

Time to Stop Blaming One Another & Collaborate on Healing

Commentary

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My hypothesis for this commentary is that the political tradition among Ethiopian elites at home and abroad of blaming one another will not get us anywhere. Our history since the 1960s shows that it is a failed and disastrous political culture driven by elites who continue to focus on isolated and partisan pieces rather than serving the common good. We critique the governing party but fail to critique ourselves and one another. By this I mean embracing each of Ethiopia's citizens, defending and advancing their rights and their welfare. Instead of doing this, we continue to react to events rather offer constructive alternatives together. Rarely if ever do we have self-doubt in what we say. Egos and self-aggrandizement in the name of a cause dominate intellectual thinking. It continues to be a culture of "My way or the highway." We talk about freedom, justice and democracy all the time. Do we have a common definition and understanding of these fundamental principles? I don't think so.

In this sense too we are not different from members of the ruling party. It says that it is pursuing democratization. I find no basis for this assertion. Further, we have a proclivity to blame and undermine one another rather work on the synergy that can be gained through collaboration and cooperation. The bottom line is this. Ethiopia is a diverse country. As such, this requires a political construction and governance that is premised on genuine and unrestricted equality of cultures, traditions, history, languages and access to economic opportunities.

The above and more behaviors and actions among elites undermine democratization, sustainable and equitable growth that Ethiopia's 100 million people deserve and need urgently. We need to face this challenge and exploit the opportunity. Because, together, the Ethiopian people will thrive.

I shall try to persuade the reader why collaboration and cooperation among Ethiopia's diverse groups as equal partners is more compelling than trivial competition in advancing fair, inclusive, sustainable and equitable development. In this piece, I define development as the capacity of Ethiopian society to harness natural and human resources so that a broad spectrum of Ethiopians can live meaningful lives. Growth in GDP alone does not measure wellbeing. At minimum, a poor person in the Afar, Ogaden, Gambella, Amhara, Oromia, Tigray etc. region must be in a position to acquire the basic necessities of life—food, safe drinking water and sanitation, basic health services and the like. It is when these gains are realized that an Ethiopian would identify with the benefits of growth and respect her or his government and its institutions.

For most Ethiopians, this is not the case. Ethiopia is among five of the poorest countries in Africa: Eritrea, Mali, Sierra Leone and Togo. Contrast these with five most prosperous nations: Botswana, Ghana, Namibia, Rwanda and South Africa. Why the difference between the two groups? After all, Ethiopia is the largest recipient of aid in Sub-Saharan Africa and among the top in the world. It has received more than \$40 billion in Official Development Assistance (ODA) over the past 24 years. There is no accurate figure on the amount of humanitarian, defense, security assistance and other non-ODA aid. But it is massive. Nor is there an accurate account of the amount of remittances we, refugees, send to and invest in Ethiopia. So why is Ethiopia not Botswana, Ghana or Mauritius?

Mo Ibrahim gave the answer when he established his foundation to assess how African societies are administered and economies managed to serve the common good. "Governance is everything. Without governance we have nothing." Somalia has nothing because it has no governance. Syria has nothing because its governance was poor and have failed. Afghanistan, Iraq, Libya, Yemen, South Sudan etc. are in the same boat. The fact that a government exists does not convey the notion that it serves the common good. This leads me to the latest salient themes arrived at by the Mo Ibrahim Index for Ethiopia.

The Index is grouped into four major governance categories and several sub-categories under each.

1. Safety and the rule of law

No country develops unless public and individual safety is protected and the rule of law respected. The Index acknowledges that Ethiopia has succeeded in maintaining public and national safety, for example against terrorism. However, its overall ranking of 48 points out of 100 is lower than the African average of 50.1. It scores lowest in **government accountability** and scores 43.8 percent in the application of the rule of law. It is as if there is no government in the country. It is not only that no official **at any level of government is held accountable for misdeeds; but that the administration of the rule of law is crippled.**

Accountability entails costs and benefits. A balanced score card would show that the costs are high. Ethiopia is among the ten worst offenders in the illicit outflow of funds emanating from price distortions, black market transactions in foreign exchange, bribery and commissions, corruption and manipulation of export and import invoices, etc. A team of experts led by Thabo Mbeki, the former President of South Africa revealed early this year that in 1990-2000 Ethiopia lost \$8.3 billion or 3.6 percent of GDP in illicit outflow. In 2000-2009 it lost \$11.7 billion. The bleeding hasn't stopped and won't until the system that allows and benefits from it is overhauled.

2. Participation and Human Rights

During his state visit to Ethiopia. President Obama underscored respect for human rights and human dignity as a cornerstone of good governance as the basis

for sustainable development. There can't be development without freedom; and freedom is meaningless unless human rights are respected by governments. "Africa's progress will depend on upholding the human rights of all people—for if each of us is treated with dignity, each of us must be sure to also extend that same dignity to others." This "Golden rule" applies to each one of us. If we wish to be respected; we must respect others regardless of differences.

The Index shows that Ethiopia "scores one of the ten lowest points in Africa," 45th among all countries with a score of 35.7 percent. "Participation and gender equality deteriorated over the past 4 years." Why is this important? Studies across the globe, the latest in Japan, show that full participation of women in the economy contributes 15 percent to GDP. The lack of participation among women is not confined to the governing party. It follows a macho model of forced submission. Equally tragic is the fact that opposition groups have failed to encourage and embolden women to participate in the change process. How many men encourage their daughters and or wives to attend meetings or to lead groups? Women are more inclusive and open minded than men.

3. Sustainable Economic Opportunity

Good governance is about undeterred and unencumbered participation by all citizens in the policy, decision making and resources allocation process. Here again Mr. Obama is right in saying this. "I believe Africa's progress will depend on democracy, because Africans, like people everywhere, deserve the dignity of being in control of their own lives." He identified universal principles that are standard in democratic and prosperous countries such as Botswana, Ghana, Namibia, and South Africa; and absent or none existent in Ethiopia: "free and fair elections, freedom of speech and press, and freedom of assembly....Africa doesn't need strongmen, it needs strong institutions." A regulatory environment that is not based on ethnic affiliation or relations to authorities or loyalty to a party is essential for business to flourish.

The Index states patterns that are policy based and structural in nature. "The falling Sustainable Economic Opportunity score has been driven by a deterioration in the business environment (policy)." There is no transparency; no level playing field; no fair and rule based adjudication of the business cycle; no domestic competition; and no independent and impartial institution to restrain party and state excesses. The party and state apply punitive measures against any one or any firm that is out of line. It is not uncommon for a business owner to be forced to pay huge and unbearable taxes. It is common for individuals to pay bribes at every step of the transaction cycle. "Weakening in sustainable economic opportunity" means that domestic investors have no confidence in the government. They vote against it by taking out their monies or investing monies in ventures with quick rates of return or putting monies under the mattress.

The second sub-category of deterioration is the rural sector. “The second largest deterioration in Sustainable Economic Opportunity is in the rural-sector, having dropped by 2.7 points since 2011.” Equally worrisome is the fact that citizens “engagement dropped by 10.4 points.” The government touts its success in transforming the rural sector and uses this argument to receive more aid. However, there isn’t much success to show. More than 7.5 million Ethiopians in the he Afar, Ogaden regions and some parts of Oromia are suffering from famine. Their survival depends on foreign food aid.

If you look at it differently, the governing party that claims double digit growth over the past decade is unable to meet the food needs of the population. Some Ethiopian cynics say that “the regime does not mind keeping most Ethiopians poor and aid dependent.” Poor people are easier to manipulate and govern than the well to do. This may or may not be the case. However, the fact remains that most Ethiopians are either poor or getting poorer. The Index shows that economic performance of the “rural sector declined by 3.8 points since 2011.” Overall, Ethiopia’s performance in this critical category declined by 12.3 points. This is the reason why I suggest that Ethiopia is stuck because of disempowering policies and an economic and social structure that seems immovable.

4. Human Development

UNDP’s, the World Bank’s and other human development indicators show a recurring pattern of low performance. This is especially the case in the provision of safe drinking water, modern sanitation, health services, maternal and child care, infant mortality et. Do you know that “only 10 percent of Ethiopians enjoy safe drinking water; and that 49 percent fetch water from rivers, streams and fields traveling long distances? This is medieval and a huge burden on women and girls. Do you know that only 24 percent of the population enjoys modern sanitation facilities? Sixty-four percent of the population is deprived of proper sanitation. Do you know that girls’ participation in school is among the lowest in Africa? Do you know that Ethiopia’s per capita income is one third of the African average? Do you know that the quality of education is among the lowest in the world? Education is the single most important variable in achieving economic and political freedom.

In reviewing the Indices what surprised me most is deterioration in education. The Index says that, “Ethiopia’s education results have fallen from an already low base, putting the country as the 6th most deteriorated on the continent in this category.” The implication of this deterioration is huge. It makes Ethiopia less competitive. It limits employment and business opportunities for young people. It traps them in a cycle of poverty that in turn forces them to flee, fight or simply diminish their potential. It makes them dependent. It forces them to serve the governing party because they do not have other options.

These indicators on the condition of human development in Ethiopia pose enormous risk for the country's future and for the wellbeing of this and coming generations. Risks require some form of mitigation measures. Sadly, there are no independent institutions or persons to mitigate these and other social and economic risks. The opposition agrees on one thing---oppose the current regime-- and not beyond that. We know that Ethiopia is the prototype of a single party state that rules under the pretext of "democracy in name, but not in substance." Because fundamental principles of good governance are diminished or floored, social, economic and environmental risks are widespread. For example, the state and party led developmental state growth model is heavily skewed in favor of state and party owned enterprises, endowments, loyal individuals and foreign investors. The state and party have been borrowing from the domestic banking sector and raising capital from the public and from abroad. Ethiopia's public debt ratio is 50 percent of GDP. Who bears the burden? The Ethiopian poor.

Earlier this year the World Bank expressed concern that high borrowing and high debt is not sustainable. The IMF confirmed this last week. This deliberate policy squeezes the nascent domestic private sector. This is the reason why Ethiopia scores low in the "business environment category." Remember, however, that there are beneficiaries in this suffocating environment. They defend the system that is unfair because they benefit from it. The more money the party and government borrows and pumps into the economy, the more profits for the few. On the social impact side, the more money that is pumped into the economy without corresponding increase in productivity, the more inflation. The more inflation the more ordinary people suffer. While it is not the same as the Mo Ibrahim assessment, the IMF report indicates that Ethiopians are squeezed in at least two ways. First, Ethiopia's private sector is squeezed and not protected. Second ordinary Ethiopians continue from low wages, a highly depreciated currency and **hyperinflation** the IMF estimates at 10 percent and ordinary people and independent analysts estimate to be much higher. In either case, what is important for the opposition to understand and work together is that the economic and social impact is unbearable irrespective of ethnic or religious affiliation. Those with low incomes in urban areas and the poor in rural areas who need to buy consumables-- clothes, shoes etc., are unable to cope with daily life.

Lack of a level playing field

Ethiopians suffer from crony capitalism. The regulatory framework does not facilitate or encourage fair entry into business or fair competition. Business transactions are bureaucratized and costly. Yet the recent government reshuffle shows that there will be more ministers, deputy ministers, permanent secretaries and advisors etc. strengthening the one to five spy network. It is inevitable that the cost of administering Ethiopia will explode. The more bureaucrats the more ordinary Ethiopians have to pay to get anything done. Unless of course you are

well connected or loyal to the governing party. Ethiopia's debt has to be paid up by the Ethiopian public. The IMF's role is not to discuss the societal and social impact of debt, hyperinflation etc. but to present the broad monetary and fiscal picture and implications.

Only Ethiopians who care for the welfare of the vast majority who have no voice have an obligation to analyze the numbers and indices and show what they mean for the urban and rural poor, the country's private sector and the country's bulging youth population. It is meaningless to listen to Obama's speech in Addis Ababa and not follow-up without let up. "When all voices are being heard, when people know they are being included in the political process that makes a country more successful... I believe Ethiopia will not truly unleash the potential of its people if journalists are restricted or legitimate opposition groups can't participate in the campaign process."

Nepotism, bribery, corruption and illicit outflow

Bribery and corruption is common in many countries. Ethiopia's is tragic because it is food and development assistance dependent. You can't grow the economy if you don't manage public resources to serve the common good. Ethiopian society is bleeding from inept administration, ethnic and religious polarization, favoritism, bribery, corruption and massive illicit outflow of capital, etc. President Obama is right on this. "Nothing will unlock Africa's potential more than ending the cancer of corruption...here in Africa, corruption drains billions of dollars from economies that can't afford to lose billions of dollars—that's money that could be used to create jobs and build hospitals and schools," feed the hungry, support smallholder farmers so that they can improve their productivity and build factories that could create jobs for hundreds of thousands of youth. Why does the donor community provide aid without holding government officials accountable then? Part of the reason is because the opposition and the rest of us do not speak with one voice. If we do, we will be heard.

A modest amount of theft, bribery, corruption and illicit outflow is inevitable. Ethiopia is one of the ten most corruption ridden countries in Africa. What is stolen and taken out of the economy could have been used to feed the hungry; build factories; strengthen smallholder farming etc. This is a systemic problem that requires collaborative action among those who want good governance. Just last week, the United Nations reported that 7.5 million Ethiopians in vulnerable and highly sensitive regions require emergency food aid. Take preventable famine as an example. Famine from occasional droughts is a common occurrence in many countries. The difference resides in how economies are managed and for whose benefit. Democratic countries such as India have overcome the problem by undertaking land reforms and through smallholder farming revolutions. Ghana is boosting productivity by empowering smallholders and youth. This is not the case in development and food aid dependent Ethiopia. The rural poor remain largely

poor and in some areas are getting poorer. As UNCTAD and the World Bank reported early this year that the Ethiopian government has failed to change the structure of the economy by empowering the society. Land is owned by the state, meaning the ruling party. An estimated 25 to 37 million Ethiopians are either poor or destitute. The current famine compounds the problem. Thousands of young people continue to leave the country in search of job opportunities anywhere in the world. No amount of borrowing or aid would change this. The key is reform.

The Indices show unequivocally that Ethiopia's dictatorship has no ear for human dignity, justice, freedom, participation, engagement, equality, the rule of law and accountability. It has a low regard for the opposition because the opposition is fractured, weak and timid. The regime feels invincible because the rest of us continue to quarrel among one another. I understand indignation within the opposition. But indignation is not a winning strategy.

In summary, economic and social injustice is widespread. It is structural and there is nothing the public or dissenters can do about it if we don't set aside non-strategic differences and collaborate and cooperate now.

President Obama said the right things in Addis Ababa; but he won't give teeth to his words. Donors and others are stunned by human rights abuses, corruption and recurring illicit outflow from one of the poorest and emergency food aid dependent countries in the world. Remember though that the destinations of this outflow are primarily Western banks, Dubai, East Asia and "hidden investments."

Foreign investors do not care if poverty deepens and Ethiopians starve to death. They make profit and donors serve their own national interests. They may show a moral obligation and provide food or monies to feed the hungry. Beyond that, they won't pressure the Ethiopian government to democratize.

This leaves those of us who feel strongly that Ethiopia needs good, inclusive, justice and rule of law based governance more than aid or foreign direct investment to rise up. I should like to conclude that the only way out the current quagmire is to stop bickering among ourselves and undermining one another. Each of us need to leave an enduring legacy for this and succeeding generations by thinking beyond ethnicity and religion, party history or affiliation, age or gender, class or other designation and begin to come together and work cooperatively and collaboratively. If we do this together, we can transition towards a genuine democratic form of government and pave the way for Ethiopia to become one of the most prosperous countries in the world.

The alternative is simply unthinkable.

