



Reflections on Development in Ethiopia New Trends, Sustainability and Challenges

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Introduction

This edited book originated in a conference entitled *Development in Ethiopia: Changing Trends, Sustainability and Challenges*, jointly hosted by FSS and the Friedrich Ebert Stiftung (FES), where some 16 papers were presented and discussed over two days. The objective of the conference was to undertake informed debate on the progress the country has made over a period of a decade and half but also to examine the challenges as well as the unanticipated consequences that are impacting on the livelihoods of a wide sector of society. In bringing this book to the wider reading public, we are proposing that there is a need for a more nuanced debate on the country's development program and process, which must go beyond what is provided in official reports and donor-crafted reviews. The volume is concerned with the theme of "development" which we understand to be much broader in scope than "economic growth", with the latter subsumed in the former. The underlying assumption among the editors and many of the contributors is that changes in the economy cannot be viewed in isolation. This is one of the first collections of independent research under one cover, and while we recognize it is not complete and does not cover all aspects of the subject at hand, it will, we believe, serve as a useful starting point for a rounded discussion and point of departure for further research.

The contributions that appear in the book were selected taking into account quality and relevance. The topics cov-

ered in the book are diverse, ranging from the achievements made under the framework of the Growth and Transformation Plan (GTP), poverty and inequality, the dichotomy between political and economic development, the Millennium Development Goals (MDGs) and how far Ethiopia has gone to meet these goals, decentralization and resource transfers, large-scale agricultural investment by the private and public sector, and environmental issues. While the individual chapters may be read as stand-alone contributions, the discerning reader will find that there are a number of underlying threads connecting them. These revolve around the issues of efficiency and equity, democracy and decentralization, and respect for regional identities and natural resource protection. ***An important issue addressed from a diversity of viewpoints is the extent to which the development pathway chosen ensures sustainability and social inclusion, and whether the benefits of economic growth are shared by a broad segment of society or have largely gone to a small section of the population.***

A Summary of the Contents

In what follows we provide a brief summary of the contents of each of the chapters. Since the book is meant to be a catalyst for informed debate and not specifically to serve the needs of policy makers, many of the contributions do not contain policy recommendations. However, we will point them out where such recommendations have been presented.

I. Economic Development: Trends and Challenges

The volume opens with a broad review of Ethiopia's recent experience in development planning with a special focus on the Growth and Transformation Plan (GTP) which was launched in 2011 and is expected to run through 2015. The author, Meheret Ayenew, examines the ambitious objectives and targets of the Plan, and assesses what has been achieved in the three years since its implementation and what remains to be done. Meheret argues that at the end of three years of Plan implementation the results as reported by government sources can only be described as mixed, with some sectors showing considerable progress while in others the outcome has been patchy or altogether disappointing. He notes that among the economic problems causing particular concern are macro-economic imbalances caused by heavy state spending, runaway inflation, which has impacted on people's livelihoods for over a decade now, and the unfavorable policy environment facing the private sector due in part to state control and management of many key productive and financial enterprises. An important recommendation put forward is that since the goal of changing the structure of the Ethiopian economy from agriculture-dominated to service and industry-based within the Plan period is much too ambitious it is imperative to consider mid-course policy reviews in order to expedite the transformation of the national economy.

In the second chapter of the book, Alemayehu and Addis examine closely and methodically the main economic data sets which have been the basis for all economic analysis and reports in this country, of which the government is the sole source and provider. There have been questions raised by independent researchers as well as by some international organizations such as the IMF and World Bank regarding the accuracy and reliability of the data generated by the Central Statistical Agency and other government bodies but few have been the works which have made a rigorous examination of the data as Alemayehu and Addis have attempted in this chapter. Employing a number of statistical tools and their own alternative measures, the authors have made a careful scrutiny of the evidence, checking for consistency and accuracy of the data over the ten years up to 2012, concluding that the figures provided in government reports regarding the rate of economic growth and poverty reduction are much higher than is warranted by the true picture and that the real rate of change is much more modest than those given in these reports. ***They recommend that public institutions responsible for data generation should be independent and committed to high professional standards and***

that the information they generate should be subject to scrutiny by an independent peer-review process.

In the second part of the chapter the authors present an extended discussion of poverty and inequality backed by a wealth of data and documentary evidence. Their assessment is that there is strong evidence of pervasive poverty and inequality, and that the poor are often vulnerable to external shocks such as conflict, climate change and aid and remittances.

The third chapter, a contribution by Assefa Fiseha, explores the contentious issue, often closely associated with the "ideology" of the developmental state, namely, should economic and political development go hand in hand or should the former precede the latter? In other words, should respect for and enforcement of democracy and human rights be postponed until the country's economic development has reached a high level or are the two really different sides of the same coin? This notion of economic development "first" and democracy "later" was at one time a subject of debate in some of the countries in east Asia, but lately, while not articulated clearly, it has come to influence state policies and programs in some of the countries in sub-Saharan, not least those where rapid economic progress is taking place. The author argues that in Ethiopia, the ideological shift towards the developmental state gave priority to the economic sector over civil rights and democratic freedoms, while the country's constitution places equal weight on both. The dilemma, the author notes, is that the public institutions responsible for enforcing human and democratic rights are unable to perform their duties because of a "lack of clarity in their respective roles".

In the fourth chapter Amdissa Teshome reviews the origins as well as strengths and limitations of the Millennium Development Goals (MDGs), assesses what has and has not been achieved by the countries concerned in meeting the targets set, and reflects on what the post-MDG agenda should be after 2015 when the current MDGs program comes to an end. ***The author believes that the MDGs have played a significant role in galvanizing the global community to place particular emphasis on the need to reduce poverty and extreme hunger, improve gender equality and provide basic services in the areas of primary education and health, and access to clean water. He is thus in favor of a follow-up initiative that will have a similar positive impact.*** Without the MDGs, the author argues, the considerable gains made in these areas benefitting tens of millions of people around the world would not have been possible. Amdissa shows that Ethiopia's achievement in meeting the targets set by the MDGs is quite considerable and compares favorably with many Afri-

can countries, nevertheless, he is aware that the country faces many challenges and limitations despite the economic growth registered in the last ten years or more.

II. Decentralization and Revenue Sharing

This part contains two contributions dealing with the subject of decentralization and inter-governmental resource transfers, albeit from rather different angles. In Chapter 5, Tegegne Gebre-Egziabher approaches the subject from the standpoint of regional and local development, with particular focus on resource availability at regional and woreda levels and human resource capacity and local planning. Based on a wealth of secondary sources and official government documentation he argues that regions are benefitting from fiscal decentralization, gains have been made in resource mobilization in both cases, and some improvements in local capacity are in evidence. The woredas are now becoming important players and local level multi-year planning is now common though the planning exercise is much less participatory. ***The author cautions that while considerable progress has been made, a lot still remains to be done which will require reforms and follow-ups to enable regions and woredas to benefit fully from the decentralized fiscal arrangements.*** Solomom Negussie's particular concern in Chapter 6 is to show why it is important to employ a human rights perspective in examining inter-governmental fiscal transfers. The standard approach to the study of federal –regional resource transfers and fiscal relations, the author states, concentrates mainly on the economic, administrative and politico-legal aspects, and ignores human rights considerations. The aim here is to determine whether meaningful fiscal and political powers have been devolved to sub-national levels within the federal arrangement. In contrast, he argues that the human rights approach is a valuable tool to ascertain to what extent government at regions and units below them are accountable to the people, ensure public participation in governance, and determine the proper utilization of fiscal transfers. Using the human rights framework to examine government institutions, he states, can improve the performance of governance in general and the delivery of services in particular.

III. The Rural Sector

Bookwalter and Koehn provide in Chapter 7 what they believe is an innovative framework for designing an inclusive post-dependent assessment of rural well-being. They argue that the data from the 2009 Ethiopian Rural Household Survey and in particular the responses to questions about happiness, life satisfaction and other subjective well-being indicators, allow decision-mak-

ers to gain insight into the types of goods, services, infrastructure, education, social networks, and other things that make rural people better off. This they stress is an important step forward in a post-dependent understanding of rural development. In the next chapter, Dessalegn takes a careful look at the state of the country's large-scale land investment program in the context of the government's grand strategy of state-led development and reviews what has or has not been achieved half a decade after it was launched with great fanfare. The program, he argues, is now facing serious difficulties and, in some respects, has become a costly failure. Land investment, he notes, is one among a number of public sector initiatives meant to enhance the country's export market and contribute to the growing demand for state accumulation. It is further argued that the problems faced by the program are not caused solely by poor governance and lack of capacity but raise questions of policy choice and democratic decision-making. Asnake and Fana examine the construction of a large-scale sugar manufacturing enterprise in the lowlands of the Omo valley in the Southern Region in the context of what they call the politics of development governance. They trace the shifting paradigms of development ideology and economic policy both in the African continent and Ethiopia over a period of several decades and explore the specificities of the current ideology, namely the developmental state which has been adopted by Ethiopia and several other African countries. This has provided the Ethiopian government with a convenient justification to embark on massive state investment in many sectors of the economy, including the sugar industry, primarily aimed at the export market. The chapter investigates the political and economic impact of the construction of the sugar manufacturing and plantation enterprise both at national and local levels, but more importantly on the pastoral communities of the South Omo valley whose livelihoods are seriously affected. They argue that while the pastoral population in the valley may stand to gain from the sugar project, most of the benefits will be reaped by the highland populations in the form of jobs, increased investment in industrial and other enterprises and infrastructure and services. Melaku and Habtemariam's interest in the last chapter is on the country's dry forests and woodlands which, they argue, are in a perilous state due to unregulated and unsustainable exploitation as a result of the expansion of commercial agriculture, state-sponsored settlement schemes and excessive charcoal production and firewood collection. These forests are located in fragile ecosystems but have been important to the livelihoods of the people here who have customarily depended on them.

Conclusion

In sum, the book contains a diverse set of contributions which attempt to provide a broader picture of what is involved in the development process and examine the complex challenges policy makers and development specialists have to grapple with. Bringing together contributions from several disciplines, the book makes the case for greater public debate and for more reliable information. Many of the issues discussed by the authors are frequently ignored in the existing literature but should be placed at the forefront of the dialogue on the Ethiopian economy and the investigation of the trajectory of the development process. As noted above, the central aim of the book is to stimulate debate as well as

to point to the need for a more in-depth evidence based research on the subject. One of FSS' missions is to promote public debate and public awareness of all issues concerned with development concerns, and it has on numerous occasions prepared and distributed many publications as part of this responsibility; the work at hand is meant to serve the same purpose. FSS hopes that to keep up the development discourse by organizing research, conferences and other public dissemination forums in the future. The book will be interest to a broad range of people and interest groups, not least senior staff in government departments dealing with development issues, civil society organizations, academics and independent researchers, and people with a special interest on Ethiopia and its future.

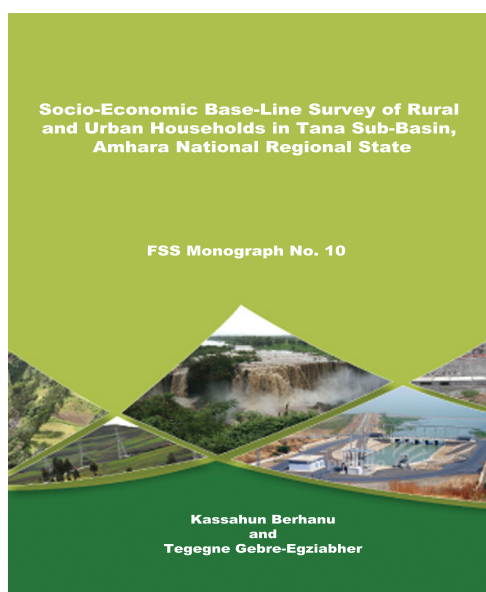
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