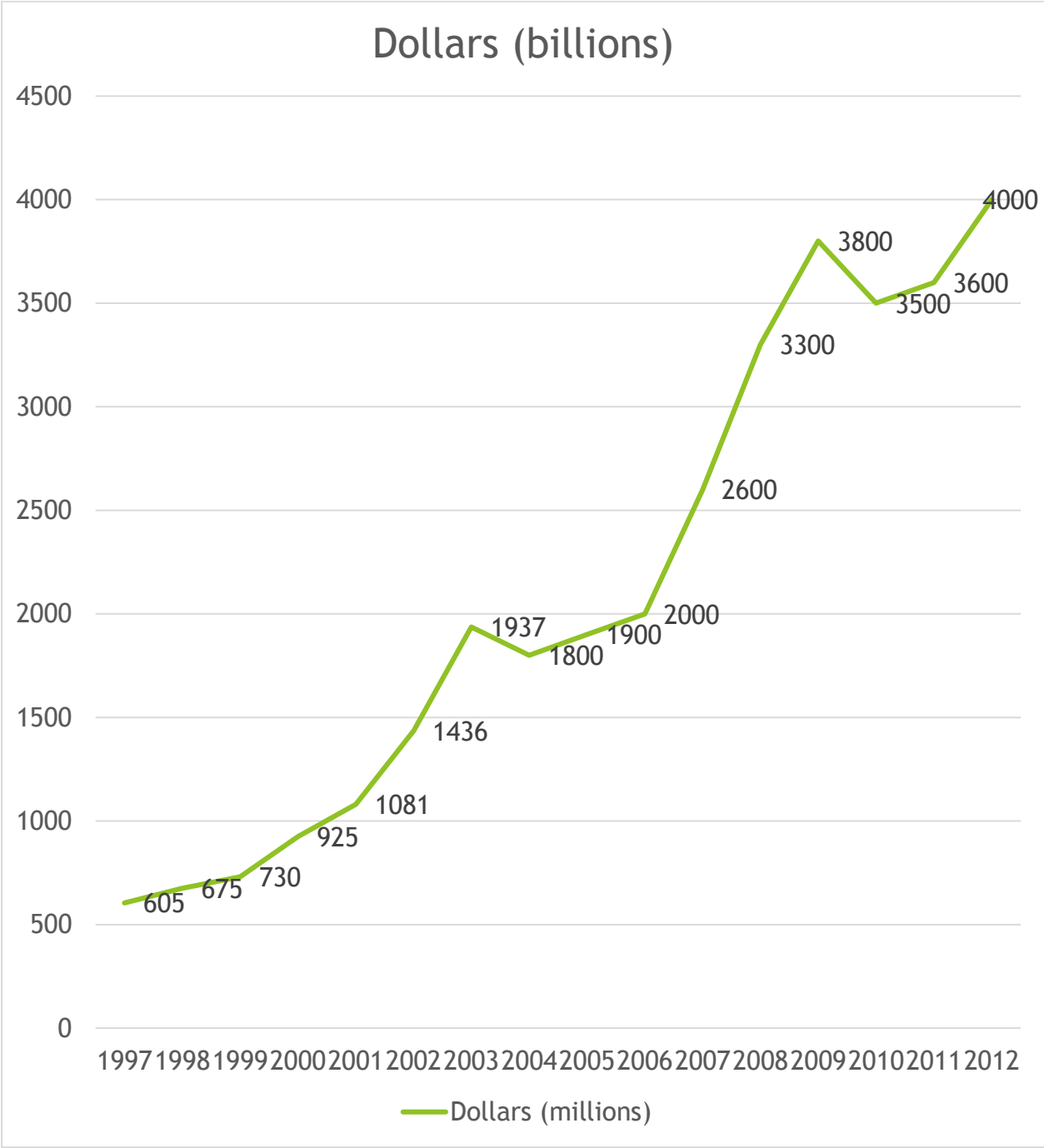
Chart II: Failed States Index 2012 (The Fund for Peace)



What is measured?

Ethnic elite capture and ethnic conflicts over resources. Lack of political, social, religious and press freedom. Hunger and food insecurity. Unemployment. Demographic pressures. High unemployment. Hyperinflation etc.

Chart III: Official Development Assistance inflow to Ethiopia: 1997-2012



Part II of this series will present an analytical insight into the pros and cons of the current political economy of the Ethiopian ‘developmental state.’

11/18/2013