



# AFRICA PROGRAM OCCASIONAL PAPER

## Ethiopia: Can the Future Prevail?

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The Ethiopian economy has grown at the remarkable rate of about 10 percent a year for over a decade, the result of a deliberate policy by then Prime Minister Meles Zenawi to promote an East Asian-style developmental state. This remarkable growth has also triggered a political backlash that is pushing the country back toward the bitter clash of ethnic nationalisms that plagued Ethiopia after the military junta known as the Derg overthrew Emperor Haile Selassie in 1974. Continuing ethnic strife could halt economic growth and further impoverish the country. The future of Ethiopia hinges on how the conflict between the requirements of a modernizing economy and the political dynamics dominated by ethnic conflicts evolves. A decade of growth shows Ethiopia could have a promising future, but the last two years also suggest that it could also easily slip backward into more poverty and more conflict.

Ethiopia's population of about 108 million is divided into a large number of ethnic groups, with some eighty languages spoken in the country. Three of the groups drive the political dynamics of conflict: Oromos, who represent 34.4 percent of the population; Amharas the second largest group with 27 percent of the population; and Tigreans who only represent 6.1 percent.<sup>1</sup>

Oromos are the largest group and occupy the most fertile land, but have not played a political role proportionate to their numerical weight. Many of their leaders have embraced a narrative of victimization and ethnic nationalism, although they are not trying to secede from the country. Paradoxically, now that the ruling party has appointed an Oromo as prime minister, Oromos are being accused of dominating the country. Prime Minister Abiy Ahmed has felt compelled to react to the accusations, rhetorically threatening to resign if Oromo domination could be proven.<sup>2</sup>

Amhara rulers, in the simplified historical narrative many non-Amhara embrace, dominated the empire since the late 19th century and under Emperor Haile Selassie. Tigrean rulers, who competed for control of the old, historical empire when it was limited to the highlands, lost out after Emperor Menelik greatly expanded the boundaries to the south. The conquest guaranteed the survival of Ethiopia against the encroachment of colonial powers but also subjugated populations that had never been part of the empire. The political influence of the small Tigrean population increased again when the Tigray People's Liberation Front (TPLF) led a coalition of mostly ethnic liberation movements against the Derg, occupying Addis Ababa in 1991. Their opponents have accused Tigreans of dominating the country ever since, or at least until Oromos came to be seen as new offenders.

When the TPLF led the armed opposition to the Derg with the support of Eritrean nationalists, it knew that it could never govern Ethiopia on its own. As victory approached, it thus engineered the formation of a multi-ethnic alliance of political parties, the Ethiopian People's Revolutionary Democratic Front (EPRDF). It was the EPRDF that officially ousted the Derg and seized power in 1991.

The new government faced two enormous problems: an extremely pluralistic population mobilized along ethnic lines and organized into ethnic movements of varying strengths; and a deeply underdeveloped economy made even worse by years of conflict.

Under the leadership of Meles Zenawi, who became interim president in 1991 and prime minister after the adoption of a new constitution in 1994, the EPRDF tackled the two problems head on. Ethiopia became officially the Federal Democratic Republic of Ethiopia, made up of nine ethnic regions and two chartered cities. Each entity, in theory, had a great deal of autonomy as well as the right of self-determination to the point of secessions. This last idea was taken from the theory of how to deal with nationalities propounded by Lenin and Stalin—the TPLF was ideologically a Marxist-Leninist movement. In practice, the EPRDF was firmly in control of the entire system through its affiliates that controlled the governments of all regions.

## **Ethnic Federalism: A Necessary Evil?**

The adoption of ethnic federalism was welcomed by groups that felt powerless under the old system but remained controversial in the major cities with their pluralistic population and among Amharas who rejected the notion that they had dominated the country and instead held up the old Ethiopia as an example of coexistence and integration of all groups. There were good reasons to be leery about the choice of ethnic federalism, which tends to strengthen ethnic identities and is thus very difficult to abandon once instituted. To the best of my knowledge, no country has managed to move away peacefully from ethnic federalism once it had been enshrined in its political system.<sup>3</sup> Instead, countries organized along ethnic nationalist lines tend to break up in their component parts if central authority weakens—as it happened in Yugoslavia and the Soviet Union.

No matter the long-term problems, ethnic federalism may well have been the only system that could have kept Ethiopia together after 1991, when it was so divided as to preclude unitary system. Nor did the EPRDF have a choice on whether to recognize the independence of Eritrea, the former Italian colony that had become again part of Ethiopia in 1952. Eritrean support and arms transfers had been crucial to the defeat of the Derg and Ethiopian leaders could not stand up to their former mentors, although Eritrean independence turned Ethiopia into a land-locked country.

Ethnic federalism by itself would not have kept Ethiopia together without the imposition of an overriding unifying element. In the Soviet Union and Yugoslavia, that element had been the Communist Party. In Ethiopia, it was the Ethiopian People's Revolutionary Democratic Front (EPRDF), over which the TPLF exercised disproportionate influence. The convergence of state and party, and the degree of centralization of the system, were clearly shown by the fact that Meles was prime minister as well as chairman of both the TPLF and the EPRDF.<sup>4</sup>

## The Developmental State Unlocks the Economy

The Meles regime also moved decisively to put Ethiopia on the path to rapid economic development. The country was extremely poor, mired in subsistence agriculture and further depressed by years of fighting and by the Derg's attempt to impose state control on the economy of a peasant society. Meles personally drove the adoption of an economic policy inspired by the example of East Asian countries, particularly South Korea and Taiwan. He abandoned the ideological commitment to Marxism-Leninism and a centrally planned economy, although he never privatized the land nationalized by the Derg in 1975 for fear the change would lead to the dispossession of peasants. But he also emphatically rejected the neoliberal prescriptions being foisted on the country by the international financial institutions and the United States. In the draft of the master's thesis he was writing for the Erasmus Open University in Rotterdam, where he studied for an MBA and an MA in economics while governing Ethiopia, he argued those prescriptions led to "dead ends."<sup>5</sup> They resulted in the emergence of corrupt elites appropriating for their own benefits the available "rents" from natural resources, international aid, and growth and thus perpetuating poverty. Rents belonged to the "developmental state," to be used for the benefit of the population, and the state had to guide private sector activities so they would build value for the country rather than rents for individuals.

The concept of the developmental state focused on creating value occupies a central place in Meles' writings. What this meant in practice was an aggressive project of infrastructure development, including the building of roads and of dams to generate electricity and for irrigation, financed largely by foreign aid and by borrowing, above all from China. It also meant a large investment in education at all levels, and improvements in health care. Beginning about 2005, the state also focused on industrialization and export of industrial products, developing industrial zones (or industrial parks) where investors would find sites equipped with electricity, water and access to transportation, and also benefit from special tax provisions. A 2018 study by the United Nations Industrial Development Organization counted some 24 industrial zones in varying degrees of development, many of them in Addis Ababa and Oromia, including four developed by the private sector.<sup>6</sup>

The development policies were quite successful. World Bank data shows that per capita GDP increased from \$270 in 1991 to \$767 in 2017 (measured in current U.S. dollars).<sup>7</sup> Ethiopia is now hoping to attain Lower Middle-Income status, with per capita GDP of about \$1,000, by 2025. GDP growth rate averaged 10.3 percent a year between 2006-2007 and 2016-2017. Although there is some debate on the accuracy of the figures—international financial institutions suspect that there was some padding on the part of the government—the growth has been impressive.<sup>8</sup> Beyond figures, the success of the policy is confirmed by the spectacular change visible not only in Addis Ababa, until recently an overgrown village and now a metropolis, but also in smaller towns throughout the country. A newcomer to Ethiopia is still likely to be struck by the visible poverty and underdevelopment. People who knew the country even as recently as twenty years ago are staggered by the transformation.

The central government made an effort to allocate money not just to Addis Ababa but also to smaller towns in each region and to rural areas. Today there are schools everywhere and some 30 public universities throughout the country; there are paved streets in small towns and large villages, standpipes bringing water close to homes, and electricity is no longer limited to main towns. To be sure, the rapid growth has had its costs. Schools have grown in numbers but not in quality; the building of dams, the development of commercial agriculture and the formation of the industrial zones has all displaced farmers, who claim they were not adequately compensated.

## The Backlash

The crisis Ethiopia is experiencing at present, with ethnic clashes leading to the displacement of several million people, is the political downside of that economic success.<sup>9</sup> The economic growth model is coming up against the obstacles imposed by ethnic federalism, which was itself an attempt to solve the problem of holding together a country plagued by ethnic nationalism.

The crisis was triggered by the spectacular growth of Addis Ababa and the resulting need for more land on which to expand. But the underlying causes were the unresolved difficulties in the relations among Oromos, Amhara, and Tigreans, which turned the routine occurrence of a growing city overflowing its boundaries into a challenge to the country's stability.

In January 2016, the government introduced a new master plan for the city of Addis Ababa, which would have allowed it to expand into nearby farmland belonging to Oromia. Prepared by the central government without consultation with the affected population, the plan sparked violent protest. It was abandoned within a few days, but the damage was done. Oromo nationalism was reignited, and in a chain reaction reignited other nationalisms and brought to the fore the resentment of groups that felt shortchanged by the design of the federation. Grievances were mostly local and parochial, rather than part of an overall movement to reform the political system, but they indicated the existence of a myriad unresolved problems. Initially conflict was particularly acute in Oromia, as well as in areas that had become part of the Tigray region in 1994. It then extended to the Amhara region as well, resulting in an attempted coup d'état on June 20, 2019 by dissident Amhara forces against the governor of the region, as well as the assassination of the army chief of staff in Addis Ababa. Most insidiously, violence escalated against people residing in regions belonging to a nationality to which they did not belong. Universities were particularly affected by this problem, with students enrolled in universities in regions other than the one to which they supposedly belonged being targeted.

## A Crisis of Leadership

The Ethiopian government was particularly weak just as the changing economy was in need of a national arena where it could expand started clashing with the narrow focus of ethnic regions. Meles Zenawi had died in 2012, leaving a major vacuum in the leadership of the country. The next prime minister, Haile Mariam Dessaegn, who came from the Southern Nations, Nationalities, and Peoples' region, was unable to cope with the spread of conflict and he resigned in 2018, a first for an Ethiopian leader. The EPRDF then appointed as prime minister Abiy Ahmed, an Oromo that appeared to incorporate in his own person the diversity of the Ethiopian population. Born of an Oromo Muslim father and an Amhara Christian Orthodox mother, Abiy is an Evangelical Christian and is married to an Amhara woman from Gondar. Contrary to Haile Mariam, Abiy is dynamic and forceful, casting himself as a reformer and a reconciler.



He freed political prisoners and allowed exiled dissidents to return, thus giving a new life to opposition parties and movements that were dormant because repressed. Such steps were badly needed in order to make the federal republic less authoritarian and reintroduce a measure of democracy, but they added more actors to the already seething political cauldron, making the situation even more complicated. It is a stark reminder that even good reforms are destabilizing because they affect the balance of power established under a more authoritarian regime.

Abiy also ordered the arrest of many members of the security services, mostly on charges of corruption. Because Tigreans were overrepresented in such positions, many of those arrested were Tigreans. This gave rise to a new narrative of victimization and a new wave of anti-Amhara sentiment—despite the fact that Abiy is not Amhara. This is fueling a debate about whether Tigray should exercise its right to secede from Ethiopia, although TPLF leaders still argue that secession is a solution of last resort.<sup>10</sup>

Even Abiy's decision to seek reconciliation with Eritrea, initially received enthusiastically, has caused a backlash. In 1991 Eritrea declared its independence and Ethiopia acquiesced, but in 1998-2000 the two countries fought a war over the poorly demarcated border. The issue was never settled because Ethiopia did not accept the decision of an international demarcation commission it had pledged to honor. The border thus remained closed. Upon becoming prime minister, Abiy unexpectedly invited Eritrean President Isaias Afewerki to visit Ethiopia, announcing Addis Ababa's acceptance of the contested border and the reopening of the crossings. Despite the initial enthusiasm, reconciliation with Eritrea proved extremely difficult, with border posts fitfully reclosing and reopening. Abiy's decision also reignited the tensions between the TPLF and the EPLF over the Eritrean decision to choose independence. Discussion on websites among Tigreans at this point exudes as much vitriol against Eritreans as they do against Amharas.<sup>11</sup>

The bold and successful economic policies Ethiopia started implementing under the leadership of Meles Zenawi promoted rapid growth and provided a glimpse of what the Ethiopia of the future could look like, with a dynamic economy integrated into the global system lifting the population from its historic poverty. The politics underlying the economic transformation was authoritarian and rooted in a system of ethnic federalism that perpetuated old conflicts and resentments that threaten to push Ethiopia back into its past of poverty and conflict. Resolving the contradictions will be a difficult task and create more conflict in the short run.

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11. A website called Tigray online—<http://www.tigraionline.com/>—reflects to venom as well as the confusion among nationalist Tigreans, both in the posted articles, and even more in the streams of comments that follow the publication of most articles. It is impossible to know what percentage of Tigrean embrace such extreme form of nationalism, but the radicalization of ethnic sentiments should not be disregarded.

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