

**Democracy, Foreign Aid, and the Prospect for Stability and  
Development in Ethiopia.**

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Honorable members of the German Parliament Committee on Economic  
Development and Cooperation

Ladies and Gentlemen

Let me first thank you for giving me the opportunity to share my views on  
western foreign policy and the struggle for freedom and democracy in the  
rest of the world, particularly in Ethiopia.

During the Cold War, Western Europe and the United States firmly stood  
against communism and all the ideals it stood for. Soviet style communism  
was presented as an affront to the basic ideals of liberty which defines  
humanity's natural condition. Although the military forces of the two  
opposing sides never officially clashed directly, there was a continuing state  
of political conflict, military tension, proxy wars, propaganda warfare, and  
economic competition between the forces of the Warsaw Pact and the  
powers of the Western world. As you well remember, Africa was one of the  
main battlegrounds of this war and the continent paid dearly in life and limbs

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<sup>1</sup> Brief Remarks at the hearing of the Committee on Economic Development and Cooperation; German Bundestag, 16th March 2011.

in this ideological battle. In 1991, the West persevered and declared victory for capitalism against communism and liberty against tyranny. The rest of the world has observed the former, but not the latter.

International politics in the post Cold War era heralded a new dawn of freedom across the world. Post Cold War international engagement brought focus in a number of areas such as human rights, freedom, democracy, and civil liberties. The combined effort of Western Europe and the United States that claimed victory over Soviet communism claimed to have changed its 50 years foreign policy anchor from “Containing Communism” to a new era of promoting capitalism as well as liberty, democracy, and human rights to all. But this quickly proved to be only a claim on paper that rarely materialized. “Political Realism,” which calculates short term benefits to the west without any moral considerations, very quickly reasserted itself in the foreign policy circles of Western powers. Instead of pursuing the moral principles upon which their respective nations were founded, Western nations including Germany systematically subsidized parasitic governing elites and ruthless dictators in the name of political realism. The continued support for dictatorships was justified in the name of the “poor people of developing countries” who “needed” western aid to survive. Modernization theory provided the theoretical support for this policy of appeasement by claiming that democracy can only emerge after sufficient level of economic development is achieved. Poor countries without a large middle class do not have the constituency to support democracy. Western policy therefore, must continue supporting the dictatorships in poor countries in so far as they are allies in the “war against terror” and are willing to do business with western countries. The result? After initial gains in the direction of freedom and

democracy particularly in the 1990s, we are now facing a serious democratic recession. According to the 2011 Freedom house survey “2010 was the fifth consecutive year in which global freedom suffered a decline—the longest period of setbacks for freedom in the nearly 40-year history of the report. These declines threaten gains dating to the post–Cold War era in Africa, Latin America, Asia, and the former Soviet bloc... The latest survey highlights the increasing truculence of the world’s most powerful authoritarian regimes, which has coincided with a growing inability or unwillingness on the part of the world’s democracies to meet the authoritarian challenge.”<sup>2</sup> These declines were most pronounced in Sub-Saharan Africa, although they also occurred in most other regions of the world.<sup>1</sup> Only 9 countries with 19% of Sub-Saharan Africa’s population live in a country considered free, while 39 countries with 81% of the region’s population live in a “partially free” or not free environment. 17 countries with 35% of the population live in a suffocating environment of un-freedom. This year the number of SSA countries that are totally unfree increased by one, as Ethiopia finally graduated from partially free to the unfree status ascertaining the totalitarian nature of the state that emerged after the 2005 election.<sup>3</sup>

The long term trend of Western development assistance clearly indicates that the West’s cry for democracy and human rights is nothing more than a lip service. The Federal Republic of Germany and other European countries have spent by far more money helping dictators than promoting democracy and human rights. For example, between 2004 and 2008, Germany more

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<sup>2</sup> Freedom in the World, 2011 Survey Release. <http://www.freedomhouse.org/template.cfm?page=594>

<sup>3</sup> See Map of Freedom, Sub Saharan Africa.

[http://www.freedomhouse.org/images/File/fiw/FIW2011\\_SSA\\_Map\\_1st%20draft.pdf](http://www.freedomhouse.org/images/File/fiw/FIW2011_SSA_Map_1st%20draft.pdf)

than doubled its aid to Ethiopia increasing it from about 46 million dollars to 98 million per year for the dictatorial regime of Meles Zenawi. The total contribution of EU members of the DAC increased from 410 million per year in 2004 to 781 million dollars in 2008. Total foreign aid to Ethiopia increased from \$1.8 billion in 2004, before the 2005 elections, to \$3.3 billion in 2008 following the brutal suppression of the democracy movement.<sup>4</sup>

Instead of using financial aid as leverage to promote democracy in developing countries, it has been observed that foreign aid is retarding democracy and deteriorating human right conditions in many African countries. In fact, contrary to the very objective of the financial assistance, many developing countries are using these funds as a weapon to silence dissent. For example, Ethiopia is abusing foreign assistance to build a “Maoist system” of oppressive surveillance under donors’ noses. In Ethiopia, financial aid has become a primary instrument of coercion and Meles Zenawi’s regime has repeatedly used aid resources to repress dissent. Amazingly, when independent human rights organizations expose this misuse of aid, it is the donor countries that come to the defense of the dictatorship in Ethiopia.<sup>5</sup>

Ethiopia under Zenawi is a country “stranger in the mirror” and what Germany and other EU countries have decided to see so far is only a

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<sup>4</sup> See OECD data in <http://stats.oecd.org/qwids/>

<sup>5</sup> **See Human Rights Watch’s report: Development without Freedom: How Aid Underwrites Repression in Ethiopia** October 19, 2010. “<http://www.hrw.org/en/reports/2010/10/19/development-without-freedom-0> and the response of the Development Assistance Group (DAG) response to the report at [http://www.dagethiopia.org/index.php?option=com\\_content&view=category&layout=blog&id=77&Itemid=7](http://www.dagethiopia.org/index.php?option=com_content&view=category&layout=blog&id=77&Itemid=7)

distorted view of one side of the mirror. To international donors, Ethiopia seems to be a model example of poverty alleviation. But to human rights campaigners such as Amnesty International and Human Rights Watch, Ethiopia is a country of increasingly sophisticated duplicity and repression. Yes, Meles Zenawi has built machinery to deliver aid, but that machinery is increasingly used as an instrument of repression to kill justice, freedom, and democracy in Ethiopia.

I am absolutely sure that this forum understands that I am not against development or that I feel that growth is not essential. I want to assure you that economic development is very much *my* concern both as an economist and a citizen. It is just that I know from experience that neither long term development nor durable stability can be achieved without democratically accountable governance. This, I am sure is a truism that you know much better than us from your own experiences. But, assuming that these governments do deliver the economic goods, what is morally unacceptable is the presumption, which seems to inform western policy making to Africa in general and Ethiopia in particular, that economic progress in Ethiopia or in the larger region is acceptable even if it comes at backs of the suffering and humiliation of millions of Ethiopians. It is a modern day version of justifying slavery for its economic achievements.

The 2005 election in Ethiopia is a recent memory where the Ethiopian people saw a gleaming hope of a democratic process, but yet as they started participating in the process, they found themselves faraway from democracy. In the run up to the 2005 election, under pressure from the international community, Meles Zenawi promised that Ethiopia will make a smooth transition to democracy, but the end result of the election proved that

Ethiopia was moving more towards autocracy than democracy. That the results of the 2005 elections were rigged is not in doubt, certainly not to European policy makers. Here is what the EU Election Observation Mission in Ethiopia said at the time:

“The 2005 parliamentary elections were the most competitive elections Ethiopia has experienced, with an unprecedented high voter turnout. However, while the pre-election period saw a number of positive developments and voting on 15 May was conducted in a peaceful and largely orderly manner, the counting and aggregation processes were marred by irregular practices, confusion and a lack of transparency. Subsequent complaints and appeals mechanisms did not provide an effective remedy. The human rights situation rapidly deteriorated in the post-election day period when dozens of citizens were killed by the police and thousands were arrested. Overall, therefore, the elections fell short of international principles for genuine democratic elections”

What is amazing and quite disheartening about the post election environment was not just the muted response of Europe (including Germany) to the deliberate and calculated massacre of hundreds of Ethiopians by the Meles regime following the election. What seems to be quite obscene to many Ethiopians is that the West, including Germany actually increased their engagement and support to this same regime. How are the victims of this brutal repression to understand this? How are they to take it? If their yearning for liberty is ignored by the very countries who claim to represent the very ideals of liberty and democracy, what are the choices available to democratic forces?

There are three possible explanations for the rather unprincipled positions taken by Europe and the United States. All of them within the realms of the realist school of foreign policy with the objective of achieving global political stability:

1. The best way to change the behaviour of “rogue regimes” is by continuing to engage with them. Since the basic relationship with poor countries such as Ethiopia is mediated by foreign aid, constructive engagement requires the continuous flow of aid, or even possibly to increase it. Engagement builds trust, trust in turn leads to the possibility of influence, the argument goes...
2. Ethiopia is the only stable (albeit, fragile) country in an otherwise volatile region. The world can't afford an unstable Ethiopia and therefore, stabilizing the country requires stabilizing the government and building its capacity. Therefore, western security interest (including its war on terror) requires massive support to the regime, however despicable the regime on other (human rights) grounds.
3. Poverty is the real source of instability in poor countries. Global economic and political stability in the long run requires improving the economic conditions of the poor. Additionally, there is a strong constituency in the western countries to increase aid to poor countries. But, if we put a political criteria for our financial support it will be trampling on the sovereignty of these countries and it will be very difficult to find deserving countries in Africa. We therefore have to continue the support these countries irrespective of their records on good governance and democracy. Given the size of the population and

Ethiopia's poverty level, it obviously is at the top of the list of countries to be supported.

I don't wish to debate these issues here in detail. But clearly, the current policy of the west towards Ethiopia is not going to achieve the desired results even within the confines of the objectives of the realist school. I will offer three interrelated arguments:

1. Engagement didn't bring the Ethiopian regime closer to the west or to meaningful democratization, far from it. The more money Meles is getting from the west (to the tune of 3.3 billion in 2008) the more he is feeling that the west needs him more than he needs the west. Accordingly he has become more authoritarian than ever as can be seen from the two elections since 2005 where his party got more than 99%. His frequent refrain about "we don't want your money" did not result from his belief that he can survive economically with Chinese aid. It is rather his belief that he now calls the shots in his relations with the west. His recent rant at Columbia University against neo-liberalism (which he claimed is dead and buried and that the East has the dominant idea now for Africa) does not indicate the power of persuasion that comes from "constructive engagement." What is remarkable about the post 2005 environment in Ethiopia is that the west has no influence at all even in areas that it considers important to its policy as can be seen from the three laws that passed in the past two years (Charities law, Press law and the anti-terrorism law). In fact, Meles has become the only contemporary dictator who openly

declared that it will jam all radio and TV signals coming from the West, including the VOA and DW, using your own money to boot.

2. The argument in favour of stability is equally if not more tenuous. If the current situation continues not only will the regional instability continue, but it will get significantly worse as Ethiopia becomes increasingly unstable. There are two sources of instability in Ethiopia, both generated by the Meles regime. The first relates to the deliberately fomented ethnic divisions in the country. While this has served Meles well to divide the society and rule, it is a rather dangerous strategy in the long run as there is an inbuilt source of instability that can be easily triggered at the slightest provocation. The second source of instability is, of course, dictatorship itself. Given the fact that Meles has made it clear to all Ethiopians that a peaceful transition to democratic politics is not possible under EPRDF, Ethiopians for the first time have been given a very clear choice. To live in fear under tyranny or to fight back. This choice has been made more potent with the feeling of abandonment by the international community. Since there is no possible support for democracy and peaceful transition from the west, Ethiopians have only one option if they value liberty. To fight back. This is no more a contested position within the Ethiopian opposition especially since the most recent farce of an election. The call for a unified struggle is getting broad support and the divisions within the opposition are giving way to a unity of purpose and a significant narrowing of differences both in vision, strategy and tactic of the struggle. So, it is a matter of a short time

before we see a more coherent resistance against the Meles regime and the instability that would follow in the short run. At the regional level, Meles has proven to be a more destabilizing force as we have amply seen in his adventure in Somalia that made Al Shabab the powerful force that it is now. In other words, if the west's policy was to achieve stability both in Ethiopia and in the region of the Horn, that has already become a miserable failure.

3. The argument in favour of poverty alleviation as an instrument for political stability is only partially true. While, democracies require good economic performance to maintain stability, the possibility of achieving political stability without a semblance of democratic accountability is at best a short term proposition as is now amply demonstrated from the experience of North Africa. It is now an accepted fact in development economics that good clean and accountable government is probably the most important ingredient for long run prosperity. Foreign aid to alleviate poverty in societies that have accountable government is prudent. To pour money on unaccountable dictatorships is nothing but a waste of money. Africa would have gone a long distance if the International Financial Institutions and the international community in general insist on democratic accountability as a condition for foreign aid rather than forcing economic policy conditionalities, which should be the choice of elected governments. We must trust people to elect governments that promote their interest to pursue prudent policies rather than force economic policies through the agency of local dictatorships.

Ladies and Gentlemen!

All in all, in the last 15 years, Germany's support and financial aid to Addis Ababa's dictator has increased as Zenawi's ethnic dictatorship inflicted more damage on the people, and the respect, acknowledgment, and appreciation of the West to Dictator Meles Zenawi has increased in direct proportion to the crime his regime commits on the Ethiopian people. I'm sure, more than any other nation, the federal republic of Germany closely knows the Anuak massacre of 2003, the story behind the 2005 and 2010 rigged elections, the crimes against humanity being committed in the Ogaden region and the endless suffering of the Oromo population. Germany clearly knows that Zenawi's regime is an ethnic minority regime that has no regard for justice, democracy, and equality. But, in spite of all these, Germany is the primary provider of life support for the otherwise dying regime of Meles Zenawi. If this is not moral insensitivity, then what else could be?

In his recent Op Ed piece from Egypt, Nichols Kristof of the New York Times commented on British Prime Minister David Cameron's visit to the middle East thus:

Prime Minister David Cameron of Britain visited the Middle East a few days ago (arms dealers in tow), and he forthrightly acknowledged that for too long Britain had backed authoritarian regimes to achieve stability. He acknowledged that his country had bought into the bigoted notion "that Arabs or Muslims can't do democracy." And he added: "For me, that's a prejudice that borders on racism. It's offensive and wrong, and it's simply not true."<sup>6</sup>

The same week Mr. Cameron made this self deprecating statement, his government announced significantly increasing British aid to Ethiopia and

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<sup>6</sup> Nicholas D. Kristof "Unfit for Democracy?", New York Times, February 26, 2011.

making it its largest foreign aid recipient. The Ethiopian government used this announcement to inform its subjects that Ethiopia is not North Africa and that dictatorship is acceptable for Africa, particularly for Ethiopia.<sup>7</sup>

So, now what is good for North Africa and the Middle East is not good for Sub Saharan Africa? How are Ethiopians to respond to this hypocrisy and moral bankruptcy in the international community? As I suggested earlier, I know for a fact that the Ethiopian people are determined to cut the Gordian knot of ethnic dictatorship with the sword of democracy. The question for many Ethiopians now is who are the allies of Ethiopians in this just struggle for liberty?

This is not the first time Ethiopians have asked themselves this question. During the 2<sup>nd</sup> world War, the world stood together to avert the attack on civilization. But, at exactly the same time, this same world blessed Italy's invasion of Ethiopia and vigorously supported Italy by denying Ethiopia's right to defend itself. Today, after 70 years, I see history repeating itself. The Western nations including Germany are graciously helping a vicious dictator in Ethiopia that denies freedom and abuses the human rights of his people.

Today, the Ethiopian people are getting fed up with living in fear and humiliation. They wish to reclaim their humanity. Like their brothers and sisters in other parts of the world They are saying enough to tyranny. So what will Germany do? Will it help the Ethiopian people win their freedom or continue helping the dictator and extend their hardship, suffering and misery in the name of economic development and stability? Is there still an

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<sup>7</sup>The Ethiopian News Agency: *UK's Development Program in Ethiopia Will Become its Largest in world: Country Representative*. Addis Ababa, March 1, 2011 (Addis Ababa)  
<http://www.ena.gov.et/EnglishNews/2011/Mar/01Mar11/134806.htm>

illusion that dictatorships can provide stability? I believe it is absolutely important to bear in mind that, regardless of who seems to be powerful now, the truth and history always side with the people. As the economic and moral leader of the world, I believe Germany and its western partners shall seek the truth and follow the path of history and stand with the oppressed people of Ethiopia, than helping a dictator that has dehumanized its own people.

Freedom has always been a rallying call for the Ethiopian people throughout their long history, but the passion, the sacrifice and the urgency poured into the cause of freedom has gained momentum and has been transformed to the highest level since the 2005 election. How Ethiopians fight for their freedom and whether they prevail now entirely depends on them. It took a few years of total bewilderment for most Ethiopians to know that nobody will champion their cause - whether it is Germany, the EU, or the United States- they have to work and make it happen by their own actions; and the action they chose is to do whatever it takes to be free. Nobody has the moral standing to tell them otherwise. The only question that Ethiopians are asking Germany and its allies is that if they can't respect their time honored principle of supporting human rights and democracy, then they can at least do favor to the Ethiopian people by not supporting a dictator that terrorizes them every day. One of the professed central goals of Germany's foreign policy is the promotion of respect for human rights as embodied in the Universal Declaration of Human Rights, and as the preamble of the Universal Declaration of Human Rights clearly states: "Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be

protected by the rule of law.” It is this right of rebellion against tyranny that Ethiopians, as North Africans, are now claiming.

As you all well remember, in the last two months, the entire world stood in utter disbelief when popular movements in Tunisia and Egypt uprooted two dictatorial regimes. Today, as I speak here, people in many countries are trying to imitate the successful popular revolt of Tunisia and Egypt that brought down the two Western-backed regimes.

I am sure you all know popular protests are spreading like a wildfire in the East. The protests take different forms depending upon the way dictatorships respond to the challenges to their power. From the few live experiences we have in the past few months, it is possible to speculate that the narrower the social base of the regime and the bigger the size of the dictator’s ego, (as in Libya and Cote de` Ivore) the brutal the response. In other places, rulers have seen the writing on the wall and quickly adjusted by leaving power to avoid unnecessary bloodshed (Egypt, Tunisia). Still others are trying to address the call for liberty by quickly instituting reforms before the conflict gets out of hand and negotiating with the democracy movement (Bahrain, Oman, Yemen) while others are still work in progress (Djibouti, Saudi Arabia). While all these movements are almost entirely home grown and cannot be stopped, the nature of the outcome is partly dependent on the level of influence western powers have on their friendly dictator. But this influence very much depends on the timing and seriousness of the intervention. Invariably fruitful intervention happens before the conflict takes place or before it gets ugly.

Before I warn you about what is to come in my country, Ethiopia, I want to briefly discuss Libya as an example here because you all have seen and heard how Muhammad Gaddafi used his special security forces including the country's air force to kill the democracy demonstrators.

The struggle for freedom and democracy is not something fashioned to a particular time or country; it is a perpetual process entrenched in the human spirit. Therefore, a popular revolution is inevitable in Ethiopia because whenever dictatorship is a fact, popular uprising becomes a right. Though I spent a good part of my life fighting to see a change in my country, today; I have a great fear as the much awaited change approaches because although a popular uprising is inevitable in Ethiopia, the outcome of such an uprising may be uncertain and can easily take the entire horn region where none of us want to see because even more than Libya and Egypt, Ethiopia is a country of deep ethnic and religious cleavages; and knowing what is on the way, the regime in Addis Ababa has already started to foment discord among ethnic and religious communities. This was the tactic it used during the 2005 elections when it used the concept of "Interhamwe" as its main campaign slogan to scare ethnic communities.

I am sure the international community has already seen the true face of a dictator when Muhammad Gaddafi went to the extent of using the country's air force and hiring mercenaries to kill his own people. What happened in Libya is certainly a possibility in other parts of Sub Saharan Africa including Ethiopia. I can assure you that unless the West, especially, the EU and countries like Germany, the US and UK use their considerable financial & political leverage now to pressure the regime in Ethiopia to submit to a deliberate and smooth transition towards a genuine democracy, I am afraid

time will run out and conditions in Ethiopia will be much worse than the tragic and atrocious realities of Libya. From what I witnessed in Egypt and Libya and from lifelong experience of my country, I can tell you with full certainty that there isn't much the EU and the US or the entire Western world can do once a popular movement starts and the regime in Addis Ababa reacts to it with impunity, hoping that it will get the support of the west as in 2005 and get away with it. Even if the west allows it again, Ethiopians won't. Therefore, the time to act is now when you have considerable influence! I am optimistic that the West has learned from its past mistakes, and I strongly warn this panel that the time to save Ethiopia is now and it is only now!

Ethiopia and Europe have a long and time tested relationship, and both the people of Europe and Ethiopia have benefited from this relationship. Through the years, many Ethiopian and European governments have come and gone, but the people of Ethiopia and Europe have always lived in close relationship both at times of joy and hardship. Today, the regime we have in Ethiopia is not just an ordinary dictatorship. It is a kleptocratic dictatorship that hopes to benefit a small clique of ethnically organized thugs that hopes to prolong its exploitation by deliberately dividing the society along ethnic and religious lines. It is a regime bent on deliberately destroying the moral, political, territorial and historic heritage of the Ethiopian society. That is what makes it potentially destructive.

Some of you might see only the military size of this regime and conclude that confrontation or victory against this regime is impossible. If you had this view before, I am certain you won't have them now after seeing the events unfolding in our own eyes in the past couple of months. Surly,

Ethiopians have seen and triumphed against a larger army with equal brutality before. I believe with every fabric of my being and with unwavering confidence that the people of Ethiopia will confront and victor against this most recent and even more parochial ethnic minority regime of Meles Zenawi. Ethiopians both inside and outside the country are fed up with the humiliation. They are tired of living in fear all their lives. They are resolute, steadfast, and know the difference between the possible and the impossible lies in their determination; and they are determined to be free. Momentary and tactical failures will never overtake a durable and just cause because the determination to succeed and build an equal, just, and democratic Ethiopia is stronger than ever. And this is not a long term project that can wait for future generations to be realized. It is felt with the fierce urgency of now!

Thank you.

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<sup>i</sup> Freedom In the World 2010 Survey Release. <http://www.freedomhouse.org/template.cfm?page=505>