

AFRICA RISK CONSULTING

Country briefing – Ethiopia

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Summary

The Ethiopian People's Revolutionary Democratic Front (EPRDF) appears to liberalise its policies towards opposition groups. It is unlikely that a meaningful political opposition will emerge in time for the 2015 elections. Prime minister Hailemariam Desalegn reshuffles his cabinet, continuing his policy of redistributing representation across the EPRDF. Transparency International's 2013 Corruption Barometer Index shows that the public retains a higher than average degree of faith in the country's political institutions. The Oakland Institute releases two reports claiming that Western development assistance is facilitating forced evictions and government human rights abuses in the Omo Valley.

1.1 Government allows limited opposition...

The **Ethiopian People's Revolutionary Democratic Front (EPRDF)** may be more tolerant of political protests, but a truly effective opposition is unlikely before 2015 elections. The Arab Spring sent a tremor through the governing elite as former prime minister **Meles Zenawi** (1991- 2012) passed repressive anti-terror laws to intimidate the opposition (see April 2013 briefing). This constraint on political activity and open discussion has resulted in an opposition which is fractured, fractious and underfunded. Recent developments suggest that the EPRDF leadership under prime minister **Hailemariam Desalegn** is becoming more accepting of political dissonance¹. The **Unity for Democracy and Justice Party (UDJP)** has called for a sustained campaign of protest and the removal of the government's anti-terror laws². The party, more commonly known by the **Amharic** name of **Adenet** (Unity), was the largest party in the opposition **Ethiopian Federal Democratic Unity Forum (Medrek, Forum)** coalition which opposed the EPRDF in the 2005 and 2010 elections. Since its calls for protests, the UDJP has demonstrated in July in towns of **Gondar** and **Dessie**. Protesters carried banners demanding more political freedom, as well as photographs of journalists and opposition activists jailed under the country's anti-terror laws. The UDJP promised further demonstrations until the government meets at least some of their demands. The UDJP has also said it will campaign against

¹ Source, regional security expert

² Source, UDJP press statement, Addis Ababa

the displacement policy in rural areas where the government is removing local populations from land leased to foreign companies (see below).

The UDJP protests followed peaceful mass protests, organised by the **Blue Party (Semayawi)**, in **Addis Ababa** in June. This was the first mass rally in the centre of Addis Ababa since the post-election demonstrations of 2005 when security forces opened fire on opposition supporters, killing or injuring several hundred people. There is, however, uncertainty in both diplomatic and opposition circles about whether this permissibility of protests marks a significant change in government policy³. In July, the government responded to a **European Union (EU)** parliament delegation's calls to release political prisoners by denying that it held any political prisoners and, in any event, prisoners would not be released "*just because some EU members said so*"⁴. Chairman of the Blue Party, **Yilkal Getnet**, has himself said he doesn't believe that the government's decision to allow regulated protests marks a real sea change⁵. Regular sources in Addis Ababa agree that it may be "*too soon to say if this signaled a more tolerant policy*"⁶. The same sources also reiterated that the ruling EPRDF is ruthless and calculating and may be gambling that allowing peaceful protests will stop political pressure building up both amongst ordinary Ethiopians and in diplomatic circles. Regardless, it is uncertain whether the Blue Party or Medrek can form a coherent political challenge to the EPRDF. The Blue Party is a nascent nationalistic movement formed in 2012 in opposition to the EPRDF's policies of ethnic federalism. Medrek has a more comprehensive and liberal political platform, calling for greater democracy and free market economic values. It has, however, been disrupted by internal rivalries amongst its six constituent parties, and a lack of resources. Its inability to raise significant funds domestically due to the government's use of anti-terror legislation makes it relatively easy for the EPRDF to keep it sidelined.

1.2 Prime minister Hailemariam Desalegn reshuffles cabinet...

Prime minister Hailemariam has demonstrated his growing confidence and continued his reform of the Ethiopian People's Democratic Revolutionary Front (EPRDF) government. In July Hailemariam appointed ten new ministers⁷. There were no major surprises in Hailemariam's second reshuffle since assuming power in August 2012. The prime minister's appointments show his policy of greater

³ Source, several contacts including Western diplomat, Addis Ababa

⁴ AP, 17 July 2013

⁵ Source: Inter Press Service (IPS) News Agency

⁶ Source: Western diplomat, Addis Ababa; Middle East/Africa analyst

⁷ Sudan Tribune, 4 July 2013

regional representation across the EPRDF as he filled places that recent dismissals for either corruption or incompetence left empty.

- Deputy governor of the **Amhara** region, **Ahmed Abetew** is the new industry minister, while his predecessor **Mekonnen Manyazewal** has been placed in charge of the newly established **National Planning Commission**;
- **Bekir Shale's** appointment as director general of the **Ethiopian Revenues and Customs Authority** has been made permanent;
- The new education minister is **Shiferaw Shigute**, governor of **Southern Nations, Nationalities and People's Region**;
- **Redwan Hussein**, head of the EPRDF party secretariat, became government communication affairs minister;
- Current Addis Ababa mayor **Kuma Demeska** is now policy advisor to the prime minister;
- The commissioner general of the federal police, **Workneh Gebeyehu**, is the new transport minister;
- **Roman Gebresilasie** is the new chief government whip at the House of Peoples' Representatives;
- **Belete Tafese** from **Tigray** is the new environmental protection minister;
- **Getachew Ambaye** is the new justice minister.

1.3 Perceptions of political corruption low...

According to **Transparency International's 2013 Corruption Barometer Index**, the Ethiopian public has a higher degree of faith in the country's political institutions than the average for the region. Only 39% of respondents think that public bodies are corrupt or extremely corrupt, with 31% of respondents thinking that government is run to manage its own interests⁸. When broken down by sector, the following percentage of respondents thought that sectors were either corrupt or extremely corrupt:

	Political Parties	Parliament	Military	Judiciary	Police	Civil service
Ethiopia	24%	23%	29%	35%	42%	35%
Regional Average ⁹	36.3%	36.1%	26%	57.2%	69.2%	50%

⁸ Transparency International, July 2013

⁹ Uganda, Ethiopia, Kenya, Rwanda, Tanzania

It should be noted that these figures were collected before the **Federal Ethics and Anti-Corruption Commission (FEACC)** completed its recent investigation into the **Ethiopian Revenue and Customs Authority** (see May briefing). They are, however, notable as the Ethiopian public is normally characterised as distrustful of the role that nepotism and patronage play within EPRDF appointments and the award of contracts for major public and private sector projects¹⁰. The survey suggests that such portrayals are simplistic, and that confidence in political institutions - including the EPRDF - is high. Respondents may, however, have been wary of criticising the state. The Ethiopian government portrays international NGOs as subversive institutions in league with domestic militant organisations. Respondents may have perceived criticism of the state as not only being unpatriotic but also as putting them at risk of censure by the state authorities. However, the rule of thumb that individuals are more willing to pay bribes in countries where they perceive corruption to be high, lends credence to the theory that Ethiopians do have faith in their institutions. In most categories of the survey, Ethiopians proved less willing to bribe officials than their regional counterparts.

Of particular concern to business is the finding that Ethiopians are more likely to pay bribes to utility companies and to tax and revenue services. Corruption in the utility sector will undermine efforts to improve energy sector efficiency, the cornerstone of the government's economic policy. Corruption within the tax revenue agencies will mean less money in the state coffers to fund its expansive infrastructure programme, and may result in unfair competition among private sector companies. It is too early to say whether the anti-corruption arrests at the Ethiopian Revenue and Customs Authority will prove a sufficient deterrence.

	Land Services	Judiciary	Police	Registry and Permit Office	Utility Companies	Tax Revenue
Ethiopia	31%	16%	36%	38%	46%	41%
Regional Average ¹¹	29.6%	40.4%	49.8%	38.8%	23.8%	30.6%

¹⁰ Source, analyst, Addis Abbaba

¹¹ Uganda, Ethiopia, Kenya, Rwanda, Tanzania

2.1 Think tank criticises donor support of government eviction programmes in the Omo Valley...

The **California** based **Oakland Institute** released two reports in July claiming that Western development assistance is facilitating forced evictions and government human rights abuses in the **Omo Valley**. The displacements are related to a series of major dams on the Omo River, expected to become operational in four or five years. Despite the consternation of international NGOs, it is highly unlikely that the Ethiopian government will turn its back on the \$1.7 billion project. The export of electricity to neighbouring countries is at the heart of Ethiopia's energy policy as the government regards electricity as a reliable source of hard currency. Gibe III will generate 1,800MW and is expected to earn the government over \$400m annually from exports¹².

The government has begun the process of displacing communities with witnesses reporting incidents of state sponsored violence¹³. International media and NGOs have promulgated accounts of violent displacements¹⁴. The Ethiopian government has designated several hundred thousand hectares of land for large-scale plantation based irrigated agriculture, primarily for the production of sugar cane. The scheme will necessitate the displacement of 1.5m people currently living in the designated areas¹⁵.

A joint visit by the **United Kingdom's (UK)** department for international development (DfID) and the **United States' (US)** agency for international development (USAID) in January 2012 apparently heard claims of rape and forced displacement by government forces¹⁶. The mission said they were unable to substantiate these claims and called for more detailed investigations. It appears that neither government has yet launched further inquiries, though the UK claimed in 2012 to have asked the Ethiopian government about the issue¹⁷. Ethiopia's diplomatic and security role in the **Horn of Africa** means that it is often immune from western criticism of its human rights record¹⁸.

¹² Source, journalist, Addis Ababa

¹³ *ibid*

¹⁴ As well as the HRW and International Rivers reports, see for instance, the Guardian, "DfId under fire for poor response to human rights concerns in Ethiopia", 21 December 2012.

¹⁵ Source, journalist, Addis Ababa

¹⁶ As well as the HRW and International Rivers reports, see for instance, the Guardian, "DfId under fire for poor response to human rights concerns in Ethiopia", 21 December 2012.

¹⁷ *ibid*

¹⁸ Source, security analyst, East Africa

Implications

Ethiopia's western allies are pressuring Hailemariam to show a more tolerant attitude toward opposition activists and independent journalists. As the government's response to the EU delegation shows, it is difficult to interpret its sanctioning of opposition rallies. Ethiopia's quandary is that although fears of uncontrolled unrest are plausible, the absence of any meaningful domestic opposition means that political discontent has no legitimate outlet other than street protest. It is unlikely that there will be any significant liberalisation of its policy towards the opposition in the short term as the government fears the sort of mass protests which occurred in neighbouring **Egypt**. Activists in Addis Ababa say they will take to the streets again in three months if the government fails to meet at least some of their demands over the release of prisoners. Peaceful protests in Addis Ababa will continue, and may result in sporadic, localised bouts of insecurity including clashes with police and security forces.

The EPRDF congress March vote in favour of Hailemariam retaining its chairmanship has given the prime minister greater political freedom to act as he wishes. Anti-corruption arrests, the cabinet reshuffle and decentralising appointments have stamped his authority on the party. No major policy changes are expected. Hailemariam's predecessor Meles Zenawi continues to cast a long shadow, and any attempts at drastic change would risk a damaging backlash from EPRDF members still loyal to Zenawi.

The Gibe III Hydroelectric Project and related agro-industry will exacerbate existing grievances amongst pastoralist communities about employment and access to resources. This will not only raise the likelihood of wider, more systemic ethnic violence, but also substantially increase reputational risks for international companies operating in the region. Foreign companies may, however, become a target by association with government activities. International NGOs have been vocal in condemning the social, economic and biological impact of the dam¹⁹. It should be noted that any increase in security presence in the region is likely to take the form of the government paramilitary force, the **Liyuu**. The activities of the Liyuu have proved controversial in the Somali region. Ogaden groups and international human rights groups allege that it has engaged in systematic human rights abuses including the indiscriminate targeting of civilians in operations. International companies operating in the region have faced a reputational risk simply by their very presence in the same area as Liyuu

¹⁹ See, for instance, **International Rivers** January 2013 report, "The Downstream Impacts of Ethiopia's Gibe III Dam: East Africa's 'Aral Sea' in the Making?" and HRW June 2012 report, "What will happen if hunger comes? Abuses against the Indigenous Peoples of Ethiopia's Lower Omo Valley".



activities. Foreign companies in the region will require careful management coupled with good community liaison and effective community engagement.