

**TRANSFORMING AFRICA:
ETHIOPIA AND THE RISING POWERS**

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Working Paper



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Transforming Africa-Ethiopia and The Rising Powers

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Preface

African countries confront a major challenge-transforming their economies in the frame of a globalising world. This encompasses evolving policies which could bolster this goal through forging close relationship with the major Rising Powers encompassing China,India,Brazil and Russia. In this context this paper unfolds facets of the political economy of intensification of the relationship between Ethiopia, one of the fastest growing non-oil African economies, and China and India. This is underscored by the critical socio-economic and political history of Ethiopia and policies of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to tackle the challenges since assuming power in 1991. The interplay between Ethiopia and the two Rising Powers (RP) could enhance the former's drive to stimulate development supported by aid and dialogue. Insights into inducing African transformation are posed.

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As this paper goes to press mounting tensions between the Ethiopian federal government and the Tigray region have led to military conflict. The implications of this for Ethiopia's political economy have to be closely monitored.

I hope this study will stimulate discussion on transforming Ethiopia.

Abstract

Transforming Africa through ties between the continent and the Rising Powers-offers opportunities and challenges in a globalising world. This encompasses evolving policies which could bolster this goal through forging close relationship with the major Rising Powers encompassing China,India,Brazil and Russia. In this context this paper unfolds facets of the political economy of intensification of the relationship between Ethiopia, one of the fastest growing non-oil African economies, and China and India. This is underscored by the critical socio-economic and political history of Ethiopia and policies of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to tackle the challenges since assuming power in 1991. The interplay between Ethiopia and the two Rising Powers could enhance the former's drive to stimulate development supported by aid and dialogue. Insights into inducing African transformation are posed.

Globalisation and the 'Rising Powers' (RP)

Globalisation

Globalisation is a major challenge in the 21st century. It is an historical process defined by compression, blurring of borders, and mounting transnational relations galvanised by information and communication technology and advanced transportation. This has been underscored by a shift from state to non state forces ushering in a 'new space' while coexisting with 'traditional ties' between nations. It is a force for integration and fragmentation arising from anxieties among groups who feel insecure and bypassed. It has been unfolding within the realm of capitalism with a search for markets and sources of raw materials and labour, underscored by the pursuit of profit.

In this context, the phase of liberalizing the world economy since the early 1990's has been dubbed 'neo-liberal globalisation' dominated by values of capitalism driven by market forces. In

this respect, there has been resistance to globalisation and nations and minorities who felt excluded from the professed gains of the process. Indeed, debates started re-surfacing, since the financial crisis of 2008, on the scope of reforming capitalism or evolving another system to pursue goals of world development and peace. The notion of globalisation has to be re-examined in the post Trump era after 2016 following the election of Donald Trump as the US President. He pledged to focus on more inward domestic looking policies-exemplified by the rhetoric of ‘ America First.’ Indeed, there has been a surge of nationalistic policies in many countries in Europe and Asia with a rise of right leaning parties. At the World Economic Forum (WEF) in Davos, in January 2018, the Indian Prime Minister, Narendra Modi, stated emphatically that developed nations were becoming more protectionist and moving away from globalisation. Moreover, since the close of 2019 the world has been hit by the Coronavirus pandemic which has led to severe health and economic challenges with a sharp fall in growth and employment in most countries. Indeed, the pandemic has led to virtual closure of national borders -a reversal of a major ethos of globalisation-accompanied by curbs in basic freedoms (personal movements, assembly, association). This has intensified the drive to pursue more inward looking policies and has posed a key challenge-deglobalisation. Hence, it is essential to re-conceptualise the nature of globalisation and the relationships between countries.

Essentially, management of the global economy has to be revamped to tackle challenges beyond the capacity of individual nations through collective strategies-finance and trade, conflict, terrorism, migration, environment, health and poverty. This is exemplified by tensions between China and the US over trade, civil wars, the flow of migrants into Europe from conflict ridden regions (Iraq, Libya, Afghanistan, Syria, Somalia) and the devastating effects of Coronavirus in 2019-20 on global health and the global economy reviving fears of a repeat of the Financial

Crisis (2008) and the Great Depression of the 1930's. The virus has led to a sharp increase in death and hospitalization beyond the capacity of the health services of most nations many of which are at breaking point and are even unable to conducting test if a person has the disease. In this respect developing countries with poor health systems confront major challenges. At the time of writing (August 2020) the world is facing a major pandemic in terms of number of cases (25 million) and deaths (840,000). Moreover, US has the greatest number of cases and deaths from the virus followed by Spain, Russia, UK, Italy, France and Brazil. .

It should be stated that Cornovirus has led to a sharp increase in public expenditure at the national level reversing the ethos of curbing public expenditure and pursuing market led policies in most nations and specially developed ones (eg.US, UK, EU), supported by community action, to boost demand, consumption, investment and employment and social welfare. The G 20, too, has called for reinforcing such measures through Bretton Woods (UN, IMF, World Bank, WTO) to increase expenditure at the global level. As mentioned Cornivirus has been underscored by a closure of national borders to reduce its spread, undermining, at least temporarily, the concept of a 'borderless world.' On the positive front it has been accompanied by a reduction in the levels of pollution and a sharp increase in use of digital communication to pursue economic and social activities. Essentially, the virus has led to a sharp decline in global economic activities with international, regional and private financial agencies calling for policies to boost the world economy-the UN, the IMF, the World Bank, the WTO, the ILO, the OECD and major credit agencies (eg. Moody). They forecast a grim outlook for the world economy in 2020 and slow recovery in 2021.

The Rising Powers

China and India are seen as major 'Rising' or 'Emerging Powers' exerting mounting influence in a changing world. Indeed,

there is a gradual shift in power from the hegemony of the US, along with Europe and Japan, to the Rising Powers coined as the BRICS group-Brazil, Russia, India, China and South Africa.¹ This unfolds the aim of China and India to recapture their historical influence. They controlled around 44% of the world's GDP in the 18th and the 19th century but their share fell in the 20th century from 16.4% of global GDP in 1913 to 8.7% in 1950, though it increased to 12.59% (average between 1985 and 1995) and 16.88% (between 1995 and 2003). Forecasts suggest that there will be a resurgence of their prowess and they will control over 40% of the world's GDP over 2025-30.²

Both nations have achieved high growth rates in recent years though they have been badly hit by Coronavirus and face a sharp fall in the rate of growth in 2020 and early 2021 when recovery is expected subject to the availability of an effective vaccine. They have functioned under different systems. China has pursued its development within a 'centralised' political structure based on 'state-led' development while India has adopted a 'mixed' (state and market) economy within a 'multiparty democratic' political system.³ Both reveal a high growth rate though this has been fluctuating. India has been overtaking China in recent years-in 2016 the growth rate of China was 6.5% and that of India was about 7.4%. Previously, over 2006-11, the compound annual growth rate of China was 10.6 % compared to India's 8.2 %, while their trade as a percent of global GDP rose from 1.1% in 1990 to 3.6% in 2004. Indeed, both have been opening up fast-trade as a percent of domestic GDP has been 40% in

1. See Pandey, 2012.

2. See Roy, 2013g.

3. India's democratic credentials are exemplified by the 2014 Indian parliamentary elections when 800 million people were eligible to vote. It also has diverse media including press, radio and television channels and active civil society organizations which can champion the plight of the poor and related problems.

China and 30% in India, while FDI, though currently modest, is expected to rise in the future. China emerged as the second largest economy in the world in 2016 and it is expected that by 2035 India will be the third largest. Both, however, confront major challenges: poverty and corruption.⁴

Africa and the Rising Powers

Inevitably, the future of many regions is closely tied to the rise of the RP⁵ which have been forging strategic alliances within and beyond Asia to bolster their influence.⁶This should be seen against a backdrop of Coronavirus and its adverse impact on health and the economy. This is bound to affect the ties between Africa and the RP in the short run. It is expected that the relationship will begin to normalize in 2021 when global growth is expected to resume.

Africa-Rising Powers ties encompass growing exchange impinging on the former's transformation⁷ in a globalizing world. Critically, this has to be closely tied to the needs of Africa. In this respect, the region confronts inter and intra colonial and post cold war tensions and conflicts which impact on development. It has been driven by trade though its share of world trade has been low-3% (2006) compared with Asia whose share has doubled to 27.6% (2006). Growth, too, has been limited. Thus, over 1980-2000 the average annual growth rate was only 1.1%. However, this rose to about 4.8% in 2013 ⁸ though this falls far short of the Millennium Development Goals (MDG) target

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4. See Kaushik Basu's comments in The Economic Times, India based on The World Bank's Global Economic Forecasts, Washington,2013
 5. This draws on works by Roy, 2013g.
 6. See Roy,2013(b),(e) and (f), Roy July 2012, and Roy 2010. See also other works on China and India and Africa cited in References.
 7. See Roy,2013(b),(e) and (f), Roy July 2012, and Roy 2010. See also works on China and India and Africa cited in References.
 8. See African Economic Outlook,2013.

of 7% to curb poverty by 2015. The region has to integrate with globalisation to usher in economies of scale, access to wider markets, and a shift from raw materials to processed and manufactured goods. In the long term a world market coupled with the use of cheaper imported inputs, and ‘moving up the value scale’ could make industry more competitive and create jobs through labour intensive production. FDI, too, has to be mobilized to attract investment in the core sectors, alongside resource based ones exemplified by infrastructure (physical and human), services and newer industries with export potential. Aid, though declining, has also been supportive, and especially for those with heavy external debts. Overcoming economic obstacles has to be accompanied by pursuit of measures to reduce inter and intra state conflicts and tensions which destabilized development.⁹

China-Africa

First, it backed nationalist movements against colonization. Second, it initiated large construction projects (e.g. the Tazara Railway). Third, it dispatched medical teams to Africa and offered scholarships to African students wishing to study in China. After the 1990s, the links between China and Africa became more pragmatic with economic development as the major goal spurred by the latter’s wide range of resources, market potential for low-valued manufactured commodities, access to oil, and investment prospects in infrastructure. The exchange climaxed in the major Beijing Summit in November 2006 focused on co-operation and ‘mutual development’ through aid, a Development Fund, preferential laws, trade market opening, debt cancellation, training, and building of hospitals.

The relationship has been driven by trade and investment.¹⁰ Indeed, China became Africa’s largest trading partner. It was estimated that the value of trade was \$ 200 billion

9. See African Economic Outlook, 2013.

10. See World Bank, 2007.

in 2015.¹¹This has been growing fast in recent years: in 2010, trade between Africa and China was worth US\$114 billion and in 2011, US\$166.3 billion, and in the first 10 months of 2012 it was US\$163.9 billion.¹²However, the balance of trade has been in China's favour. The composition of trade shows that Africa's exports were mineral ores, petroleum, and agricultural products while imports were primarily manufactured goods.

FDI, too, from China into Africa has been gradually increasing centred on infrastructure. However, the sectors in which investments were made have been widening including oil, gas and mining, and cotton and telecoms, and especially in utilities. However, overall investment remains most pervasive in infrastructure, including show-piece construction such as government buildings and sports stadiums, while investment in manufacturing has centred on labour intensive activities (e.g. garments). Between 1998-2012, 2000 Chinese firms were investing in 49 African countries many with multiple projects.¹³ Chinese corporations doing business in Africa are mainly private companies in infrastructure, energy and banking though there have been investments in small-scale manufacturing enterprises (SME's). However, whether Chinese projects in Africa, such as in infrastructure construction, use limited local labour is being posed. The impact of their investment on employment is inconclusive.

Aid, too, has supported development through grants, zero-interest loans and concessional or fixed-rate low-interest loans. However, these have often been tied to Chinese projects. About 40% of China's aid has been financed through grants. The low rate of interest (at 1.5 % over 15 to 20 years) complements the more restricted and 'conditional' western loans while since 2000

11. See African Union, 21 June, 2016.

12. See Wikipedia, Africa-China Relations, No Date.

13. See Dollar et al, 18 August, 2015, website.

more than \$ 10 billion in debt owed by African nations to China has been cancelled.¹⁴

Since the Coronavirus outbreak over 2019-20 Chinese and African experts have been holding multiple video conferences and that aside from state sponsored support, China provinces, cities, businesses and charities have also been providing aid to Africa.

India-Africa

India has moved at its own pace to deepen links with Africa shifting from championing movements against colonialism to emphasis on economic growth.¹⁵ This is rooted in the pre-colonial era with subsequent developments in the colonial and the post-colonial phase.¹⁶ After India's independence (1947), Jawaharlal Nehru, the first Prime Minister, pursued the relationship, and over the last four decades extended technical assistance to the South with the bulk going to Africa.¹⁷ This climaxed in the India-Africa Delhi Summit held in April 2008 to bolster partnerships in the core areas of trade, energy and cooperation, UN reforms, terrorism and climate change. However, India's Petroleum Minister, Murli Deora, stated explicitly India's goals: "Africa is pivotal to our energy security and we have decided to have a sustained engagement with them." India's pledges were reiterated at the second India-Africa Summit in Addis Ababa, Ethiopia in May 2011 with the aim of boosting trade, aid and building capacity.¹⁸

India's drive has been motivated by "the quest for resources, business opportunities, diplomatic initiatives and strategic

14. See Geda, 2016 and 2008. Also see Roy, 2014a for a critique of investments by Rising Powers in Africa.

15. On the core aspects of the relationship see Roy, 2013f and Economic and Political, 19 December 2009.

16. See Beri 2003 and Arbab 2008.

17. See Arbab, 2008.

18. Roy, 2013f, p 137.

partnerships.” India-Africa trade has been growing exponentially during the past decade. In 2015 the value of trade between India and Africa was \$ 74 billion.¹⁹This emerges in the trend in trade in recent years: the value of trade was US \$72 billion in 2013 which made it the fourth largest trading partner in Africa²⁰while earlier in 2011 Africa became India’s 6th largest trading partner behind EU, China, UAE, USA and ASEAN. This marked a sharp rise in volume from a meager US \$ 3 billion in 2000. However, it still lags behind China-Africa trade.

Indian FDI, too, has been making inroads especially in Eastern and Southern Africa with a sizable diaspora.²¹Investment has been emerging in new sectors including financial, food processing and light manufacturing. However, strategic economic interests have been prominent in resource based sectors exemplified by investments in Nigeria and Sudan to secure oil, gas and other natural resources. At the same time Indian companies have been making major investments in copper mining, as in Zambia, and iron ore and steel refining, as in Liberia and Nigeria. Investment has also extended to infrastructure exemplified by state-owned infrastructure and engineering companies RITES and IRCON supporting Africa’s rail and road development and its engineering companies. Recent investment patterns indicate future capacities in industries such as chemicals and pharmaceutical production, iron and steel mining, textiles, transport, banking and the retail sector. This has been led by major private companies.eg. the Tata Group and Mittal Steel and public, Rites and Ircon. Indian companies invested more than US\$ 34 billion in Africa in 2011 and a further US\$ 59.7 billion is in the pipeline.²²

Aid, too, through grants and loans have supported development exemplified by its development bank Exim. The

19. See Africa Renewal, 2016, website.

20. See Wikipedia, ‘Africa-India Relations,’ NoDate.

21. See Roy,2014a for a critique of investments by RP in Africa.

22. Based on Wikipedia, Africa-India. No Date.

Indian government made loans worth \$ 5.4 billion over 2011-14 to several African nations though these have usually been tied to projects to support Indian exports and Indian companies.

In the context of the Coronavirus crisis the Indian state has pledged support to African nations exemplified in the assurance of the Indian Prime Minister to the South African President, Cyril Ramaphosa, to maintain essential medical supplies.

Ethiopia and the Rising Powers²³

This unfolds facets of the intensification of the relationship between Ethiopia and the RP-China and India-underpinned by the former's critical historical challenges and policies of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to tackle them since assuming power in 1991.

Culture²⁴

Ethiopia is a mysterious, mountainous land in the Horn of Africa and birthplace of Early Christianity. It is seen as the 'cradle of civilization' symbolized by 'Lucy' or 'Dinkesh' ('thou art wonderful')-skeletal remains which date back to over 3 million years. Its ancient historical centres are located in Axum, Lalibala and Gondar. Unlike most African countries it has been colonized for only five years in the mid 1930's under the Italians though

23. The findings synthesize observations in a number of studies. This includes Growth and Transformation Plan, Wikipedia, Growth and Transformation Plan, 2010/11-2014/15, September 2010, EIU, 2013, Geda, 2016 and 2998, Silberman, 1960, Ethiopian Economic Association, 2009, Adem, 2012, Centre for Chinese Studies, 2007, Schellhase, 2011, The Hindu, 2013, Second Africa-India Summit, Flmmedfrique, website, Davison, website, No Date, Rahmato, 2013, BBC WorldService, Ethiopia, Abbinik and Haggmann, 2013, Feyissa, 2013.

24. The ties should be seen as a critical phase in Ethiopia's interplay with external powers.

this unleashed many atrocities. It is a country of rock churches in the north and a large variety of tribes along the Rift Valley in the south and the oldest civilization in Africa with more than twenty five centuries of documented history. Addis Ababa(‘New Flower’) is the capital of Ethiopia and within its centre is the lavishly furnished Menbere Selassie Church, the final place of rest of Ethiopia’s last royal family. It houses the Empress Menen, two princes and Emperor Haile Selassie who after removal from power died due to reasons that are somewhat controversial. Of many of its thirty seven islands, Lake Tana in Northern Ethiopia is renown for its ancient churches and monasteries. Dega Stefanos is located in the centre of the lake. It has one of the country’s most important monasteries. On the summit, framed by walls and hidden under great trees, is the Holy Stefanos Monastery, and within a small sanctuary where various mummies are preserved. Within glazed wooden coffins and the remains of five emperors of various dynasties lie in rest. Awash is a settlement on the edge of the nature park of the same name inhabited by the Afar, a proud and independent tribe. On market day, people from the surrounding area meet here. For the Afar, life is hard and only the strong survive. Corn, tobacco, dates and cotton are the main trading products of this region. Dromedaries, sheep and goats are bred and pastureland is often the subject of heated disputes.

A journey through Ethiopia is also a journey through time itself. A land of rich traditions, religions and myths. It is indeed a country of legends and contrasts that possesses one of the most colourful histories on the African continent (Expoza Travel, Ethiopia Vacation Travel Video Guide, June 2014). The country has started to establish a link between culture and development under the theme of “Development of Cultural Industries” taking into account its economic and social impact. (Ethiopia 2017 Report, Ministry of Culture and Tourism). In this respect, Ethiopia embodies many languages (over 80), ethnic groups, and cultures encapsulating diverse music, art and literature. These can be

major assets in enhancing unity and enhancing its development.

Economy

Ethiopia is a major non-oil agricultural economy. It captures the urge of African nations to pursue economic and socio-political transformation. It has an estimated population of over 90 million (the second largest in Africa) growing at 2.5% per year.²⁵ It is one of the poorest in comparison with others in the region and developing countries though it has been growing fast in recent years. According to the World Bank with about 105 million people (2017) Ethiopia is the second most populous nation in Africa after Nigeria, and the fastest growing economy in the region. However, it is also one of the poorest, with a per capita income of \$783. Ethiopia aims to reach lower-middle-income status by 2025 (World Bank, Ethiopia website).

Ethiopia's real GDP growth was estimated to be about 11.4% in fiscal year 2014-15 though it has had to cope with high rates of inflation. This has slowed to an estimated average of 7.7% in 2014, from 8.1% in the previous year and 22.9% in 2012. Undoubtedly, the rate of growth in the country over the last decade has been high averaging over 10% with reduction in the level of poverty and improvement in basic needs including health and education. The economy experienced strong, broad-based growth averaging 10.3% a year from 2006/07 to 2016/17, compared to a regional average of 5.4%. Ethiopia's real gross domestic product (GDP) growth decelerated to 7.7% in 2017/18. Industry, mainly construction, and services accounted for most of the growth. Agriculture and manufacturing made lower contribution to growth in 2017/18 compared to the previous year. Private consumption and public investment explain demand-side growth,

25. See chapter 3 on Ethiopia in studies by Centre for Chinese Studies, University of Stellenbisch, 2007 and also Ethiopia: Country Report, 3rd Quarter, 2013 and EIU, Annual Data and Forecast and Feyissa in Abbink and Haymann, eds, 2013.

the latter assuming an increasingly important role (World Bank, Ethiopia, website).

Historically, domestic savings rate have risen sharply in recent years but the investment gap is still wide: rising from 5.2% to 17.7% over 2009-2013 (EIC). Rising growth has enabled the scope of curbing poverty: in 2000 about 56% of the population were living below the national poverty line. This fell to less than 30% in 2011 and 23% in 2015 (EIC) with improvements in Millennium Development Goals including life expectancy, child mortality, and primary education. However, the country is still marked by very low development indicators making it rank 174 out of 188 nations.

The structure of trade, exemplified by 2015-16, shows that exports have been primarily agricultural and related products, including in particular coffee, oilseeds, and pulses, as well as leather products and gold while imports have been primarily capital goods, semi-finished goods, raw materials, and consumer goods (EIC); the destination of exports has been primarily Asia and Europe, followed by Africa and the origin of imports has been primarily Asia, followed by Europe, and America and Africa. FDI has been growing steadily in recent years from low levels: there were limited inflows before 2010 with FDI inward stock as a percentage of GDP being as low as 11.8% which was poor compared to East Africa's average of 18.8% (EIC). At the same time it continues to face political obstacles in creating a more democratic society to encompass greater participation, transparency, and governance.

History

This unfolds major historical challenges rooted in economic and socio-political tensions. This embraces dependency on agriculture for income, employment and exports, periodic famines and droughts and low industrial growth while trade has relied on a narrow range of exports (eg. coffee, leather) and imports

of consumer and capital goods. Moreover, extensive poverty, inequality and high unemployment, and poor socio-economic infrastructure have prevailed. Aid has supported development. Socio-political conditions, too, pose major obstacles. This encompasses inadequate democratic pluralism, unreformed land tenure structure, tensions over 'land grabbing' by state, domestic and foreign capital, and centre-periphery tensions. This has coexisted with regional disputes which have aroused major concerns over perennial conflicts with Eritrea and emergence of terrorism in recent years in the Horn of Africa (eg. Somalia, Sudan). Indeed, the nation is seen as a major partner of the US in the region to fight the scourge.

The legacy of past regimes from the mid 19th century onwards enables a fuller grasp of factors which inhibit inducing economic and socio-political change in Ethiopia.²⁶

Emperor Tewdros was a major ruler in the mid 19th century. He encouraged a number of innovations including modern government, experiments in agriculture, new industrial developments, and use of modern technology in communities and transportation. After 1860, however, his powers began to wane. He committed suicide in the wake of defeat by a British expedition to free Englishmen he had imprisoned. This was followed by civil strife among rival Chiefs and years of rule under Kassa who was crowned King of Kings in 1872. Subsequently, Menelik II came to power (1889-1913).²⁷

Emperor Menelik II emerged as the chief architect of the modern Ethiopian Empire. He is associated with reforms of

26 The core issues are posed by several historical studies on Ethiopia.

See Zeude, 1991, Tiruneh, 1993, Lipsky, 1962, Henze, 1984, Keller, 1995, Ottaway, 1991, Clairmonte, 1975, Tareke, 1996, Hiwet, 1984, Keller, 1981, Brigaldano, 2011, Naude, 1998, Zahorik, 2014, Markakis, 2011, and Rahmato, 1984, 2013.

27. See Lipsky et al, 1962, p 14-20.

the slave trade which had been initiated under Tewdros. Aside from his enlargement and consolidation of the Empire through the absorption of periphery peoples, his main focus was on developing relations with outside powers. In the 1890's Emperor Menelik II realized the dream of Tewdros of an united Ethiopian empire.²⁸In 1885 he confronted Italy-newcomers in the scramble for Africa-who occupied the Red Sea port of Massawa and then advanced into Ethiopia's northern Highland taking possession of what is called Eritrea. Talks failed and in 1896 Ethiopia crushed the Italians in the battle of Adwa.²⁹

After Menelik's death his daughter, Zauditu, and Ras Tafari Makonnen were proclaimed regent and heir presumptive.³⁰The Empress was crowned on February 11, 1917. On her death in 1930 Tafari became Emperor Haile Sellasie. However, Ethiopia was the victim of Italian aggression in 1935 and he left for Djibouti on May 2, 1936 and exile. A few days later Italy made the formal annexation of the country. The struggle led by the Emperor continued from Britain. The US, the Soviet Union, China, Mexico and New Zealand refused to recognize Italian sovereignty over Ethiopia. Upon the Italian declaration of war against the Allies in June 1940 the Emperor went to Khartoum to establish closer liaison with the British H/Q and Ethiopian resistance forces. The determination of various forces was so effective that defeat of the Italians required only 6 months of fighting. The Emperor returned to Ethiopia in January 1941 and set himself the task of bringing under his control various local resistance groups.³¹

28. See Henzi, 1984. Also see Zeudu, 1991.

29. See Lipsky et al, 1962, p 14-22, Henze,1984, p 109-111).

30. ee Lipsky et al, 1962, p 21.

31. See Lipsky et al, 1962,p 16-22. It is interesting to note that the Indian Nobel poet Rabindranath Tagore expressed severe criticism of imperialism in Africa citing the invasion of the Italians into Ethiopia.

Italy's rule disrupted traditional social and political processes and institutions. This enabled Selassie to build in many spheres almost anew and engage in experiments and projects that were inhibited by traditional institutions. He tried to modernize the economy but there were no major changes to the social and the political structure. Possibly, the pursuit of capitalism without institutional changes worsened existing social and economic inequalities. The persistence of absolute monarchy contrasted sharply with more liberal and democratic political values which were espoused. Such contradictions engulfed the regime.³² The major limitation of the imperial government was its stance towards agriculture based on a feudal system of land tenure.³³ There was a coup attempt in December 1960. Mass demonstrations were triggered by students, the unemployed and non-commissioned officers and the proletariat from the surrounding industrial plants. The slogan of 'bread and water' was dominant driven by a thirst for structural reforms in agriculture.³⁴

Selassie's rule was ineffectual. Feudalism and gross socio-economic inequalities were seen as potential sources of conflict. It has been argued that the Ethiopian empire would survive as long as the Church, the aristocracy, the bureaucracy, the military, and foreign military and diplomatic alliances remained intact. The regime was seen as being marked by meanness, corruption and gross abuse of power.³⁵ The collapse of Selassie's rule was accompanied by widespread drought, famine and inflation. These factors precipitated the revolution. Others, taking an explicit Marxist position, cite grievances of various groups in Ethiopia's peasant and incipient working and middle classes. The interaction between the centre and the periphery was also weak. The political ethos underlying the regime's rule was liberal and

32. See Keller, 1981, Henze, 1984, and Clairmonte, 1975.

33. See Naude, 1998.

34. See Clairmonte, September 27, 1975.

35. See Tareke, 1996.

reformist but its social policies were half hearted and ineffective. The aristocracy had been weakened by the Crown. Class conflicts between different groups existed while economic stagnation led to high unemployment.³⁶

In 1974 Sellasie was overthrown by the military led by the ‘Derg regime’ under General Mengistu. They adopted central planning to transform the economy. This was based on measures which it was alleged were even more exploitative than the Imperial government. Initially, they functioned as a collegial group which tried to compromise and work with the civilian left, accepting the notion that the nation had to engage in a ‘scientific socialist revolution.’ Urban and rural property was nationalized in 1975 along with financial institutions prior to the declaration of the Programme for the National Democratic Revolution in April 1976. This was accompanied by the Derg reinforcing their own position vis a vis political civilian opponents. They allowed political organizations to form but they were not allowed to operate as political parties and had to belong to the Joint Front of the Ethiopian Marxist Leninist Organization-an umbrella organization of the main recognized political groups in the country. However, civilian opposition became violent. This led to the regime’s counter attack through ‘Red Terror’ in which forces loyal to the regime killed thousands of young people. An attempt was made to curb Mengistu’s power. He launched a counter coup in early 1977. He stood alone at the top of the Derg government and felt it was a mistake to try and develop a party through collective political organizations. He stated that a party had to be built on the formation of a few “committed communists” rather than groups. The fundamental problem of the regime was its authoritarian style and the absence of political democracy.³⁷

36. See Keller, 1981.

37. See Keller, 1995. Also see Henze, 1984, Ottaway, 1991, and Hiwet, 1984.

EPRDF and development

In 1991 the Ethiopian People's Revolutionary Democratic Front (EPRDF) joined forces with the Tigray People's Liberation Front (TPLF) to oust the Derg. The TPLF-EPRDF announced liberal policies during the transition period (1991-95). From the early 1990's onwards the EPRDF have been wrestling with the major historical challenges to stimulate the economy and usher in political development.

In the early 1990's the country was facing an urgency to attract international funds as the country was bankrupt. The previous 'Albanian model' was replaced by the 'free market,' and the creation of an Ethiopian Privatization Agency. The market code was revised to develop the private sector.³⁸ The Federal Democratic Republic was proclaimed through the 1995 Constitution and the multiparty system from then onwards had to be supported by periodic national elections. The EPRDF pledged to pursue 'Aboyotari Democracy.' This was defined as an appropriate doctrine that "had to be firmly grasped if Ethiopia was to embark on sustainable economic development." However, despite adopting a multiparty system and liberal economic policies and on the political front the party re-affirmed an ideological line which rejected parliamentary democracy and defended democratic centralism.³⁹

Economy

The EPRDF aimed to reshape Ethiopia through reviving the agricultural sector, stimulating agriculture led industrialization, and subsequently industrialization. It aims to reach lower-middle-income status by 2025 (World Bank, Ethiopia website). This has been underscored by the state playing a major role supported by the market (private sector) in inducing development. However,

38. See Bach, 2012.

39. See Bach, 2012

more recently, since 2018, there has been mounting pressure to curb state intervention and emphasise market forces

Over the last two decades the thrust has been on transformative development and creation of a new federal system of governance centred on a continuous process of establishing the legal framework, major institutional development and restructuring and development of different sectoral policies, strategies and programmes (UNDP, Partnership for Action on Green Economy. Scoping Study. Integration of Poverty and Sustainability into National Development Planning, Ethiopia Report, Addis Ababa, August 2015). The 1995 Federal constitution was the comprehensive legal framework for social, economic and environmental policies and strategies. The major pillars of this constitution were laid in the Transitional Political Charter of 1991. In this context the Agricultural Development Led Industrialization Strategy (ADLI) has been a source of policy direction for Ethiopia's long term goal of broad based development. This has centred on agricultural transformation leading on to the ultimate goal of becoming an industrial economy in the region.

The plans have basic similarities in content but exhibit significant departures to reflect changing national conditions and new global and regional commitments. Thus, the overarching objective of the Sustainable Development and Poverty Reduction Plan (SDPRP) (2002/03-2004/05) was poverty reduction. This was taken further in the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) (2005/06-2009/10). However, PASDEP included new directions of a major focus on growth and scaling up of efforts directed to achieve Millennium Development Goals. The subsequent Growth and Transformation Plan (GTP 1) 2010//11-2014/15) built on the experience of PASDEP was directed towards Ethiopia's long term vision of becoming a middle income nation and sustaining broad based economic growth. The main vision was retained in the current

Growth and Transformation Plan (GTP 11) (2015/16-2020) though it also embraced commitments to build a climateresilient green economy (UNDP, August 2015).

The policies need to be examined through the major documents-exemplified by the New Economic Policy first released by the Ethiopian government in November 1991 and the unpublished ‘Policy Framework Policy’ of September 1992 (updated in March and October 1994).⁴⁰The aim was to break with the policies of the Derg regime through adoption of a stabilization cum liberalization programme in collaboration with the IMF and the World Bank. Significant development tookplace in terms of monetary, interest rate and credit policy, fiscal reforms, price reforms and the dismantling of the monopoly power of state corporation. The World Bank’s ‘Emergency Recovery and Reconstruction Programme’ in 1991 lasted till 1993 followed by the Structural Adjustment Programme (SAP)-a \$ 1.2 billion development assistance to move towards a market economy. In mid 1996 Ethiopia adopted a modern adjustment programme under IMF Enhanced SAF for 3 years from 1996-7 to 1998-9. Subsequently, donor development programmes focused on Poverty Reduction Strategy Programme (2001-5) and Plan for Accelerated Development to End Poverty (2006-10).

The measures have to be posited against a backdrop of perception of the nation as a ‘Donor’s Darling.’ However, its relationship with donors has been tense due to ideological skirmishes and occasional open confrontation as the EPRDF refuses to let outsiders dictate its policies. Its growth strategy in recent years has been strongly supported by economists like Joseph Stiglitz, the former Chief economist of the World Bank, who later became a critic of the Bank.

Initially the policies emphasised agricultural growth with strong state support based on ADLI-Agricultural Development Led

40. See Naude, 1998.

Industrialization-a 5 year programme created by the government to achieve GDP growth of 11-15% over 2011-15 whilestimulating technology and manufacturing and value added in existing industries (eg. leather, coffee). Improving infrastructure, too, has been critical to ensure adequate investment in core sectors and skilled workforce to boost global competitiveness. However, inadequacies of agriculture led industrialization led to evolving the Global Transformation Programme (GTP) (1) (2010-15) to achieve growth of GDP of 11-15% between 2010-11 and 2015 and by skilling technology and manufacturing and value added in existing industries (eg. leather, coffee).⁴¹ This was based on shifting from small scale peasant farming to commercial farming increasingly led by domestic and foreign capital. Donors were to play a minor role in GTP(1).Under GTP(2) (2015-20) the main goal has been to maintain an average real GDP growth rate of at least 11%, pursuing aggressive measures towards rapid industrialization and skill transfer, and ensuring the sustainability of growth by fostering a stable macro-economic frame and climatic resilient green economy in a globalizing world. The total investment required for GTP(2) was ETB 4.2 Trillion (US \$ 200 billion) with 55% on budget, of which 5.4% was to come from external loans while the remaining 45% was to be off budget to be executed by state enterprises from their own reserves, domestic and externalloans.⁴²

More recently there have been ideological shifts. In this respect since April 2018 when Abiy Ahmed took over as Prime Minister there has been a shift in thinking on the economic

41. See MOFED, Growth and Transformation Plan (GTP) 2010/11-2014/15. Draft.Ministry of Finance and Economic Development (MOFED), The Federal Republic of Ethiopia, September 2010, Addis Ababa, Ethiopia and also Growth and Transformation Plan, Wikipedia, website.

42. See African Development Bank Group, Country Strategy Paper 2016-2020, p 8. Prospects for growth in Ethiopia are seen as positive.See Deloitte, 2014.

and political front. On the economic front there has been a drive to reduce the role of the state and place more emphasis on the private sector, including privatization while on the political front sweeping political changes were initiated-discussed more fully later. Plans to partly or fully privatize state owned enterprises emerged-including railway projects, sugar development programmes, industrial parks, hotels and manufacturing industries. It was stated that there would be part privatization of Ethio-Telecom, Ethiopian Airlines, electric power generation projects, and Ethiopian shipping though the government would hold the major stakes. There have also been major moves to restore regional peace through diplomatic and trade ties with Eritrea with which it has fought a bitter war in the late 1990's over border disputes which led to the death of thousands on both sides. The Prime Minister signed in July 2018 a peace agreement with the country. He also took steps to bolster ties with the Ethiopian diaspora, especially in the US, and has encouraged them to invest in the country. In this realm the response of the US, a major ally of Ethiopia, has been positive-the US Assistant Secretary of State commented that 'Ethiopia in the 'Horn of Africa is the hope of Africa.'

Forecasts on the economy are positive-the IMF estimated the rate of growth of Ethiopia in 2018 to be 7.7% and this was expected to rise to 8.5% as a result of the reforms. However, despite initiating reforms there have been pockets of resistance. In the meantime since Abiy Ahmed assuming power in 2018 and mounting emphasis on the market the controversial issue of Ethiopia joining the World Trade Organization (WTO) has been reposed.

Moreover, Ethiopia has hinged its development over a mega project-the building of a \$ 4.6 billion Grand Ethiopian Renaissance Dam-as a crucial link to bring millions out of poverty. The agreement to build the dam impacted on Ethiopia, Egypt and Sudan. This has posed major challenges. Egypt which

relies on the Nile for 90% of its water supplies already faces water shortage and fears a devastating impact of the dam on its booming population of 100 million. Terse negotiations over the years has left the nations short of an agreement to regulate how Ethiopia will operate the dam and fill its reservoir while protecting Egypt's scarce water supplies from the Nile river. However, talks are progressing to resolve the problems. It was reported in June 2020 that Egypt, Sudan and Ethiopia have agreed that Ethiopia will delay filling its dam on the Blue Nile and hold talks to end the dispute. The move comes after weeks of escalating tensions amid fears of open conflict. The leaders of the three countries have agreed that Addis Ababa will delay filling its dam on the Blue Nile until the three nations have reached an accord on the use of the river's water-sharing.

Unfortunately, the Coronavirus, the major epidemic, has begun to adversely affect African countries including Ethiopia, though the number of cases so far has been limited. It is believed that African countries such as Ethiopia will be hit by a fall in remittances from developed nations due to high unemployment in the latter. The demand, too, for African exports, primarily of commodities, are likely to confront a fall in demand due to a reduction in the rate of growth of developed nations. In April 2020 a state of emergency was imposed due to the virus. To fight the pandemic the government turned to the IMF for a loan of \$ 415 million through the Rapid Disbursement Instrument Facility without ex post conditionality. The loan will be repaid in 10 years with an interest rate of zero without any conditionality. The African Development Bank (ADB) has also approved \$ 165 million grant for Ethiopia for Ethiopia's National Covid 19 Emergency Response to expand social protective coverage for the most vulnerable and enhance capacity to contain the virus and address macro-fiscal balances as well as cushioning effect on the private sector. There is anxiety over the virus reversing the country's recent economic progress.

According to the deliberations at the recently held 18th session of parliament, Ethiopia's macroeconomic indicators show a mixed image of strength in some areas and weakness in others. Inflation continues to progress along the double digit trajectory. Unemployment is continuing to rise due to the job losses caused by the closure of many enterprises and small businesses in the wake of the COVID-19 pandemic. The service sector is most affected by the closures of small businesses and new jobs hard to come by. The hard currency reserve of the country is still low due largely to a sharp fall in income from foreign trade caused by the global health pandemic.

It should be stated that Ethiopia's annual growth rate is estimated to reach 8.5%, which is a slight decrease from growth in 2019. The budget for fiscal year 2021 is based on this growth rate which can be characterized as good although independent studies could not confirm it. The budget deficit that was evident two years ago has now given way to a more balanced budget although it has not produced surplus.

Politics

The EPRDF, as stated earlier, wanted to pave the way for political change through "Revolutionary Democracy." Though the nation is seen as one of Africa's most stable, critiques have been calling for the regime to accelerate political change.⁴³ This calls for galvanising participation, opposition, transparency, freedom of speech, press and civil society freedom, and internal reform of the party. This cannot be separated from the turbulent political history of the nation. Debates prevail over attempts by the EPRDF to pursue democracy via elections. It is alleged that this has appropriated liberal tools to make legitimate the survival of the EPRDF leadership. Ethiopia's elections (2005, 2010 and 2015) have posed questions on democratic fairness to study

43. See for instance Zahorik, 2014 and also Abbinik, 2013 and Markakis, 2011 and 'Ethiopian Profile' BBC website.

the relationship between electoral principles and democracy. The equating of Ethiopia's electoral system to one of western democracies by the government has subjected it to the same types of criticisms.⁴⁴ Different laws voted by the Ethiopian parliament since the 2005 General Elections challenge liberal understanding of civic and political rights. This impinges on tensions over the anti-terrorist laws, the narrowing of freedom of the press, obstacles faced by many NGO's, and imprisoning of Union for Democracy and Justice political activists.

During the 2010 campaign, a divided, intimidated and poorly organized opposition was unable to mount a serious electoral challenge against the ruling system.⁴⁵ The ruling party and its partner parties won 544 of the 547 seats to the House of People's Representatives (HPR) and all but 4 of the 1904 seats in the State Councils. The European Union report on the elections called for measures to increase participation and capacity of opposition parties as well as widening political space in Ethiopia. The ADB in its report Federal Democratic Republic of Ethiopia Country Strategy Paper 2016-20 stated that on civic engagement the government of Ethiopia recognized the role of communities and non state actors in the development process. Local governments usually engaged community representatives at the Kebele level in the planning process. However, non state actors and citizens representatives criticised the lack of adequate access to information on government policies and absence of transparency in the decision making process. Indeed, in 2015, Ethiopia ranked very poorly: 126 out of 144 in transparency of government policymaking.⁴⁶ The EPRDF won all the parliamentary seats in 2015. African Union observers declared the elections as generally fair. But opposition parties and human rights viewed

44. See Bach, 2012

45. See Brigaldino, 2011.

46. See African Development Bank Group, Country Strategy Paper 2016-2020), p 4.

the election results as indicating a narrowing democratic and political space in the country. GTP (2) anticipates empowering and broadening political space for the opposition to bolster their role in the democratic process.⁴⁷

Anxieties over the pursuit of democracy re-emerged in the aftermath of the state imposed ‘Emergency’ in October 2016 for six months. This stemmed from opposition to plans to extend industrialization beyond the Addis Ababa region. There was vehement domestic and international criticism. The government was accused of detaining about 20,000 people and imposing curfews, ban on public assembly and restrictions on the media and the internet. This aroused widespread and popular protests by Oromo farmers. This was rooted in fear that the Addis Ababa and its surrounding Oromia Special Zone Integration Development Master Plan would illegally displace many Oromo farmers from ancestral lands and ultimately repress their culture and identity (Dittgen and Demisie, January 2017). The ‘Emergency’ was extended in April 2017 for 4 months. The government hailed it as a success in restoring stability. It was lifted in August 2017. The Defence Minister claimed that the government had been able to deal with terrorists, anti peace elements and trouble makers. But it was

47. See African Development Bank Group, Country Strategy Paper 2016-2020), p 1. It should be stated that Ethiopia is a federal democratic republic comprising the federal state and 11 regional States each with legislative, executive, and judicial powers. The Federal Parliament is bicameral consisting of the Federal Council and the House of People’s Representatives is the highest authority. The Federal Council is comprised of representatives of nationalities, with at least one member per nationality in the council. The 11 regional States (9 self governing regional States and 2 autonomous city administrators) are sub-divided into zones, Woredas (district), and Kebeles (sub-districts) that are vested with formally devolved powers and functions See African Development Bank Group Country Strategy Paper 2016-20, p 1.

alleged that over 600 people had been killed in a year of protests that began in the Oromia region and spread across the Amhara region and the capital Addis Ababa, and that over 8000 people were still in prison. Ultimately such tensions and their aftermath have to be resolved through democratic political measures. This is essential to enable the pursuit of developmental policies.

The state of emergency imposed in October 2016, initially for six months, following protests, was re-imposed as mentioned for four months in August 2017. However, there was a release of political prisoners in January 2018. This was heralded by the Ethiopian state as a step in ushering in political dialogue and the drive for ‘national reconciliation.’ This seemed to offer hope for enhancing political stability and democracy. But mass protests re-emerged in early 2018. In February 2018 the Prime Minister, Hailemariam Desalegn, resigned in an apparent bid to ban protests and quell organized violence.

Against this backdrop in April 2018 Abiy Ahmed took over as Prime Minister and initiated a series of political reforms, alongside the economic ones discussed earlier, releasing thousands of prisoners, and unblocking websites and tv channels, and on 5th June 2018 a draft law was passed lifting the state of Emergency declared on 16 February 2018.

The expectations from Prime Minister Abiy Ahmed are high. These are unlikely to be met in the short or medium term, The issue is whether the envisaged measures will build a foundation for future progress taking into account structural challenges and those stemming from ethnicity, religion, class and the scope of reducing the political monopoly of the EPRDF. A number of measures could pave the way for transition to democracy, development, peace and security :

1. Opening up space for opposition parties which are currently weak despite high levels of public dissatisfaction with the status quo.

2. Setting the course for free and fair elections within the next two years including a new electoral board including diverse social sectors.
3. Releasing all prisoners of conscience.
4. Opening up the mass media and stopping repression of journalists and other opinion formers.
5. Making a real start to address the anxieties of youth, and in particular unemployment and economic opportunities

The Prime Minister has much support and there is enthusiasm for his planned reforms but there is dissatisfaction within the EPRDF and mounting anxieties especially among minority ethnic groups who may feel excluded despite the new climate of change confidence. For instance, on 3 June 2018, there was an attempt on the life of the Prime Minister at a rally in Addis Ababa. He survived but two people were killed. The role of domestic and external institutions including international aid and development agencies has also to be firmly embraced by the Prime Minister. It is essential to monitor the economic and political reforms and their impact.

Towards the close of 2019 major developments began to emerge. Ethiopia's image was given a boost. Abiy Ahmed was awarded the Nobel Peace Prize for his efforts in the region and in particular for reshaping the deep conflict with neighbouring Eritrea. He has certainly taken bold steps to pursue his pledge to reform the political structure by dismantling the EPRDF and creating a new party-the Prosperity Party (PP). The EPRDF was made out of four parties that each represented a dominant ethnic group-the Tigray People's Liberation Front (TPLF), the Oromo People's Democratic Organization (OPDO), the Amhara National Democratic Movement (ANDM), and the Southern Ethiopian People's Democratic Movement (SEPDM). In practice the TPLF bolstered its legitimacy as a revolutionary vanguard party, and the

others were satellite parties. Three of the four parties-within the coalition, the OPDO, ANDM, and SEPDM, voted to join the new party while the TPLF which created these parties and the EPRDF coalition, rejected the idea as “illegal and reactionary.” Other ethnic parties which voted to join the coalition, such as the Ethiopian Somali People’s Democratic Party (ESPD), will not exist as distinct political entities, and their membership will cease. The PP aims to become an all encompassing national party that represents the entire Ethiopian people. This poses major challenges in the frame of Ethiopia’s history.

In the meantime elections scheduled for August 2020 have been postponed and an interim government is to be formed before the term of the current parliament ends in early national unity. This will mean incorporating the opposition that was proposing to challenge Prime Minister, Abiy Ahmed, in August, into a coalition government of national unity.

Political tension in the country is exemplified by the death of at least 150 people and arrest of about 2000 people followed by the cutting of internet services to dampen protests and make it difficult for rights minorities to track killings in the aftermath of the murder in June 2020 of a popular Oromo musician Haacaaluu’s Hundeessaa. His music was the soundtrack for a generation of young Oromos. Indeed he inspired them about their political rights. The protests tapped into grievances fuelled by decades of alleged government repression and what the Oromos, the country’s biggest ethnic group, describe as the historic exclusion from political power. In the meantime a prominent journalist and activist Eskinder Nega, a former political prisoner, was arrested. He runs a pressure group opposed to what it describes as Oromo attempts to dominate the capital Addis Ababa (The Guardian (UK) 1 July 2020). In this respect it is alleged that since Abiy Ahmed came to power in 2018 ethnic groups’ of Prime Minister, Abiy Ahmed, and the federal government supported by the Prosperity Party, of which TPLF is not a member, postponing the general

demands for political, social and economic inclusion and in some cases independence and autonomy has been growing. Indeed, in early September 2020, the Tigray region put strain on Ethiopia's unity. The region planned to vote in defiance of Ethiopia's federal government. They argued that they were asserting their democratic rights and autonomy. This should be seen against the backdrop of postponing elections in March 2020.

On the external front it is reported that there have been clashes between Sudanese military and civilians and Ethiopian militia, backed by the Ethiopian army, and a number of soldiers and civilians have been wounded.

In this context the changing political scenario is re-sowing doubts about the capacity of Abiy Ahmed and the Prosperity Party of pursuing its vision of establishing democracy in Ethiopia. Hence, it is essential to monitor the politics of the nation in the coming months.

Ties-Ethiopia-Rising Powers⁴⁸

The nature of the relationship between Ethiopia and the Rising Powers and its scope of supporting development of the former have to be examined in the frame of historical and contemporary challenges and the policies of the EPRDF to tackle them.

48. The findings synthesize observations in a number of studies including Growth and Transformation Plan, Wikipedia, Growth and Transformation Plan, 2010/11-2014/15, September 2010, EIU, 2013, Geda, 2016 and 2008, Silberman, 1960, Ethiopian Economic Association, 2009, Adem, 2012, Centre for Chinese Studies, 2007, Schellhase, 2011, The Hindu, 2013, Second Africa-India Summit, Flmedfrique, website, Davison, 2011. website, Rahmatu, 2013, BBC WorldService, Ethiopia, Abbinik and Hagmann, 2013, Feyissa, 2013.

Ethiopia-China

Trade and investment between Ethiopia and China has been growing rapidly. Indeed the relationship has been a key making China the major partner on both fronts. In 2014 it was estimated to be US \$ 1.3 billion and was expected to rise to US \$ 3 billion by 2015.⁴⁹ This was supported by special quotas and tariff agreements for many goods. Imports of cheap consumer goods into Ethiopia from China were \$ 3.4 billion in 2015 while exports from Ethiopia were \$ 380 million over the period. In terms of the nature of trade, the balance has been tilted in China's favour. In 2014, for instance, Chinese exports to Ethiopia were valued at \$ 4.5 billion (mainly industrial products) while Ethiopia exported just \$ 456 million (mainly agricultural products). Again, it emerges that Ethiopia had a trade deficit of US\$ 2366 million in the fourth quarter of 2012. In previous years, the balance of trade for Ethiopia was reported to be -US \$ 1556 million from 2006 until 2012, -US \$ 956.70 during the second quarter of 2007 and -US \$ 2366.20 million in the fourth quarter of 2012. Basically, Ethiopia's balance of trade has been in deficit due largely to the limited nature of products exported to China. Moreover Ethiopia is a net importer of fuel and machineries.⁵⁰

The composition of trade shows that Ethiopia has become one of the main markets in Africa for Chinese products, equipment, technology and investment. Historically, the yearly volume of trade between 2003-13 increased by more than thirteen fold. This has been facilitated since 2006 with China providing significant financial support for Ethiopia's mega projects including Express Toll Way, wind power plant, railway, hospital and cultural investments.⁵¹ Over 2002-8 major Chinese exports to Ethiopia were machinery and mechanical appliances,

49. See Venkatarman and Gofie, 2015.

50. See Venkatarman and Gofie, 2015.

51. See Khan, China-Africa Economic Forum, April 2015.

electrical equipment and parts, textiles, base metals, footwear and transport equipment. This has been facilitated since 2006 with China providing significant financial support. Alongside, Ethiopia's exports to China have been growing. This shows that over 2002-8, 98% of all exports to China were vegetable products, raw hides, skins and leather products, and mineral products. In 2005 China took less than 0.5% of the country's exports and ranked as the 12th most important export destinations while it took 5% of total exports and 6th place mainly due to a jump in sesame exports. However, by 2007-8 China's share of Ethiopia's exports had dropped to 4.3% and 7th place as export destination. Basically, China increased its import of commodities when there was a shortfall in domestic production due to drought.⁵²

China has pursued a preferential trade policy towards Ethiopia.⁵³ It suspended tariffs on agricultural products which benefited Ethiopian exports and in 2005 sesame exports increased by 500% in direct response to China's tariff policy.⁵⁴ Agreements were signed, as in 2010, to offer preferential market access to Ethiopia's exports to China. In the longer term it is necessary to reduce the trade deficit between China and Ethiopia through the latter exporting more high value products exemplified by industrial and processed products.

China has also been the major investor in Ethiopia, the attraction, according to Chinese officials, being due to its relative safety, low levels of corruption, efficient bureaucracy and relatively cheaper production costs. It has been argued that this has been helped by similarities in the political ideology of the EPRDF and Chinese communist party. FDI from China averaged \$ 88.5 million for many goods. FDI from China averaged \$ 88.5 million every year over 1997-2016 with average growth of 20%. According to

52. See Ethiopian Economic Association, 2009, p 29.

53. See Venkatarman and Gofie, 2015.

54. See Thakur, 2009.

the Ethiopian Investment Corporation over January-October 2019. Ethiopia approved 147 FDI projects for China with year to year increase of 12% accounting for 60% of the newly approved FDI projects in Ethiopia till recently. This has been underscored by China's recent emphasis on "One belt, one road" initiative. The thrust of Ethiopia, according to a key Ethiopian government minister, is on shifting from an agricultural to an industrial economy, embodied in expansion of the manufacturing sector through FDI, with China playing a crucial role, buoyed by hope of creating many jobs and facilitating import substitution (Ethiopian Herald, 10 September, 2016).

Chinese investments in Ethiopia over 1992-2015 were about \$ 16.2 billion Birr (\$ 773 million) making it the biggest investor in the country over the period. By 2009 direct Chinese investment was \$ 910 million. This increased sharply by 2015. This included key sectors, industrial parks and large scale projects: tollway, wind plant, light railway, railway lines, hospitals, and Chinese philosophical institutes (Ethiopian Herald, 10 September 2016)). According to the Heritage Foundation and American Foundation total Chinese investment in Ethiopia was estimated to be \$ 20 billion in 2016 (including 70% of the road networks in the country). The relevant facets of Chinese investment have to be studied.

Ethiopia-India

The importance and antiquity of India's trade with the Eastern coast of Africa and its cultural importance has been the subject of discussion. India's trading contacts with Africa and the evidence of trade has been known. In this respect, it was believed that "Hindus traded with the east coast of Africa in slaves and ivory (Richard Pankhurst, 1972, page 3-4)." The history of India's relations with Ethiopia in the 19th century was prominent. Indeed, India's commercial relations with Ethiopia were important in the Middle ages and consequently when Indian traders were active in the Red Sea and Aden ports-imports into East Africa of Indian

silks, cotton and spices as well as luxury goods. Indeed, India began to exert some influence on Ethiopia dress and cuisine. Moreover, it was noted that there was a presence in the Indian sub continent of Ethiopian slaves, known as Habshis-acorruption of the word Habash or Abyssinia-discerned from the early 13th century. Many of the slaves acquired position of high status and played a notable role in Indian politics in the following centuries particularly in the 16th century. Habshis immigration though most significant in the west coast of India also took place in other parts notably in Bengal. The coming of the Portugese led to the intensification of ties between India and Ethiopia. Indian traders played a major role in Red Sea trade with import of textiles and spices and in the export of ivory, gold and pearls with a small but important community resident in Massawa as well as in other East African ports. Indian craftsmen also played a notable role in Gondar eg. a craftsman from India was believed to be the architect of the first famous castles and there is a suggestion that there was Indian influence in certain Ethiopian paintings of the period and Indian craftsmen were present in Massawa, Harara and Addis Ababa in the 19th century (Pankhurst, 1972, page 129-121).

India established diplomatic ties with Ethiopia in July 1948 when Emperor Haile Sellasie was in power. This was raised to an ambassadorial level in 1952. In recent years exchange between the two nations has been stimulated primarily by trade and investment. This could be enhanced through aid and international collaboration. This has to be seen against a backdrop of China's inroads into Ethiopia and its dominance in the economy and India's drive to play an important though subsidiary role.

The relationship emerges in the realm of policies in the post revolution phase and a changing global economy subjected to fluctuations- exemplified by the Cornovirus health epidemic which impacted adversely on all economies and is likely to constrain relations between nations in the short run. In this

respect, the Indian Prime Minister, Mody's message to African countries was reiterated in his exchange with the Ethiopian Prime Minister, Abiy Ahmed. Mody stated firmly that the two countries were partners and India would ensure the supply of medicines and offset the economic impact of the virus (5 May, The New Indian Express).

Trade

Economic ties have increased in the last two decades. Exchange on trade and investment has been growing, though it still lags behind China. Indeed, trade between India and Ethiopia has been rising fast over the last decade though the balance is still heavily in India's favour. Trade between the two countries was \$ 1.27 billion over 2017-18. Indian exports were \$ 1.224 while Ethiopian exports were \$ 47.5 million. Trade turnover of the two countries reached \$ 1.3 billion in 2013. Bilateral trade between India and Ethiopia has been rising sharply in the last 15 years from less than US \$ 50 million in 1995 to over US \$ 600 million in 2010. In fact trade between Ethiopia and India in 2011-12 was \$ 60 million and was expected to reach \$ 1 billion by 2015. Again, as with China, the trade balance has been in India's favour, about \$ 1.2 US billion, with the bulk comprising Indian exports to Ethiopia (Ethiopian News Agency, 21 January, 2017). Over 8% of total imports of Ethiopia are from India but imports from Ethiopia as a % of Indian imports are very low.

Trade relations were intensified sharply after 2007 when Ethiopia and India signed several agreements including the Bilateral Investment Protection Agreement. However, by 2009 India was still not among Ethiopia's top 12 export destinations.⁵⁵ A number of agreements have been signed between the Ethiopian Chamber of Commerce and Sectoral Association (ECCSA) and India's Chamber of Commerce such as CII, the India-Africa Chamber of Commerce and Industry (IACCI), and the Federation

55. See Ethiopian Economic Association, 2009.

of Indian Chamber of Commerce and Industry (FICCI).

Composition of trade shows that between 2002-8 over 99% of Ethiopia's exports to India were commodity products: vegetable products, hides, skins and leather products, textiles and textile products, metal and base metals. Major exports from India to Ethiopia were machinery and mechanical appliances, textiles and textile articles, base metals and base metal articles, plastics, footwear, headgear and umbrellas, and vehicles, aircraft and transport equipment.⁵⁶ There is much potential of accelerating the level and nature of Indian exports to Ethiopia taking into account the demands of Ethiopian consumers including pharmaceuticals, iron and steel, cereals, commercial vehicles, and electric machinery. Ethiopia could also be a base for production of Indian goods for exporting to East Africa, Europe and Middle East.

The Indian government has undertaken preferential agreements on trade. This shows that the government has provided duty free tariff preferential schemes to support African countries including Ethiopia to export products to India. This was backed, as mentioned earlier, by trade agreements.

Investment

Indian investment, too, in Ethiopia has been rising sharply. Indeed, it is the second largest investor in the country. Indian FDI is valued at \$ US 4 Billion in fields including manufacturing, agriculture and mining with 600 Indian companies employing about 300,000 Ethiopians (Ethiopian News Agency, 3 February, 2017). Indian FDI averaged \$ 40.9 million a year for two decades with average rate of 82%. The goal is to invest in light manufacturing, food processing, chemicals and pharmaceuticals, horticulture, textiles and garments. It is also giving support to mega projects-sugar, railways and rural electrification- and education with scholarships to Ethiopians every year along

56. See Ethiopian Economic Association, 2009, p 31.

with investments in health projects worth about \$ 200 million. Some Indian companies, moreover, aim to invest in Hawassa Industrial Park (Ethiopian News Agency, 3 February, 2017). Indian companies were among the top three investors in Ethiopia. There have been about 154 Indian companies in Ethiopia with investments of \$ 4 billion of which \$ 2 billion is estimated to be on the ground.

Approved investment has been approximately \$ 4.8 billion out of which \$ 2.5 billion is already on the ground and there are 622 Indian projects approved by the Ethiopian Investment Agency (EIA). According to the EIA about 35% of the Indian investment is in agriculture.⁵⁷ At the license and operational level Indian projects were much more capital intensive than that of China. The rising trend in investment shows that in 2011 the value of approved investment was US \$ 4.7 billion secured by 596 companies. The value of actual investment was US \$ 2 billion. The International Centre for Trade and Sustainable Development (ICTSD, 2014) also cited the rising trend in investment. Thus, between 2005-9, the number of Indian investors increased sharply. However, the nature of planned and operational projects has to be investigated. In terms of operational projects of 311 licenses granted to Indian investors between 1992-December 2008, some 87 (28%) were operational with an investment of \$ 1.3 billion (3.8% of total registered value) generating 5,495 permanent jobs (22.9% of registered jobs) and 7,210 temporary jobs (5.4%).⁵⁸ The bulk of the jobs among the Ethiopians were relatively less skilled ones. The sectoral focus of Indian firms shows that they have been engaged in manufacturing and in a variety of services including engineering, consultancy, ICT, water management and education.

Overall, since 1998 to the first quarter of 2014, India has

57. Business Standard, July 2014.

58. See study by Schellhase, August 2011.

invested more than US \$1.5 billion in the primary sector with 97% on crops, 1% on animal farming and mining and quarrying. In contrast to the primary sector Indian investments in the secondary sector were much more diversified including leather tanning, textiles, chemicals, furniture, food and beverages, paper product and metal products. It created permanent employment of 26,613 and temporary employment of 24,140.⁵⁹

Initiatives have also been launched by the Indian government to support Ethiopia's development. This is exemplified by the Ministry of External affairs choosing Ethiopia as the pilot site for the Pan Africa E-Network Project-a joint venture with the African Union.⁶⁰ It has also offered US \$ 2 billion to upgrade CT scanners at Black Lion Hospital in Addis Ababa.⁶¹ Moreover, Indian companies, such as Karuturi Global Limited, have been leasing land for agricultural production. Thus, the company leased in 100,000 hectares of land in western region of Gambella to grow and process sugar, rice, pal oil and cereals. This is in line with Ethiopia's policies to expand commercial production especially for exports. Such projects, however, have been controversial and pose questions on gains and losses stemming from foreign investment in agriculture, including food security and agriculture led industrialization. This has led to perennial controversy over state versus peasants, pastoralists and foresters. This has to be set in the context of land leased out comprising only about 1% of the total arable available for cultivation.⁶²

The nature of trade and investment between the RP and Ethiopia emphasises the need to study more closely short and long term impacts: effects on producers and consumers,

59. See Geda, 2016. Also see Schellhase, August 2011

60. See Desai, 2009, p 420.

61. See Schellhase, August 2011.

62. See Davison, May 25, 2011.

infant industries, competitiveness of local industries, transfer of technology and knowledge, creation of skilled and unskilled jobs, and inter-sectoral and global linkages.

Aid

The development of Ethiopia has been strongly supported by aid from developed countries and international institutions. In this respect though aid from the RP to Ethiopia is currently minimal it could be harnessed to complement flows from other sources.

Aid from China and India has been limited⁶³ compared to other bilateral donors but is growing steadily. Aid from China⁶⁴

63. According to MOFED among bilateral creditors China and India reached 37.5% in 2007/8.

64. China has provided large concessional loans (75% loan, 25% grant) to Ethiopia. These, however, have often been tied to construction projects undertaken by Chinese State owned or State controlled companies. Most of the assistance from the Chinese government has been in the form of tied aid, with each loan and grant stipulating that Chinese products have to be purchased. Historically, aid has been dispatched in the form of medical teams, teachers and educational scholarships for Chinese studies and there were plans to open vocational schools in Ethiopia to teach skills in engineering, automobiles, agriculture and construction. Since 1988 the Chinese government has provided \$ 82 million in loans for roads, flyovers and bridge construction, and machinery acquisition. Moreover, since 1995, the Chinese government has allocated \$ 24 million to the Ethiopian government in the form of grants to help the construction of low cost housing, rural social construction, the rehabilitation of roads and bridges, and vocational, agricultural and management training. In 2006, the Chinese government also cancelled bilateral debts. There were also plans to expand its scholarship programme after the Beijing Summit in 2006.

and India⁶⁵ could potentially support the goals of accelerating structural change. Both countries give monetary and non-monetary forms of assistance; both are also motivated by a combination of strategic and political interests, and mutual benefits with commercial intent. In this respect, they are similar to traditional western donors in that their aid practices are tied with some conditions encompassing equipment, companies, and labour as well as services. Yet, neither has pre-conditions on governance, democracy and human rights as in the case of developed nations.

65. Aid, too, from India has supported Ethiopia's development through grants and loans with a bias towards tied arrangements. The Indian government has supplied credit since 2006 to finance trade and investments primarily through EXIM. It has in place 133 Lines of Credit (LOC) covering over 71 countries in Africa, Asia, Latin America, Europe and the US with credit commitments of over US \$ 6.40 billion available for financing exports from India in 2010. EXIM LOC affords a risk free, non-recourse export financing not only promotes Indian exports but also enables Indian firms to implement projects in emerging markets including in Africa. Recently it extended a LOC of US\$ 213.31 million to the government of Ethiopia-the third tranche of the total credit commitment of US \$ 640 million for financing sugar industry rehabilitation in Ethiopia which was signed in December 2010 by high level representatives of both nations. It was also given a \$ 300 million loan from India for a 65 km rail line to link the country with its neighbor Djibouti. EXIM has been the main institution used for financing at least 75% of total contract value through securing of goods and services from India. The country has also received an LOC of US \$ 65 million extended for setting up an Electricity Transmission and Distribution Project.

Basically, both China ⁶⁶ and India have valuable contributions to make towards Ethiopia's development in the frame of South-South cooperation. This has to be seen within the frame of the changing global development assistance structure. Essentially, development assistance from China and India to Ethiopia poses opportunities and risks. Policy interventions are necessary to minimize risks and maximize the benefits of the development cooperation. This could be pursued unilaterally by Ethiopia and also by China and India as well as through cooperation of the three nations.

Chinese and Indian assistance is marked by relatively faster and less bureaucratic disbursement aid regime. Several African countries, including Ethiopia, are taking advantage of this. China has given a high volume of monetary and non-monetary aid which comes in the form of grants, interest free loans, concessional loans, and technical assistance. India, too, has been giving monetary and non-monetary aid, but the amounts of grants are minimal. Non-monetary loans take the form of technical assistance in capacity

⁶⁶ Chinese development agencies have driven the aid process. Thus, the Chinese Development Bank (CDB) set out to provide financial support to Chinese firms to encourage investment in steel, cement, and shipbuilding in Ethiopia (Chinese State media). CDB has also undertaken co-operative deals on textiles, electric power, energy, and aviation. China financed \$ 474 million in the metro rail project in Addis Ababa but it has to be constructed by the Chinese Railway Corporation and largely through loans. In January 2014 a contract for road construction projects was awarded to 3 Chinese companies while in 2015 the Beijing based Chinese construction company was to expand Bole International Airport to triple the number of passengers from the current 7 million with a completion date of 2018. The CDB President stated that China has been ready to increase cooperation in several sectors. Most of these projects would not have been possible without China and other emerging nations financing and engaging in Quasi FDI,

building and education. Neither gives loans or grants for general budgets and programmed aid for Ethiopia. China, however, has been giving debt relief to Ethiopia not tied to any project or programme. Both countries undertake a number of processes in giving aid. They monitor and evaluate their development assistance to Ethiopia and embrace the capacity of the nation to use the loans granted to the recipient country-Ethiopia is commended for having a development vision and also for its bureaucracy being capable of handling large amounts of development assistance. They also offer scholarships for academic programmes, technical and non monetary assistance to different sectors of the economy, and tariff exemptions to some Ethiopian exports.

Aid of the two donors complements each other and that of traditional donors to Ethiopia. However, they focus on different sectors of the economy, projects or programmes. China gives a substantial proportion of its aid to energy generation and supply followed by transport, storage, and industry while India's goes to sugar industry followed by transport, and energy generation and supply. Traditional donors focus little attention on such large scale projects and concentrate on programmed aid such as budget support, education, poverty reduction, and health care. This underlines the complementarity of aid from China and India and traditional partners while ushering in competitiveness among the donors. This could bolster Ethiopia's capacity to negotiate and bargain. A major difference between China and India and the traditional donors is the lack of political conditions excepting adherence to a "One China policy." The assistance from China and India is hailed as the answer to Ethiopia's key economic challenges. This is especially so as the country has massive infrastructure deficit including in transport, telecommunications, and power supply. China's aid plays a crucial role in road construction, power sector and telecommunications, India's aid has supported the sugar industry, infrastructure and agricultural sector and the Ethio-Djibouti Railway Line by offering US \$ 300 million.

Chinese and Indian companies are playing a pivotal role in the development of infrastructure of Ethiopia. This is indispensable for the country as they are bridging the local capacity gap with relatively better financial capacity, experience, good quality, better technology and efficiency. However critiques of Chinese companies point to their excessive use of Chinese professionals, especially in key managerial positions, and almost all the Chinese companies undertaking researches in the headquarters rather than in Ethiopia discouraging the intended technological transfer. Moreover, most of the materials used by China and India are imported from their own country excluding and discouraging possible local suppliers.

Essentially Ethiopia has to ensure that development assistance from both should ensure that (a) projects should be fully agreed upon by China and India and Ethiopia (b) quality of the projects should be ensured (c) negotiating on quotas for employment of local professionals and non professionals, technology transfer, and sub contracting to local suppliers (d) execution of projects as part of a broader development strategy (e) national planning in maintaining and sustaining large scale projects and finally develop with other African countries a policy on gradual reduction of dependence on aid (Jalata G, 2014, pages 24-29).

Dialogue

The relationship of Ethiopia with China and India could be enhanced through dialogue on development lessons and collaboration through discussions at the national, the regional, and the multilateral level.⁶⁷ Development lessons stem from experiences of the RP to induce structural change and

67. The national level covers interaction with state and non state institutions, regional African organizations (eg. African Union, ECOWAS), and multilateral bodies (eg. The World Bank). In this respect, initiatives may be taken by the RP exemplified by China-Africa and India-Africa meetings.

development within their different systems, the former pursuing a ‘planned economy’ and ‘state led centralized democracy’ and the latter a ‘state and market (mixed)’ and ‘multiparty democracy.’ This has been encased in part in the ‘Beijing Consensus’ and the ‘Delhi Consensus,’ underpinned by the state playing a major role in shaping development. This has to be set against a backdrop of the ‘Beijing Consensus’ driven by the market and liberal democracy.

The ruling EPRDF under Meles was much attracted by the Chinese ‘model’ of a planned economy with strong state interventions. However, anxieties have been voiced about the party’s political and democratic virtues.⁶⁸ In this context China professes to respect the national sovereignty of nations and not attach political conditions to its relationships and hence remains aloof from a nation’s domestic politics. This contrasts with the stance of developed nations and their institutions which often make explicit political conditions to making its commercial and aid ties with African nations. Ethiopia has found the economic and the political virtues of the Chinese ‘model’ useful in pursuing its developmental goals.

The Indian experience, too, and the nature of its economic and political structure could offer insights into structural change. Indeed, Ethiopia’s State Minister of Foreign Affairs has emphasised that Ethiopia can learn from Indian experience—a pluralistic culture with diverse ethnic, language, and religious features similar to that of Ethiopia (Federal Republic of Ethiopia). This embraces its diverse experiments in agriculture and industry, including food self sufficiency and the ‘green revolution,’ and its entrepreneurial, scientific and technological, specially IT, skills. This is bolstered by its professed reputation as one of the world’s

68. On the Ethiopian state pursuing ‘models’ of development including the Chinese see Lefort, 2012. On drawing lesson from the RP see Roy, 2013f, p 138-139.

largest democracies, its institutions, and use of governance in a federal-state context. In this respect, Ethiopia could draw lessons as it confronts similar challenges-periphery tensions stemming from ethnic, linguistic, and democratic pluralism.

Collaboration envisages joining forces with the RP to champion shared interests on the international front. This could be supported by African states and institutions. This encompasses the RP desiring the endorsement of Africa to pursue their strategic interests and in return the latter could assert their economic and political demands embracing better terms of exchange on trade, investment and aid. This is exemplified by China wanting African backing for its stand on Taiwan as well as its stance on 'human rights' which has aroused controversy. Indeed, China and Ethiopia have tended to support each other politically. This is exemplified by Ethiopia joining African countries in 2007 to stop the UN Human Rights Commission ruling that would have condemned China's human rights problems. China, too, has been reluctant to criticize allegations against Ethiopia's domestic human rights issues.

India, too, is keen to secure Africa's support to get a seat on the UN Security Council. In fact Ethiopia has supported India's aim to pursue this goal though it also requires the backing of the AU in marrying the position of the G4 (India, Japan, Brasil and Germany) and the AU (Sunday Tribune, 9 July, 2007). Ethiopia and other African countries, moreover, could support the RP in shared goals of reforming international institutions on economic, environment and security. Critically, Ethiopia has emerged as a major partner of the US in fighting terrorism in the Horn exemplified by its combat against the scourge in Somalia and Sudan. Ethiopia could also cooperate with China and India on peace keeping in which the latter is reputed. China, alongside, is showing mounting interest in supporting peace keeping than simply being involved in conflict prevention and mediation. Yet, China's reaction to recent terrorist attacks, which also affected

Chinese citizens, as well as setting up of a logistics hub for military operations in Djibouti, suggests a desire to collaborate with western powers both at the African Union (AU) level and throughout the Horn of Africa (Dittgen and Demisie, January 2017).

Responses

The responses of the Ethiopian state to the relationship pose critical questions on strategies to bolster its bargaining prowess vis a vis the RP in the realm of controversies over political tensions and the role of the state and the market in inducing development. This has to be supported by non state actors, including civil society, to ensure that basic economic and political rights underscored by a more democratic structure. This should be seen as a phase in the context of interaction with external powers and institutions which is intertwined with tackling historical and contemporary challenges. The state has to provide support on the economic front through physical and social infrastructure, streamline basic logistics, and cope with shortage of skilled labour and foreign exchange. Human capital, too, including health and nutrition, literacy, technical and higher education has to be improved. Such thrusts interlock with the nation's economic, socio-political and historical tensions. Indeed, there is hope that Ethiopia could emerge as a Rising African power.

Insights

The Ethiopian experience exemplifies the nature of interaction between Africa and the Rising Powers, China and India, underscored by pursuit of socio-economic and political transformation. The relationship emerges in the context of deep seated historical and contemporary challenges. This is underscored by the bargaining prowess of African nations vis a vis the Rising Powers.

The focus should be on investigating ways in which African

nations individually and collectively could evolve their ties with the Rising Powers while pursuing ‘traditional’ ones with developed nations and their institutions. This has to be vigorously pursued at several levels through state as well as non state actors and reflect the aspirations of the majority of Africans at all levels.⁶⁹ This is set in the frame of inter and intra state tensions and conflicts in different countries in the region and impinges on their capacity to usher in democracy, ‘good governance,’ and development. This calls for forceful national and regional policies in the frame of globalization. The priorities of the countries at different stages of development should shape the nature of dialogues and the execution of project plans in ‘traditional’ and ‘new’ sectors to usher in structural change.

At the national level strategies have to be evolved to tackle economic and socio-political issues. At the regional and international level it is necessary to devise effective agreements, cooperation and legislation to interact with the Rising Powers through existing African and international institutions (eg. African Union, NEPAD, SADC, COMESA and the World Bank and UN). This should encompass discussions on development lessons based on the experience of the Rising Powers and collaboration on shared interest in reforming international institutions.

In summary, African nations should devise strategies vis a vis the RP which can enable them to pursue their own vision of development.

69. For instance Nobel Prize novelist and dramatist Wole Soyinka, poet and novelist Ben Okri and singer Fela Kuti have voiced strong protests against political and social injustices in Africa.

Note:

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