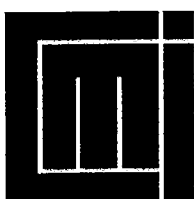


# **Economic Reconstruction and the Peasants in Ethiopia**

Two Papers Presented at the Symposium on the  
Ethiopian Economy, with a Postscript

Fantu Cheru and Siegfried Pausewang

D 1992: 3



**Working Paper**

DERAP — Development Research and Action Programme

**Chr. Michelsen Institute**

Department of Social Science and Development

---

ISSN 0800-2045



# **Economic Reconstruction and the Peasants in Ethiopia**

Two Papers Presented at the Symposium on the  
Ethiopian Economy, with a Postscript

Fantu Cheru and Siegfried Pausewang

D 1992: 3

Bergen, May 1992

Working Paper D 1992: 3

## **Economic Reconstruction and the Peasants in Ethiopia**

Two Papers Presented at the Symposium on the Ethiopian Economy,  
with a Postscript

Fantu Cheru and Siegfried Pausewang

Bergen, May 1992. 66 p.

### **Summary:**

The two papers present proposals for the economic reconstruction of Ethiopia, based on the interests of the peasants and other poor groups. In the first paper, Fantu Cheru outlines a reform programme combining the market based efficiency model of the World Bank, the long-term adjustment with transformation strategy of the ECA, and the human development approach of the UNDP. The second paper by Siegfried Pausewang refers to experience in rural Ethiopia during the last 15 years, and argues that Ethiopia has two major resources to build on: her land and the work, knowledge and initiative of her peasants. Economic recovery has to start with rural democracy; empowering peasants and their rural communities. The postscript reports impressions about the present situation in Ethiopia and also in Eritrea.

### **Sammendrag:**

I to artikler legger forfatterne fram sine forslag til økonomisk gjenoppbygging av Etiopia, basert på bøndenes og andre fattige gruppers interesser. I det første bidraget sammenfatter Fantu Cheru et reformprogram som kombinerer Verdensbankens markedsbaserte effektivitetsmodell med ECAs langsiktige strategi for tilpasning med intern utvikling, og UNDPs konsept om menneskelig utvikling. Det andre bidraget av Siegfried Pausewang bygger på erfaringer fra landsbygda i Etiopia gjennom de siste 15 år, og argumenterer for at Etiopia må bygge på to viktige ressurser: jorden, og bøndenes arbeid, kunnskap og initiativrikdom. Økonomisk gjenreisning må begynne med lokaldemokrati; for å gi bøndene og deres bygdefellesskap mer makt. Som vedlegg følger en reiserapport som gir inntrykk fra den aktuelle situasjonen i Etiopia og Eritrea.

### **Indexing terms:**

Structural adjustment  
Poverty  
Ethiopia  
Eritrea

### **Stikkord:**

Strukturtilpasning  
Fattigdom  
Etiopia  
Eritrea

*To be ordered from Chr. Michelsen Institute, Department of Social Science and Development, Fantoftvegen 38, N-5036 Fantoft, Norway. Telephone: +47 5 574000. Telefax: +47 5 574166*

## **Contents**

Foreword	v
Fantu Cheru: Designing a structural adjustment program for Ethiopia: Reconstruction, rehabilitation and long-term transformation	1
Sigfried Pausewang: Economic reconstruction and the experience of Ethiopian peasant communities	24
Sigfried Pausewang: Postscript: Report on a visit to Ethiopia and Eritrea January 11 to Feb.3, 1992	44

# Foreword

## The "Symposium on the Ethiopian Economy"

In autumn 1991, the "Inter-Africa Group" in Nairobi and Addis Ababa started to plan a "Symposium on the Ethiopian Economy". The intention was to get concerned people together to discussions which would lead towards planning an economic adjustment programme which could put specific Ethiopian conditions and interests in the centre of reforms, instead of leaving the programme design to the international institutions.

The Inter-Africa Group, a private organisation of (mainly) Ethiopian intellectuals interested in promoting human rights and a democratic development, received active support from the Ethiopian transitional Government for this symposium, planned for December 1991 but postponed to January 15-18, 1992.

Both Fantu Cheru and myself were invited to the symposium. Fantu spent ten days in December at CMI, as a guest researcher, and most of the time was spent in preparing our presentations at the Symposium. We were both anticipating that the discussions at the symposium would not sufficiently consider the needs and interests of the peasants. We have experienced before how easily urban intellectuals assume without questioning that economic growth will benefit everyone, and that only an unabated free market economy can create that growth. We both feared that the large majority of peasants would not be heard in this discussion, nor would the consequences of economic reforms for those urban poor who could lose their jobs and who would feel inflationary effects most desperately, be sufficiently considered. Unfortunately experience shows that their interest is all too often sacrificed without much concern, to the advantage of urban elites who have their vocal and eloquent advocates represented in such discussions.

With over 80 percent of the Ethiopian population living in agriculture, mostly as subsistence peasants, and with a rapidly growing problem of urban unemployment and housing shortages, we felt that an economic programme which did not take care of their interests could create quite unpredictable social costs, which again could lead to political instability and more disruption and violence.

Out of such concern we tried to view "structural adjustment" in Ethiopia from the point of view of the poor. We wanted to imagine how an economic new start in Ethiopia could integrate their interest, not to delay or to sabotage an economic adjustment, but to make it more socially acceptable and thereby more realistic in the long run. There is no question that the Ethiopian economy needs a new start,

and that it has to adjust to conditions in the world economy. However, our conviction was that such a programme should start from the particular conditions in the country, which is one of the world's very poorest countries<sup>1</sup>.

We agreed to look for alternatives, for a new economic policy in Ethiopia which tries to develop the country from the bottom and upwards. This should be a programme which centers around the goal to give all people a chance to feed themselves through their own work, and which would employ all the existing labour force productively, in one form or the other. By necessity, this would mean that the majority has for some time to come to remain in agriculture, basically producing their own subsistence.

We did also consider how to integrate this concern into a planning process well under way already, and how to reconcile our ideas with the demands Ethiopia is facing from a world opinion swept away by the victory of free market economy, and not very open for restrictive policies to protect local interests and cultural and social values outside the realm of market economy.

The two papers presented here are the result of this exercise. They were prepared for presentation at the symposium in Addis Ababa, and certainly were shaped by our expectations.

Fantu Cheru managed after some initial lobbying to get into the opening session. Given a very short time, as an additional speaker, his orally summarized paper attracted much attention and response: Of all four speakers he was the only one to give a view forward, to make practical suggestions as to how to formulate an economic policy specific to Ethiopia and responsive to her present problems. However, the following discussions proved that our fears had been correct, and that little consideration was given to the needs of the poor when it came to issues of interest conflict, such as urban housing, investment priorities, trade policies etc.

My own paper was again in short summary presented in a plenum on agriculture. It drowned in a discussion which was mostly concerned with the Minister of agriculture's position on the question of land privatisation and with the assumed necessity to attract private investment in agriculture. Again, in abstract, the "human development" approach was commended, but in practical issues, the discussions swiftly bypassed the view from below.

<sup>1</sup> It is interesting, though, that Ethiopia being the very poorest country by average GDP, figures much better on the "Human Development Index" of UNDP, on place 141 of a total of 160, thanks mainly to a relatively high literacy rate and a better health service compared to other countries with a very low GDP.

The two papers are here made available together with my report from the visit to Ethiopia and also Eritrea. I hope that the three documents together represent a view and an assessment of the present situation in Ethiopia which will be of interest for the reader wanting to follow events in the country.

Bergen, March 1992

Siegfried Pausewang



# Designing a structural adjustment program for Ethiopia: Reconstruction, rehabilitation and long-term transformation<sup>1</sup>

Fantu Cheru

The Ethiopian economy has been constrained by a number of factors since the 1974 revolution. While the civil war and successive droughts are partly to blame, the institution of centralized planning, the nationalization of land, the over-emphasis on state farms to the neglect of small farmers, forced villagization and resettlement programmes and excessive taxation of peasants contributed to a decade of economic stagnation. On the whole, the economy has been characterized by low agricultural productivity, a small industrial base, shortages of skilled manpower and weak infrastructure.<sup>2</sup> Given the severity of the economic crisis, the need for fundamental restructuring of the productive sectors of the economy, with active participation of broad sectors of the population, is widely acknowledged by the transitional government and the donor community. The real challenge, however, is how to design an economic program that would protect the poor and vulnerable groups in the stabilization phase without sacrificing long-term development.

The impetus for market-based reform began in December 1987 when the Mengistu regime reluctantly introduced its "Agricultural Marketing and Pricing Policy Reform" to stimulate food production.<sup>3</sup> The partial retreat from socialism was influenced by two important factors. First, in October 1985, a team of Soviet economic advisors working at the ONCCP submitted to the government an economic plan which called for the adoption of more radical market-oriented policies with regard to pricing, marketing and distribution of goods and services.

<sup>1</sup> I gratefully acknowledge the contribution to this paper by Siegfried Pausewang through critical and constructive discussions during its preparation.

<sup>2</sup> For an excellent treatment of the problem see Pausewang et al., *Ethiopia: Rural Development Options*, Zed Press (London: 1990).

<sup>3</sup> Government of Ethiopia, *Agricultural Pricing and Marketing Policy of Ethiopia: A Synopsis*, Addis Ababa (December, 1987).

The Sokolov report<sup>4</sup> gave primary emphasis to agricultural production, commercial farms and private sector initiatives over state control of the economy. The report warned that any attempt by the government to completely prohibit and block any development of private, non-public exchange was "stupid and suicidal" during the transition period. However, the Mengistu regime ignored this warning in the face of widespread deterioration of the economy. War instead of development became its important preoccupation.

The second reason why the government made a partial retreat from socialism in 1987 had to do with the drought of 1986 which came at a time when it was putting up an extravagant 12th anniversary celebration of the Revolution. This was a major embarrassment. In addition, events in Eastern Europe were moving in a different direction. Gorbachev's much publicized economic liberalization had caught up in Eastern Europe like a brush fire. For Mengistu and the Party, it was time to make a strategic move and embrace perestroika in the hope of unfreezing much needed financial assistance from the World Bank and other donors.

In its December 1987 policy statement, the government for the first time acknowledged that, under existing conditions, increased output from the peasant sector could not be realized without improved infrastructure, soil conservation, provision of improved seeds, fertilizers and farm implements. The need for reorganizing marketing, pricing and distribution systems was also acknowledged.

Despite instituting these reforms, the response of the donor community was limited, though food aid increased. To appease the donors and secure additional funding from them, a new investment code was promulgated in June 1989, and further economic liberalization in March 1990. Among the measures announced on March 6, 1990 were:

- \* unlimited private investment in all sectors of the economy;
- \* use of government land for private construction of industries, hotels and other enterprises;
- \* private development of houses, apartments and office buildings for rent or sale;<sup>5</sup>

<sup>4</sup> V.V. Sokolov et al., *Considerations on the Economic Policy of Ethiopia for the Next Five Years*, Unpublished Paper, Office of National Committee for Central Planning (ONCCP), Addis Ababa, 1985.

<sup>5</sup> Peoples Democratic Republic of Ethiopia, *Construction and Use of Urban Houses Proclamation Amendment*, Council of State Special Decree No. 15/1990, Negarit Gazeta, Vol.49, No.9, Addis Ababa, 3rd March 1990.

- \* abolition of the fixed price and quota system; the Agricultural Marketing Corporation (AMC) was allowed to compete with private traders in the open market;
- \* inheritable legal usufructuary rights on the land the peasants till, and the right to sell their produce privately, including trees on individual land, but not sale of the land.<sup>6</sup>

Following this announcement, peasants seized the opportunity to take over unused government land, including some state farms, disbanded producer cooperatives and fired government-appointed peasant association leaders. The rapid disintegration of rural institutions and political instability throughout the country severely hampered implementation of the above mentioned reform measures.

When the Mengistu regime collapsed last May, it left behind not only an empty treasury, but a whole plethora of social and economic problems that require radical policy measures beyond political intervention. Among the horrible legacies of the past government are:

Productive sector

agricultural crisis  
breakdown of rural institutions  
breakdown of infrastructure  
environmental crisis  
energy/fuelwood crisis  
administrative malaise

Social sector

education crisis  
health crisis  
refugees/displaced persons  
youth unemployment  
special problem of women

The reconstruction task in Ethiopia can be compared to the condition of Western Europe after the second world war. The priority then was not liberalization of markets since productive capacity was destroyed, but the rehabilitation and the reconstruction to attain plausible capacity. There were of course differences between the two situations. Unlike the European case, the destruction of Ethiopia was of our own making. Second, while Europe's rapid reconstruction was aided by a massive inflow of external funds under the banner of the Marshall Plan, Ethiopia cannot expect to generate a substantial volume of aid given the sense of urgency and competition expressed by newly liberated countries as a result of the end of the Cold War. Therefore, while adjustment policies in the area of pricing, exchange rate, public sector reform and liberalization of markets are some of the

<sup>6</sup> Report by President Mengistu Hailemariam to the 11th Plenum of the Central Committee of the Workers Party of Ethiopia, Resolutions adopted by the plenum, Addis Ababa, March 1990.

essential ingredients of a balanced national strategy, the special circumstances of Ethiopia will require the design of an adjustment package that is consistent with the short-term reconstruction and long-term development needs of the country. Since agriculture is the mainstay of the Ethiopian economy, there must be fundamental reorientation of government and donor policies and resources towards solving rural problems. Land reform, credit, improved extension, greater government accountability and people's participation are important prerequisites if poor farmers are to succeed.

### **Structural adjustment or transformation?**

The Ethiopian situation must be analyzed in the context of the larger debate on Africa's future. Since Ethiopia will become the last country in Africa to join the bandwagon of structural adjustment and policy reform, it has the added advantage of reviewing the experiences of other African countries which have adopted SAP reforms, and to integrate those successful strategies to its own program while excluding those programs that did not work at all or had negative consequences.

The debate about Africa's future which began with the publication of the World Bank's *Accelerated Development in Sub-Saharan Africa* (commonly referred as the Berg Report) a decade ago still continues although the World Bank and the ECA are much closer now in their prescriptions than they were before.<sup>7</sup> A comparison of two recently released official documents: the World Bank's *Sub-Saharan Africa: From Crisis to Sustainable Growth* (SSA)<sup>8</sup>, and ECA's *African Alternative Framework for Structural Adjustment* (AAF)<sup>9</sup>, highlights where the debate is going. A review of this debate is very relevant and might help us think through when formulating the transitional development plan for Ethiopia. The World Bank is more humble now and does not claim to have all the answers. The Africans are also much more open to accept criticism and take responsibility for their own mistakes. This does not mean, however, that a consensus is emerging between the Bank and the ECA as to the proper development strategy for Africa. Needless to say, this has been a rather healthy debate and the points raised by both sides are increasingly being reflected in the design of the so-called "new generation" of structural adjustment packages.<sup>10</sup>

<sup>7</sup> World Bank, *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*, World Bank (Washington, D.C: 1981).

<sup>8</sup> World Bank, *Sub-Sahara Africa: From Crisis to Sustainable Growth*, (Washington, D.C: 1989).

<sup>9</sup> UN Economic Commission for Africa (ECA), *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation*, E/ECA/CM.16/6/Rev.3, (Addis Ababa 1989).

<sup>10</sup> This is reviewed in F. Cheru and Justin Bayili: *Burkina Faso: Assessment of Microeconomic Policy and Its Impact on Grassroots and Non-Governmental Organizations*, Consultant Report to the African Development Foundation (Washington, D.C: July 15, 1991).

The theme underlying the AAF is that orthodox adjustment policies are inappropriate to Africa because they fail to attack the structural causes to balance of payment difficulties, production bottlenecks and low rate of revenue generation. Therefore, policy reforms designed to restore short-term financial and price structures simply exacerbate the economic problem, thus undermining the possibility of transforming African economies and laying the foundations for long-term sustainable development with equity. The ECA views human development and transformation as a sine qua non for self-sustained development. And the only way to do that is to give greater emphasis to the alleviation of poverty and the provision of education and social services. This put the ECA report on a collision course with the apologists of structural adjustment.

The World Bank also shows a major departure from its landmark 1981 Berg Report. While Berg ignored African inputs, the SSA heavily relied on African input in the preparation of the report. However, there still exist major areas of differences between the two agencies. The Bank views poverty alleviation as a separate activity from structural adjustment. Differences are also observed on the appropriateness of devaluation, liberalization and privatization policies. The ECA is not opposed to implementation of these measures it wants to apply them case by case. The Bank's continued insistence on export-led growth in the face of declining commodity prices is challenged by the ECA and justifiably so.

#### Essence of conventional SAP

budgetary balance  
ending subsidies  
currency devaluation  
levying user fees  
public sector reform  
cut in social expenditure  
liberalization of markets  
limited role for the state

#### Essence of transformation strategy

promoting self-reliance  
human development  
support to informal sector  
expansion of infrastructure  
some protection is necessary  
expand social expenditure  
selective liberalization  
local democracy/decentralization

Despite the differences mentioned above, the SSA resembles the AAF when it comes to prescriptions. The SSA calls for the type of transformation which AAF highlights: human centred development, agriculture as the primary foundations of growth; involvement of people in national planning; and government accountability; and enhanced intra-African trade and accelerated regional integration and coordination.

Another official document which adds a necessary and very important dimension to the discussion is the *Human Development Report 1991* of the UNDP,<sup>11</sup> which reminds us of the obvious need to adjust economic development to human needs, not vice versa. Its main thrust is to protect the needs of the poor, and to put basic human needs into the front seat on the road to development. Thus, for UNDP, development is first of all to inspire, mobilize, and engage the initiatives and the resources of the poor majority for productive efforts. This approach demands their democratic participation in decisions concerning their lives and their future. Consequently, the report underlines that participation means *empowering the poor*.

Though the UNDP approach is as yet not transformed into a readily applicable economic reform program, its basic message is extremely important: that all adjustment measures have to seriously confront the question: *What is their consequence for the poor?*

The basic message of this paper is that the design of structural adjustment program for Ethiopia should combine both the market-based efficiency model of the World Bank, the long-term adjustment with transformation strategy of the ECA, and the human development approach of the UNDP, taking into account the short and long-term needs of the Ethiopian people. While market-based solutions are very important and necessary in the Ethiopian situation, *markets have to be created first before they can be liberalized*. For example, a small scale Ethiopian soap producer, who had invested very little to upgrade his production capacity as a result of mis-guided government foreign exchange restrictions for the past seventeen years, cannot be expected to compete on the free market without upgrading his technology. To do so, he must get government protection and support to improve his production capacity. Only then can he take advantage of liberalization. Given the general disintegration of infrastructure and institutions necessary to revive the productive sectors of the economy, rehabilitation and reconstruction must proceed ahead of indiscriminate market liberalization. *Careful management of market liberalization* is particularly necessary when considering exchange rate policy and liberalization of imports. Once capacities have been built and production resumes, then the market can be completely freed.

### **Adjustment with transformation for Ethiopia**

A program for fundamental economic restructuring in Ethiopia must give priority to a transformation of peasant agriculture, by shifting significant levels of national resources to support this sector, and by shifting the balance of power from central administration to community control of decision making. Stimulation of agricultural production, on the basis of legal security of land, and supported by

<sup>11</sup> United Nations Development Programme (UNDP), *Human Development Report 1991*, (New York / Oxford, 1991).

strong extension and remunerative pricing policy, is the best social protection poor peasants could have against poverty and inequality. While adjustment policies in the area of pricing, exchange rate, public sector reform and liberalization of markets are some of the essential ingredients of a balanced national strategy, the particular circumstances of Ethiopia demand a more dynamic and comprehensive response geared towards (a) reconstruction and rehabilitation, and (b) transformation.

## **Reconstruction and rehabilitation**

The new economic program must be based on realistic identification and better utilization of local resources and capabilities. The government should not pin its hope on a substantial inflow of foreign aid and direct foreign investment (DFI) to get out of the current crisis. For the transitional period, the first priority can no longer be expansion, but must be consolidation of whatever minimal progress achieved during the last two decades. The program should aim at employing local people in order to cushion them from the ill effects of food price increases, or increased user fees for health and schooling. Required actions should include:

- \* regaining plausible capacity utilization levels for basic productive sectors (agriculture, industry, transport) and for basic services (health, education, water). For example, reconstruction and expansion of the transport system is essential if peasant production is to improve. Almost 80 percent of the Ethiopian population still live at least half a days walk from the nearest road.
- \* increasing food self-sufficiency on farm and local level, by guaranteeing peasants secure rights on their crop and their land; prompt payment for their crop; free access to local exchange of products without quota deliveries or other state interference; access to health services, schools, extension advise; and local planning procedures, etc.
- \* increasing national food self-sufficiency by providing farmers with necessary incentives such as inputs, social services, consumer goods and prompt payment for their products.
- \* reconstruction and rehabilitation of infrastructure, such as schools, hospitals, roads, bridges, and communication networks, destroyed as a result of the war or years of neglect.
- \* continuing relief for refugees and displaced persons until these people return to their homes and begin producing enough for themselves; A record number of 7.3 million people are currently at the brink of starvation. This number includes 1.2 million refuges from Sudan and Somalia who have been forced to

flee to the camps in Ethiopia. An estimated 200,000 Ethiopian refugees have returned to Ethiopia to flee the fighting and disintegration there.

- \* increasing financial and managerial discipline; This should involve reforms in institutional systems by restructuring, decentralizing and reducing the size of the civil service and making civil servants more accountable. Strengthening the coordinating activities of ministries and government agencies responsible for formulation, implementation and evaluation of policies should be accorded priority. Accountability of civil servants should include a right of local people to question and to appeal decisions, and directives to make the administration supportive and not disruptive to local development efforts.
- \* reversing the massive brain-drain. In the past 20 years, Ethiopia has lost thousands of its educated young men and women to the developed world. For sustained development, it is essential that this situation is reversed. What incentives would you adopt? How much would it cost and who would pay for it? Although the UNDP has a limited program designed to encourage nationals to return home, the transitional government, with assistance from donors, must actively seek ways to reverse the trend. The success of the economic recovery program depends on the acquisition and retention of mid and high-level manpower at sectoral ministries and regional administrations.

### **Macroeconomic issues**

The policy measures designed to support the rehabilitation and reconstruction effort could become ineffective unless accompanied by a radical revision of macroeconomic policies with regard to government budget, pricing policy, liberalization of trade, increased role to the private sector and public sector reform. This is necessary in order to correct structural distortions in the economy and for improving efficiency and allocation of resources to the productive sectors. Among the measures to be adopted are:

#### *Devaluation of the Birr*

An immediate devaluation of the currency will have no effect on improving export potentials given the general deterioration of the productive sectors of the economy. However, *once the rehabilitation phase is completed* and capacities have been upgraded, phased devaluations are unavoidable. Since Ethiopia's export base is very narrow, potential exporters will not be able to take advantage of the immediate effect of devaluation. A devaluation of the currency would even undermine the rehabilitation phase by increasing the cost of inputs and spare parts before any production has started.



For sectors that are still engaged in exports (i.e. coffee production, etc.), price support, special import exemptions, access to credit and storage, restriction on the money supply can help stimulate improved production. It would be dangerous to devalue the currency so as to improve output of one or two export crops while keeping the rest of the economy hostage and derailing the effort at long-term development. Further, devaluation is unlikely to improve the general slump in the price of coffee in the world market; so the effect of devaluation would be less foreign exchange, in spite of more production as a result of costly investment.

### *Managed liberalization of trade*

Price controls on all domestically produced goods should be lifted. Controls on imported goods required by the productive sector (i.e. agriculture, industry) should also be considered. However, import liberalization should not be indiscriminate. Policy makers should be selective and develop a well organized phased liberalization strategy geared to support the rehabilitation and reconstruction phase mentioned above, and to permit local firms to grow and become competitive within a certain defined period. This is particularly important when it comes to the allocation of foreign exchange. Rehabilitation will not succeed if scarce foreign exchange is squandered on cookies and imported mineral water while road building is stopped because of the shortage of foreign currency to buy oil or spare parts.

### *Reforming the bureaucracy*

Streamlining the bureaucracy must proceed after a careful review of the impact of massive redundancy on management and implementation capacity. A system of reward has to be instituted to retain productive employees, allow early retirement of employees, limit new hiring and encourage early departure of temporary workers. The reform should also include retraining and redeployment of personnel who lost their job into activities to support *the rehabilitation and reconstruction effort*.

### *Increased price for farmers*

Increase agricultural production (including for export) by instituting higher producer prices, plus a commitment by the government to annual increases of set percentages. But this must be supported by increased inputs and improved institutional support, such as extension, fertilizer, etc. The use of devaluation as an instrument to reward peasants should be avoided during the rehabilitation phase, since its immediate impact would be increased cost of input and transport for peasant producers and a pressure towards export crops at the expense of food security.

### *Government budget*

The program should aim to redirect expenditure away from non-productive to priority sectors, such as agricultural production, health, education, revenue collection and infrastructure maintenance. The collapse of the Mengistu military apparatus, which used to consume over 60 percent of government expenditure, has been a plus when it comes to formulating the national budget. Still, there are many economically useless parastatal boards and state farms that need to be closed down, or their functions consolidated in order to save resources. No new projects, other than those relating to rehabilitation and reconstruction, should be started during the transition period and those already planned should be abandoned. A review of outdated investment and labour codes must be undertaken and a new system of investment selection should be adopted.

At the same time, efforts should be made to expand revenue generation. Improved tax collection and assessment measures, requiring citizens to pay nominal fees for some social services are some of the necessary measures. But the plan should also improve the distribution of tax burdens, and give reasonable access to tax exemptions to poor and needy people, to guarantee food security.

### *Privatization of parastatals and state farms*

Removing functional duplication between government institutions and parastatals is one way of generating revenues and improving administrative efficiency. After a careful review of their performance, those parastatals that never made profits should be liquidated and their functions transferred to the private sector. In fact, selling off loss making parastatals and state farms to private investors, the government should be able to avoid incurring huge debts resulting from direct subsidies. To facilitate this, a Privatization Commission should be set up as soon as possible to prepare a divestiture strategy.

With regard to state farms, privatization and selling to local entrepreneurs or joint venture should be effected without delay to avoid further deterioration of equipment and other capital stock. In other cases, there will be a need to distribute the land to most land hungry peasants.

### *Decentralization*

Most important is the principle to build reconstruction on local initiative and the development of local resources with local manpower. This demands, among others: a local bureaucracy accountable to peasants; a local administration to support individual and collective local initiatives; local administration as a link for communication from the peasants upward to central authorities; and peasants must have security on their land, but land should remain a natural resource, not be made a commodity.

The government should have no illusion how easy it will be to implement such policy. There will be conflict and obstruction as different social coalitions position themselves either to take advantage or escape the negative effects of one policy or another. In all of this, it is important not to lose sight of the peasants interest. At every stage of the process, we should all be asking ourselves: What would this mean to the peasant? How would it affect his productivity?

### *Long-term development*

Policy reforms aimed at improving financial balances and price structures are on their own inadequate to the task of redressing Ethiopia's problems. What is needed are reforms which take into account the special circumstances of this country — i.e.; reforms which will transform the economy and society into a sustainable future. The economic recovery program must place great emphasis on the alleviation of poverty and on improving the welfare of the people, who are the principal resource to build on. It should insure that the people have a significant voice in shaping how the development process proceeds; and it must acknowledge that the provision of health care and of education and training are the basic building blocks of this approach.<sup>12</sup>

## **Priority areas**

### *Agricultural reform*

Addressing the cluster of issues involving agricultural productivity and environmental degradation must be among the top priorities for a transformation strategy in the Ethiopian context. Priority role should be assigned to food and livestock production and distribution (including for export), together with some concern for assuring not only that food is available but also that the people have the means to acquire it. *This in turn leads to the need for providing either employment or accessibility to productive land*, which in turn implies the necessity to improve sectors in support of agriculture, including the development of agro-related industries, the improvement of transport and other physical infrastructure in rural areas. A significant proportion of national budget must be assigned to this important sector. Required actions should include:

<sup>12</sup> This section draws on my "Structural Adjustment, Primary Export Trade, and Sustainable Development in Sub-Saharan Africa", forthcoming in April special environment issue of *World Development Journal*.

(a) Land reform

Given its meagre industrial base and limited opportunities in non-agricultural activities, land is the only kind of productive asset that the majority of the rural population have at their disposal. It is, therefore, of utmost importance that land is distributed equitably and the security of tenure clarified through legislation. While advocates of land reform may favour the institution of western-style property rights, the commoditization of land would turn the clock back to the situation prior to the 1974 revolution. It would bring the former landlords back, and open up for eviction of peasants on a large scale, and a massive influx of pauperized and destitute migrants into the towns. Enforcement measures should be included in the legislation to prevent future inequalities emerging. The legislation should also empower local communities to formulate their own land use plan, with help from the Ministry of Agriculture, and to demarcate land for cultivation, forestry and livestock production.

(b) Export diversification

A review of the evidence from other African countries indicates that structural adjustment policies have largely emphasized the expansion of traditional exports at the expense of food production for local needs. Consequently, these policies have contributed to the general decline in commodity prices since dozens of countries are told to do the same thing at the same time.<sup>13</sup> *Therefore, production of export crops should not be encouraged where elasticities are low.* Moreover, export crops should be encouraged only where produced *on top of peasant food requirements* — they should *not be produced at the expense of food security and peasant self-sufficiency.* In the meantime, an *Export Diversification Commission* should be established to study potential areas of export diversification and to recommend concrete actions. The findings and recommendations of the Commission should become an important element in the negotiation with donors. Donors and financial institutions should commit themselves to adapting their lending to support these programmes.

(c) Institution building

Agricultural supportive services, such as extension, research, and agricultural marketing and credit are ineffective in Ethiopia. These services must be strengthened, both in the allocation of resources and in the provision of facilities and equipment, to improve their analytical and service delivery capability to small scale farmers. This can be achieved through institutional support in the training of extension agents, sectoral and management planning departments, and in improved logistical support. Services must be geared towards the needs of small peasants.

<sup>13</sup> Fantu Cheru, *The Silent Revolution in Africa: Debt, Development and Democracy*, Zed/Anvil Press (London & Harare:1989).

A change in attitudes is needed, making extension agents *feel as helpers to the peasants, not as their superiors.*

(d) Access to infrastructure and services

The majority of Ethiopian farmers are isolated, lacking access to basic services that could improve their productivity. Lack of access to extension service, fertilizers, storage, roads, credit, and other supportive services have been the major impediments to increased agricultural production and improved management of land and water. Improving their access to these essential services will go a long way to arrest the process of land degradation and declining agricultural production in Ethiopia.

(e) Strengthening agricultural research

Research should be reoriented toward solving the problems facing peasant agriculture in Ethiopia, by involving the peasants themselves in decision making and by tapping their knowledge about their natural environment. Research in drought resistant peasant crops and yield-increasing agricultural innovations can reduce the pressure on marginal lands. Improving the traditional tilling techniques and adjusting them to soil conditions, and the introduction of new and improved methods of soil and water conservation integrated in the peasant's production cycle should be accorded top priority.

(f) Addressing the problem of women farmers

National programs designed to increase food security and preserve the natural resource base in Ethiopia must reach women if they are to succeed. Efforts must be made to improve women's access to productive resources, and to reorient agricultural training as well as other supportive services to solve the problems of women farmers.

(g) Credit

Credit is a dangerous institution for poor peasants, especially if land is accepted as security. Experience shows that debts have frequently been used to deprive peasants of their land and property. Credit schemes for small peasants should use collective security agreements or a credit insurance to protect peasants in case of unwilful default.

## *Environmental protection*

### (a) Forest and land resources

The forested area of Ethiopia occupies only around 4 percent of its total land area. The alarming pace of forest degradation is mainly due to the expansion of agriculture, past over-exploitation of forest resources without proper management, pressure from ever-increasing human and animal population, forest fires, pests and diseases. This has resulted in soil erosion and sedimentation, a breakdown of watershed functions, and an acute shortage of fuelwood, poles and construction materials.<sup>14</sup> A 1986 FAO study estimated that over 1,900 million tons of soil are lost from the Highlands of Ethiopia annually. If the trend continues, by the year 2010, some 38,000 sq.km. of the highland would be eroded down to bare rock, a further 60,000 sq.km. would have a soil depth of 10 cm. or below, and would be too shallow to support cropping.<sup>15</sup> The report concluded that some 10 million people, or 15 percent of the highlands population, will be destitute by the year 2010 as a result.

Given these alarming trends, the adjustment program should give considerable emphasis to the need to reverse the ecological degradation and improve agricultural output in an ecologically sound way in the future. Significant public resources ought to be shifted toward rehabilitation and conservation of natural resources, such as soil conservation and forestry development. The program must be developed with the idea that local communities must take the ultimate responsibility to manage the natural resources. This requires the government to redirect resources to support popular organizations of peasants. Well planned public works programs to combat deforestation and soil erosion must be put in place. Thousands of unemployed youth and peasants could be trained and deployed toward this task. Along with conservation measures, investment should be re-channelled to improve water management and availability in both rural and urban areas. Construction of boreholes, small dams and wells should be intensified to counter the effect of uncertain rainfall.

All environmental protection measures must be integrated in the living agricultural and social system, planned and worked out with and by the peasants. If ecology competes for land at the expense of peasant cultivation, it will not be accepted. Peasants must learn that they can improve their living conditions and the fertility of the land by planting trees or terracing slopes. Such measures must therefore open a way to more intensive, multi-purpose use of rural resources.

<sup>14</sup> Adrian Wood, "Natural Resource Management and Rural Development in Ethiopia", in Pausewang et al. eds: *Ethiopia: Rural Development Options*, Zed Books (London:1990) 187-198.

<sup>15</sup> FAO, *Ethiopia. Highlands Reclamation Study, Final Report*, AG/UTF/ETH/037 (Rome: 1986).

The Ministry of Agriculture should begin surveying village land, so that local authorities, in consultation with local communities, can systematically allocate land use according to whether it is to be employed for agriculture, livestock, forestry and conservation purposes. With appropriate government support, *it is possible that environmental conservation work can become a growth industry in the future, with the potential of employing thousands of rural people.*

(b) Easing fuelwood shortages

The energy crisis, the ecological crisis and the agricultural crisis are interrelated. Increasingly, in urban areas of Ethiopia, people spend more money on fuelwood and charcoal than they do on food. More time is spent foraging for wood and twigs than on other income producing activities. Unless something is done to relieve the fuelwood shortage, it would be inconceivable to make a dent on the ecological and the food crisis. Efforts must be made to introduce efficient stoves suitable for specific locations, supported by strong extension, demonstration and promotional activities. The technology introduced must be simple and easy to reproduce using local material, and must be affordable for poor people to purchase them. This will drastically reduce the use of agricultural residue for cooking purposes. In fact, this area could become a growing industry, with the potential of employing thousands of people in both rural and urban areas.

(c) Population and Family Planning Programmes

Population growth and the shortage of arable land have compounded the environmental and agricultural crisis in Ethiopia. The lack of family planning services, socio-cultural traditions and religious beliefs, illiteracy, and low household incomes are some of the reasons hampering progress in population policies.<sup>16</sup> Both donors and the Ethiopian government should make available increasing resources to strengthen existing population activities and family planning services while trying to improve access to productive employment. Raising the education status of women and girls should also be accorded priority.

*Diversification of economic activity*

Besides increasing opportunities in small-scale agriculture, attention must be paid to generating and expanding employment in non-agricultural sectors. Taking into account population growth and shortage of arable land, aggressive effort is needed to develop rural industries, such as agro-processing, packaging, construction, transport, service, production of agricultural inputs and tools and consumer goods to serve the rural population. The localization of production of inputs and delivery

<sup>16</sup> Markos Ezra, "Population Issues in Ethiopian Rural Development", in Pausewang et al. (ed), *Ethiopia: Rural Development Options*, Zed Press (London:1990) 156-163.

will have a positive impact on the performance of the agricultural sector. Additional required actions could include the intensification of public works, such as secondary roads, reforestation and soil conservation, clean water supplies, rural electrification, public health clinics, schools and agro-service centres. These activities would strengthen the internal working of the national economy by stimulating production and consumption of local goods and services.

### *Deepening the process of democratization*

If the dignity and vitality of Ethiopians is to be restored, people at all levels must have the right to establish and manage their own organizations, such as cooperatives, organizations of women and youth, workers and consumers. These local level organizations must be given greater control over the allocation of resources, the disbursement of funds intended to benefit them, and the appointment and control of officials meant to serve them.<sup>17</sup> Without such changes, national policies will continue to be dominated by well placed influential interest groups.

These local organisations must also find ways to organise for the purpose of gaining influence on national level, opening channels of communication and representation of peasant interests up to the top level.

### *Supporting popular organizations*

Government agencies cannot do all that is expected of them, particularly in times of financial crisis. Special effort must be made to upgrade and employ the services of local and international non-governmental organizations, cooperatives, and women's organizations who are better placed than public agencies to stimulate a process of change at the local level. But for these organizations to succeed, both the Ethiopian government and the donor community must make available to them increasing resources, from training to technical assistance. Where extension agents are lacking, non-governmental organizations can fill the vacuum. They can train peasants in various techniques of agro-forestry and soil conservation; they can set up new demonstration centres and nurseries close to villages at a fraction of the cost to the state.

<sup>17</sup> This important principle is incorporated in three important documents: The World Bank's *Sub-Saharan Africa: From Crisis to Sustainable Growth*, the ECA's *African Alternative to Structural Adjustment*, and the joint ECA/African NGO's *African Charter for Popular Participation in Development and Transformation* (February 1990).



### *Human resource development*

The state of education in Ethiopia is pathetic. The dynamic growth in quantity since the revolution, in spite of severe limitations on budget allocations, is achieved at the expense of quality. Today's low quality education has serious implications for tomorrow's task. The educational system requires fundamental reform and an infusion of funds and manpower to make it consistent with the overall development needs of the country.<sup>18</sup> This must be followed by a plan to transform curricula and educational content to improve the link between output and the needs of the economy. The urgency of expanding technical and vocational education and the retraining of school leavers must be accorded priority.

Education, especially on primary level, must be concentrated on work, on useful skills and knowledge needed for participation in an economic development process. It should especially disseminate skills adapted to local agriculture, which can upgrade rural production.

### *How to design educational policy in times of financial crisis: Some possible tips*

The above suggestion should not imply that the government continue to subsidize education across the board. More expenditure is unlikely in an environment of financial restrictions. What is needed is expenditure reduction measures tied to intrasectoral expenditure switching policies, cost recovery initiatives, better utilization of manpower, and decentralization of responsibility to local authorities.<sup>19</sup> For example, cost recovery policies at the secondary and university levels should be tied to expenditure increases at primary level, which is usually underfunded.

#### (a) Cost recovery

This should take place at the post-primary level. Introduction of fees, elimination of free boarding privileges are some of the measures to be introduced. For those who are needy, special vouchers or scholarship programs can be instituted to assist them.

<sup>18</sup> Tekeste Negash, *The Crisis of Ethiopian Education: Some Implications for Nation-Building*, Report No.29, Department of Education Uppsala University (Uppsala, Sweden: 1990).

<sup>19</sup> J.D. Adams, "The Threat to Education from Structural Adjustment: A Realistic Response", *IDS Bulletin*, Vol. 20, No.1 (1989), pp.50-54.

(b) Expenditure switching

Capital spending on primary schools ought to be increased while freezing such spending at post-primary level. It is, however, important that maintenance be continued at all levels to avoid further deterioration.

(c) User fees

Charging user fees for subject areas (or courses) not central to manpower areas. The decision to invest on such subject areas is left to the individual.

(d) Administration

Local authorities should have the ultimate responsibility in deciding on matters such as staffing, capital expenditure, incentive and penalties in retaining teachers. They are likely to allocate and utilize resources better than central administrators sitting in a far away capital city. The Ministry of Education should only be involved in monitoring and setting standards in the curriculum.

(e) Subsidies of education

At the university and other specialized schools (i.e. agricultural and training institutions), state subsidy of education should be suspended. Instead, loans, tuition remission in exchange for service to society upon graduation, and other compensation mechanisms should be instituted. In a society where access to basic education is limited, subsidizing a future elite class using tax payers money cannot be justified on equity grounds. The decision to invest on higher education should be left to the individuals based on their expected earning capacity. Students could choose to borrow money, pay back upon getting employment at some determined rate of their monthly salary. Others could pursue their education free in exchange for five years of government service. Those who have the means to pay, can enrol at the universities and pay annual tuitions to be determined on the basis of costs.

(f) Vocational training

In the future, however, public resources are better used in expanding opportunities in well designed non-formal education and vocational training programs, with the view of expanding employment in sectors that are capable of stimulating labor intensive production of basic consumer goods and inputs to agriculture and other sectors of the economy.

## Social dimensions of adjustment: what are the remedies?

### *Employment*

The prospects for employment inherited by the new government are grim. Approximately half a million unskilled young men will enter the labour market following demobilisation. Each year, another 200,000 school leavers try to join the labour force. In addition, the privatization and liquidation of many state corporations will result in many thousands of people losing their jobs. With removal of subsidies for basic necessities and increased prices, the transition period will be very difficult. To avoid a complete breakdown of civil-society relations and safeguard the democratization process, well designed and better targeted food subsidies, employment schemes and income-generating schemes are urgently needed. The donor community have a special responsibility in funding programs which help the rural poor to feed themselves.

In contrast to other social protection programs which are designed to keep people afloat (such as the food coupon program in Zambia and the PAMSCAD program in Ghana), the program in Ethiopia should be linked to the task of *rehabilitation and reconstruction* discussed previously.<sup>20</sup> The best way to alleviate poverty is to expand employment opportunities, not to pacify people through food stamp programs. In addition, in a country like Ethiopia where basic census data are missing, it would be very difficult to identify and target assistance to "vulnerable groups". Who is to decide which categories of people should or should not qualify, and on what base? With the exception of a small group of merchants who made their fortune through speculation because of their ties to the Derg clique, the rest of the population can be categorized as vulnerable.

### *Poverty - and the poor*

Instead of viewing the poor and women as "vulnerable groups" — implying that they cannot help themselves — planners should begin to think of the vast majority of the Ethiopian poor as important resources for development. The Ethiopian poor are capable of constructing a new economic and social reality. They will be able to minimize the negative effects of structural adjustment if they are mobilized to help themselves, with strong government support in the provision of land, training and capital, rather than treating them as passive recipients of policies formulated in a far away capital city. Most of the population can be helped to stay in their

<sup>20</sup> On Zambia, refer to Gisela Geisler, "Who is losing out? Structural Adjustment, Gender, and the Agricultural Sector in Zambia", Chr. Michelsen Institute (Bergen, Norway), unpublished paper, December, 1991; data on Ghana is collected by myself during a trip to Ghana in July-August, 1990.

own communities and derive income *by participating in the rehabilitation and reconstruction of their own communities*. Required actions may include:

- \* intensification of public work programs, such as construction of secondary roads, irrigation channels, small dams and reservoirs, expansion of clean water supplies, rural electrification, upgrading of physical infrastructure,
- \* public work programs in the area of environmental protection, such as building check dams, reforestation, soil conservation and water harvesting programs,
- \* encouragement of small-scale village industries based on local materials, technology and skills, and encouraging the use of an indigenous apprentice system,
- \* emphasis should be placed on expanding and generating income-generating activities in the informal sector. Ways must be found for the unemployed to get material, training and credit to start up a business.
- \* redeployment of people to assist in the resettlement of refugees and displaced persons until they begin to care for themselves.

These activities, while providing gainful employment to people, directly contribute to increased agricultural production, environmental conservation, and social welfare. Each of these tasks must be initiated in consultation with local communities. The communities themselves should identify project areas that require rehabilitation, and thus request from the central government either supplementary funds to hire unemployed people in the community, or for a work brigade to be sent there. To ensure quality control and contain cost, technical assistance and timely delivery of inputs and materials must be emphasized and supported. In this respect, the highly advertised national tree planting campaign of the former government, which failed disastrously, is a very good reminder of the pitfalls of rushing with a project without local community initiative and without adequate technical backup.

### *Coping with urban unemployment*

The most difficult challenge the government will face during the adjustment period is how to tackle urban unemployment in major towns. The problem can partly be alleviated through the adoption of a comprehensive national urban upgrading program with two components:

(a) Stimulating the housing industry

The physical deterioration of the capital and other secondary towns is very hard to ignore. Millions of private dwellings and large office structures, hotel complexes and shops, are in complete state of disrepair after years of neglect. A repeal or partial amendment of the July 26, 1975 urban lands and extra urban houses proclamation can offer part of the solution.<sup>21</sup> Returning them to their rightful owners, or introducing buy-back schemes or complete privatization is the best way to save them from collapsing. This action will stimulate the construction industry and generate thousands of employment provided that other loan guarantee programs are put in place and procurement of supplies and construction materials is simplified. The construction boom will expand the market for essential goods and a demand led inward industrialization would result.

The repeal of the law should not be indiscriminate, with policies to be targeted at certain types of properties with high employment generation potential when renovation resumes. Although this action might be interpreted by some as a give away — a reward to former landlords, a radical revision of property tax laws can generate far more resources than the meagre rent the state currently collects from these properties.

A rush to return properties back to previous owners, however, could cause dislocations and large scale homelessness, particularly in Addis Ababa where affordable housing is in short supply. Legal measures are necessary to protect current occupants from arbitrarily being thrown out into the streets. In the meantime, both the central government and individual municipalities should develop specialized (yet profitable) projects designed to expand housing stock in urban areas and to enable low income people to become owners. This is assuming everybody wants to stay in the city. However, with a new land reform, it is possible many may decide to go back to the land rather than face prolonged unemployment in the city. Lack of data makes it difficult to determine the level of housing needs in the major municipalities and to develop well articulated schemes.

An urban development sector loan (URBANSECAL) should be negotiated separately to undertake public work projects, such as squatter upgrading, private construction of apartments and houses, and improvement in sewage and water supply, roads and other infrastructure.

<sup>21</sup> Special Decree "Ownership of Urban Lands and Extra Houses Proclamation" No. 47/1975, *Negarit Gazeta*, (July 30, 1975).

(b) Support to the urban informal sector

Special efforts must be made to expand employment and income-generating activities in the informal sector. Targeted support to that part of the informal sector capable of stimulating labour intensive production of basic goods for low-income groups should be a priority. For better delivery of services, the government should organize individuals in the informal sector on the basis of their preferred sectoral specialization. A more organized informal sector will be able to demand services from municipal governments as is the case now. Of course, municipal governments will also have a vested interest in this since they will be able to generate revenues from the informal sector in the form of permits and licensing.

No matter how serious the urban unemployment becomes, the authorities should not attempt to forcefully take the unemployed off the streets on half-baked programs, such as "Operation Feed Yourself" or similar campaigns, as has been tried and failed in Ghana and Mozambique. Such programs have never worked anywhere and it will be inconsistent with the values of a democratic society. It is important to realize that people are the most important assets Ethiopia has. The very people who are poor and mis-governed for a long time are the ones that can make the transition from tyranny and hopelessness to a more dignified and equitable social order possible.

### **Other priority areas**

The task of transforming the Ethiopian economy and society rests on Ethiopians themselves. Without external help, it will at best be a slow and very cumbersome process. The real question is: will external help be available in sufficient volume and on terms compatible with Ethiopian aspirations? This remains to be seen. In the meantime, the donor community can take significant measures to ease the debt burden. Considering the foreign exchange crisis and low import capacity, donor countries can free up needed resources by writing off official debts. Although the current rules of the multilateral banks bar rescheduling of debt owed to these institutions, the World Bank should find ways to retire debt owed to it, considering the special circumstances of Ethiopia. With regard to Eastern bloc debt, I personally want to see a unilateral declaration of default by the Ethiopian government. The Soviet Union as we knew it does not exist any more. And even if payment of debt was possible, to which treasury should the government make payment? To the Russian Republic? Moldavia? The Ukraine or to the newly liberated baltic states? In fact we should be asking for reparation or compensation from the Soviet Union for having participated in the destruction of this country. If the Soviets want to get their investment back, they can do it easily. They can do so by picking up the millions of dollars worth of wrecked military equipment littering the Ethiopian landscape.

Another critical support that the donors can provide during the transition period is supplementary funding for strengthening Ethiopia's planning and management capacity. This includes institutional support in staff training; upgrading the system of data gathering and analysis; provision of supplies and material, from paper clips to xeroxing facilities. In addition, donors should increase the number of technical assistance personnel, by seconding high calibre management technicians, financial analysts, privatisation experts and trade specialists to key sectoral ministries until local capacity can be built. However, foreign technical assistance personnel should be accountable to the people for whom they work, not to their home government or institution. With liberalization and political democratization, the government is likely to lose many of its best and competent civil servants who would be lured by high salaries and better benefit packages in the private sector. Without good management expertise on the ground, successful implementation of the economic recovery program will be very difficult.

# **Economic reconstruction and the experience of Ethiopian peasant communities<sup>1</sup>**

Siegfried Pausewang

A major economic reform is necessary. To be able to feed a growing population, the Ethiopian economy must become more productive again. Nobody disagrees with this need. The Mengistu government left its successor with a ruined economy, an empty treasury, a run-down infrastructure, a heavily armed but demoralised and slowly dissolving army, littering the country with weapons; a rural administration virtually disfunc; and a peasantry with a deep contempt for anything coming from the State; an eroded tax collection system; a disillusioned urban population waiting in passivity and watching sceptically; and a rural majority hoping for a weak government that leaves them alone.

For many years, military expenditures have been given priority at the expense of development, and the war effort has been allowed to eat up resources that would have been desperately needed for building and maintaining productive life. The destructions of the war have added to the economic exhaustion. Industries have suffered heavily, from wrong priorities even more than from the continuous and increasing lack of resources, spare parts, infrastructure, markets. In agriculture, the effort to extract more resources has created a disincentive structure which is now difficult to revise. Ecological degradation follows in its consequence, and so do social insecurity and disturbance.

## **Experience in rural Ethiopia**

After 1985 several research projects have investigated the living conditions in peasant communities, and recorded the complaints of peasants. Among others, Dessalegn Rahmato, Alemayehu Lirens, Yerasworq Admasie, Fassil G. Kiros, Alemneh Dejene have been engaged in such research. One of the first of these projects was the "Achefer - Shebadino Study" which did fieldwork in 1984-85. Financed by FAO, through a grant from the Norwegian government, it was conducted by the Ministry of Agriculture, under the initiative and protection of Ato Gizaw Negussie. The research was done mainly by Mulugeta Dejenu and Amare

<sup>1</sup> I gratefully acknowledge the contribution to this paper by Fantu Cheru, through critical and constructive discussions during its preparation.



Lemma, and I was assigned to it as consultant for FAO. The report of that study was written in 1985-86, re-checked and discussed with peasants in the surveyed areas, and revised. Finalised in 1987, the report was not released by the Government before April 1991, a few weeks before the Mengistu Government collapsed (Mulugeta 1987).

The study was designed to investigate forms of peasant participation, being a follow-up of the 1979 WCARRD conference highlighting participation as a road to rural development. The Ethiopian Government had invited FAO to do such a study, arguing that Ethiopia's peasant associations were precisely the kind of rural democratic institutions which WCARRD was asking for.

However, the study revealed that participation had been gradually reduced and curtailed since 1977, and peasant organisations had been turned into executive bodies for the government. The project soon turned out to register peasant complaints about a situation in which they felt more and more economically squeezed, politically controlled and socially marginalised. It appears today important to look carefully into these peasant complaints, to see what went wrong in rural and agricultural policies, and what could help to accelerate rural development.

### *The land question*

Peasants appreciated the fact that the land reform of 1974 gave all farmers a right to some land for cultivation, without fear of eviction and free from the constant threat to have to defend the land against somebody else's claims. Court cases about *rist* (land rights) claims, as well as the arbitrariness of the *neftegna* (landlords), had been done away with. This appeared to be the most important liberating effect of the land reform in peasant eyes.

Population growth makes land getting scarce, and no land reform can change this trend. The security of land holding started again to be threatened. New families demanding land for their survival forced peasant associations to redistribute land. The resulting fragmentation of land added to depleting the fertility of the soil. It just added up to reducing the returns peasants could get for their work.

In spite of such experience, peasants did almost everywhere demand land redistribution to give the young families an independent livelihood. They see a problem in land fragmentation. But they know that their sons and daughters have no other opportunities but to get a piece of land, however small it might be (Mulugeta 1987: 71-76).

As long as there are no industries to absorb the excess rural population, there seems to be no realistic alternative to redistribution of land. In any case, there is

no rationality in trying to make agricultural work more efficient through investments which replace human labour, as long as the costs of the machinery will have to be paid at the expense of human consumption. But at the same time, it is necessary to limit population growth - which can not be done without offering peasants more security and social services - and to create rural industries which can gradually absorb the excess rural population and thereby transform agriculture.

### *Agricultural prices and marketing*

Peasants complained a lot about low prices for their produce, while those goods they need to buy get more expensive. This means that the peasants got less value for their work.

This is partly a question of relations between urban interests in low food prices and the peasants' interest. But the Government used price controls also to feed the army and other government institutions cheaply - in fact, low prices were a form of taxation on the peasants. More important even was the quota delivery system which peasants resented deeply. Probably prices on the open market were artificially high because few peasants had grain left to sell after quota deliveries. But peasants compared with these prices, and felt cheated for the value of their grain (Mulugeta 1987: 132, 146).

### *Interference in local markets*

Another complaint often heard was that local authorities patrolled local markets and confiscated grains which peasants tried to exchange into other goods. There may have been reasons to discourage black markets. But the rigidity with which such controls were executed antagonised peasants, and interfered in their traditional forms of cooperation. Peasants can not produce everything they need on every individual farm. They complained that such market interference hampered their self-supply production. Some local exchange is both necessary and an efficient use of resources. It must be encouraged, not counteracted. By suppressing local exchange, government had in effect pushed peasants back into subsistence farming - an extremely costly and inefficient regress which unnecessarily reduced production for the market.

### *Local self-determination and participation*

The land reform of 1975 introduced self-administered peasant associations, organised by peasants themselves to represent their interests and to administer their communities. However, two years later the government began to convert these peasant associations into executive bodies. Instead of giving peasants a control over their own life situation, the associations were made an instrument of government control which became more and more suppressive. Local leaders were

called upon to execute decisions received from central authorities. Corruption and nepotism followed in this trend, as the control from the electorate was diminished (Mulugeta 1987: 3, 22, 88-95).

Towards the end of the Mengistu regime, there was practically nothing left of peasant self-administration. Peasants became more and more frustrated and disillusioned, and government agencies were discredited and hated. Government interference took growing proportions with the pressure to join cooperatives, with villagisation and resettlement, and with the recruitment campaigns for the army. Especially the latter were conducted with growing frequency and with increasing brutality. We heard cases - not in Achefer and Shebadino in 1986, but in other villages in 1990, where peasants were hiding their sons so the executive committee could not recruit the demanded number of conscripts, whereupon the militia took instead the entire executive committee to the military training. That such senseless disrespect for peasant communities discredits the government, needs hardly be elaborated.

### *Producer cooperatives*

Experience in Achefer and Shebadino showed clearly that cooperatives produced less efficient than individual peasants. It also showed the reasons why this is so: peasants resent being commanded. If ordered to work, they will do no more than they are asked to do, and without interest. Frequently they complained that the leaders do not work themselves but want to live a good life on the peasants' backs. So every member says: why should I work while others eat? And what does it help if I work hard but others don't? The result is a levelling downward, and not upward.

More important still is the experience that cooperatives did not offer the promised chance of higher incomes through efficient technology. To the contrary, even cooperatives which received tractors experienced declining incomes: running costs had to be covered through selling rural produce. So the peasants had less work - but also less to eat.

### *Ecology*

Population pressure is maybe most visible in the growing ecological imbalance. Everywhere peasant associations tried to expand agricultural land. More grazing areas and bush lands were brought under plough, and steep slopes are ploughed for crop land. Erosion is the inevitable result.

Forests are diminishing. Wood is needed for fuel, for timber, for burning charcoal. Peasants resented deeply the idea that peasant associations should forbid them to

cut trees on their own land without permission. This made them resent even more to replant trees. Who will cut the trees we plant? they asked.

Tree planting is only effective if it is integrated in the peasants' cycle of cultivation. Peasants depend on a cultivation system which includes both plant production, livestock and wood. Forestry should not compete with agriculture or grazing, but supplement both. Only integrated in one agri- culture can the three work together.

### *Urban - rural relations*

The Study also revealed a serious communications gap between peasants and central authorities (Mulugeta 1987:22). To some degree this is an expression of low understanding for rural problems and rural communities and culture in the urban population. In spite of the fact that most urban Ethiopians keep their family ties to the rural areas they came from, communication is onesided and understanding is minimal. If they travel to the village, they come as the rich, modern, urbanised relative who has seen the world and knows everything better than any ignorant farmer. They do not listen, but they advise. And if they do not understand the peasants' way of doing things, they react with fear, aggression, and recourse to force. It is just incredible how easily many urban Ethiopians can get frightened through rumours about reported aggressive behaviour of rural people.

This is also reflected in the tendency of agricultural advisers to give orders to peasants. These specialists, trained in modern techniques, are themselves mostly convinced to know much better than peasants what is good production. They are not willing to listen to peasants' knowledge about local conditions, weather, soils, diseases, - they do not want to know about the peasants' needs, nor about their interest in fitting new techniques into their production patterns and cultivation cycles. They just come and tell peasants what to do, as if the peasant had no other cultivation cycles and work tasks to take care of.

In the relation between peasant associations and authorities, this trend has created a blockage of all communication upward. Again it is incredible how blind persons in high government positions could be about the consequences of their policies for peasants. They simply believed reports that all was well. If at all they visited a village, they met only applauding and cheering peasants. They never felt reason to talk to a peasant *incognito*.

We found out that this has partly to do with the tendency of the middle level administrative personnel to feel insecure and low if they ask questions or accept peasant complaints. This tendency seems enforced by their experience during the time of the "red terror". Most of them were youngsters around 1977, at the time when the young and educated suffered most, and political convictions were life

dangerous. They had learned not to stick out their necks. They did not want to mark themselves by criticism, they avoided taking responsibility and preferred to execute orders. Asked to find out what peasants think about resettlement, for example, they might prefer to tell peasants about the programme, and report back that everybody agreed, regardless of which signals they received from peasants. They wanted to excel by quick reports of successful execution, not by solving problems. Thus, whatever came from above was translated into an order, while they reported back only successful implementation and total agreement.

Also among the peasant association leaders, the top-down structure which was gradually established, has encouraged especially younger leaders who got some political training but had very little knowledge of farming. They felt better qualified than the village community to decide what is good for the peasants. So their interest was not to report peasant needs and demands, but rather to define such needs according to what they felt advantageous for their own careers.

### *Peasant interest and state authority*

To sum up: Peasant experience with state interference in rural society has been only negative, especially during the last fifteen years. They are disillusioned and sceptical, and have learned to defend themselves against interference and economic pressure by withdrawing into self sufficiency, as much as they could. This is a primary reason for the low productivity in agriculture during recent years. Without mobilizing peasant support and active cooperation, a new start will hardly succeed. But if peasants are supposed to engage their initiative and enthusiasm, they must have reason to be convinced that from now on they will be in control of their situation themselves, that their knowledge and initiative matters, that they will not once again be at the disposition of other groups' greed.

## **Structural adjustment and human development**

In this situation, economic reconstruction must take care not to antagonise peasants once again. The question is rather how to design a programme which builds up the capacity of the economy to produce what people need, as quickly as possible, so that people win confidence that at long last, it is worth while to put in an effort for a better future. Such a new start, engaging people's initiatives, has to be achieved without sacrificing long term development, and without creating more human suffering than absolutely necessary.

### *Experience with structural adjustment in Africa*

Experience shows that many SAP programmes, particularly in Africa, have dramatically increased poverty, deepened differences between rich and poor, and given a few privileged people a chance to amass large profits without creating any

improvement in the wellbeing of the poor majority (Fantu 1989). And yet they have failed in the effort to create investments for sustained growth which, supposedly, should eventually reverse the negative social effects expected to be of short duration. In many rural societies the SAP failed to create an incentive structure which mobilized the efforts and initiatives of peasants (McAfee 1991). While better prices for export crops allowed a few big farmers to make good profits by shifting away from food crops, the increasing demand did not translate into better chances for small farmers, because chronic bottlenecks in infrastructure, lack of storage and market facilities, regional differences and other imbalances did not allow peasants any better market chances, and urban real wage declines prevented growing needs from translating into growing market demand<sup>2</sup>.

Still, far reaching economic reforms are needed, for the simple reason that in the long run one can not eat what one has not produced yet. Loans can occasionally be helpful in bridging a gap. But if loans are used not to finance productive investments, but for consumption, they increase misery by adding debts to poverty.

The Organisation of African Unity has criticized the SAP for not achieving what they promised (OAU 1985), and the Economic Commission for Africa outlined an *African alternative framework for structural adjustment* which gives far more weight to human development and to equity in the distribution of goods (ECA 1989). It emphasizes the need to alleviate poverty and to provide social services and education. This put the ECA report on a collision course with the apologists of structural adjustment.

### *Experience in Eastern Europe*

Experience from Eastern Europe is all but encouraging: the shift into a Western market economy had the effect of destroying first the remaining structures and capacities. In Germany, the reunion created a new boom and growth in the West, where consumption is too high already, while it destroyed the still existing economic capacities in the East. Maybe in ten years time, East Germany will have a chance to become an advanced industrial society again, with massive investments from the West. But that is little consolation for the people who suffer today, with an unemployment rate approaching 50 % and rapidly rising prices, while wages are frozen at levels not adequate with the new living standards and costs. And it is certainly no encouragement for developing countries not having a rich brother in the west to unite with.<sup>3</sup>

<sup>2</sup> For a discussion of political trends inside the recipient countries and social and political consequences of adjustment policies, see Gibbon et al. 1992.

<sup>3</sup> See the proceedings of the Section on "Transformation in the East and in the Third World" at the "Soziologentag Leipzig 1991", April 16 - 18, 1991 - forthcoming.

Worst of all, the West continues to set the trend, and to inspire the aspirations of people in the East of Germany. By the time East Germans may have reached the level of consumption they aspire today, the West will have grown further, leaving them still discontent with a secondary position.

Modern Western societies have reached a level of consumption which we know can not be replicable for all people of this world. Yet these societies are the model for poorer countries to follow after. We know that the world does not have the resources and can not tolerate the pollution that would follow. But we behave as if the impossible could become true. We blindly accept an economic concept as the only possible model, which inherently must reproduce a gap between rich and poor, and which is dependent on growth, well knowing that the rich countries will grow most, while the poor will never be able to catch up, but will continue to hope and to aspire the ever growing consumption of the rich.

### *The human development report*

The recent Human Development Report 1991 of the UNDP adds a necessary and important dimension to the discussion. It underlines the importance of adjusting economic development to human needs, not simply to the necessities of the world market. For the UNDP approach, development means first of all to inspire, mobilize and engage the initiatives and the resources of the poor majority for productive efforts. The report gives a prominent role to basic human needs, and states that the needs of the poor can only be protected through democracy. Particularly in a developing society, democracy means participation, and participation means *empowering the poor*.

The UNDP approach is not transformed into a readily applicable economic reform programme so far. But it offers a twofold message of significance: that human development must be the central objective of economic growth: the economy is a tool to satisfy human needs. In a democratic society, it has to satisfy the basic needs of all people first. Economic development can thus be defined as building up the capacity to produce those goods and services which satisfy basic needs first, for all citizens. And the report shows (UNDP 1991) that a human development objective in itself can create resources for development: changing priorities in favour of first needs first, one can make social services much more efficient, and at the same time create conditions which give the large majority of people hope for the future, and incentives to pool their resources and engage their initiatives for this very development.

Thus, secondly, human development can be a tool to mobilize human energies and efforts. And certainly, without creating confidence among people that own effort can contribute to improve living conditions, human development will not succeed.

Human development insists that *the effort and knowledge of the poor counts*. It means *giving the poor a chance to develop themselves*.

For those reasons, we recommend to embark on a SAP. But we recommend to do it phased, beginning with reconstruction as suggested by the OAU and the ECA, to firstly secure the economic structures available, not to destroy even the last remains of what the Mengistu regime left functioning in Ethiopia. And we recommend most strongly to do it as an exercise of human development, as the UNDP report suggests: to confront all measures with the question: *how does it affect the poor?*

In this approach, a period of rehabilitation will rebuild the infrastructure and save what is worth to be continued in the Ethiopian economy, and turn the downward trend into a period of new optimism, initiative and work. After that is achieved, a "structural adjustment with human development" programme can have a realistic chance of creating a better future for a growing Ethiopian people.

### *Agriculture as the leading economic sector*

Over 80 per cent of the Ethiopian population are small peasants. The first preoccupation of economic reconstruction must be to feed a growing population; and only agriculture can produce that food. Equally important, only agriculture can give employment and generate a living for the overwhelming majority, now and for a long time to come (Pausewang 1990). *Investment per working place is less in small scale agriculture* than in other sectors. Farming is the best way to *put the country's own resources into productive use*. Only agriculture can offer the large majority of Ethiopians a chance for a life in cultural integration and human dignity.

Ethiopia is rich in resources compared to other countries in black Africa. But her most important resource is the work of her people, matched with fertile land and water reserves available for agricultural use. While capital to develop sophisticated jobs is critically lacking, the labour force of the people is the most important productive resource, which must be employed productively. In small-scale agriculture this labour force can be productive with relatively small investments which people can manage on their own. No other path of development can use limited financial resources better than small peasant agriculture. Most important, *no other can feed a growing population* of at present around 50 million.

Population growth and ecological deterioration put strict limits on agricultural growth. The challenge is to find ways to help peasants to understand environmental concerns and to integrate them into their farming patterns, so that they can gain, and not lose, from a conservation based small farmer development model.



## **A small farmer rural development model**

The most important question now is how economic reconstruction and structural adjustment can support growth in small farmer production while maintaining soil fertility and improving the capacity of natural cycles to feed people. Investment from outside is not available, so the peasants will have to generate the resources needed through their work. Low cost and no-cost innovations in farming practices which are manageable for poor peasants within their social and cultural setting are asked for, not outside investments disturbing a well adapted rural cultural and agricultural life. In particular, a form of support is needed which does not push peasants out of agriculture into unemployment and destitution, but which gradually allows through diversification of the rural economy to offer alternative and more productive work.

Every measure suggested has to answer the question: How does it affect subsistence peasants? Will it support or inhibit peasant-led agricultural development? Does it give due consideration to peasant interests?

Several studies conducted during the last five, six years document peasants' complaints under the previous government, their needs, their ambitions and their capabilities to build an alternative, prosperous and dynamic rural society (Mulugeta 1987, Alemneh 1987, Alemayehu 1987, Dessalegn 1991). The findings of such research can be used now for an assessment of the social acceptability of economic measures, and of peasant capabilities to adapt them. They could serve as indicators to judge which measures can be employed to develop small farmer agriculture as a lead sector for economic growth.

Given this situation in Ethiopia, and the frustration and material and social needs of the peasant majority in the country, it appears to me a fallacy to insist in principles of market economy as taught in business schools in Washington or Stockholm. The Ethiopian agriculture, as the Ethiopian state, is not a business. Rather, it could be compared to a household: It can not lay off part of its population. The first task for agriculture is not to make a profit, but to feed all the rural people, - or rather allow them to feed themselves.

Just looking at international market conditions without considering the situation of the peasants in a distinct natural and cultural environment, is to expose their majority to a situation where the peasant has to pay the bill for the good life of the few. It is not possible to feed the Ethiopian people through investment in modern technology, because the only capital abundantly available is the labour of the people, - that is, the peasants. So they must feed themselves, and agricultural policies must create an economic environment to allow it. If peasants are pushed into production for the world market before they are self supplied with food, urban planners, in essence, demand that *"the peasants have to produce for the international market so that we can import our videos"*.

Investments in market production should not be pushed at the expense of the ability of people to feed themselves, nor at the expense of food security. One has to start with low-cost or no-cost investment in rural labour, making it more productive without making it obsolete and create massive rural unemployment. The best rural investment is therefore the mobilisation of the peasants' interest and commitment, and hence their intelligent work effort.

To mobilize peasants, it is both a humanitarian and an economic necessity to

- \* build rural democracy and local self-determination founded on peasant communities, which have a rich tradition of common responsibility;
- \* honour the peasants' knowledge, their will and ability to actively form their destiny and their local adaptation;
- \* Change the relationship between state and peasants thoroughly: cooperation and mutual support must replace exploitation and mutual distrust and fear;
- \* For cooperation on equal footing, peasants need strong organisations representing their interests politically and giving them leverage in government;
- \* give peasants access to goods and markets without systematic pressure from outside, and protect their need for a free local exchange of produce;
- \* give peasant rights higher status and protection, especially the right to access to land allowing them to make a living through their own work;
- \* give local minorities equal rights;
- \* give women access to independent resources and to participation in local decisions on equal foot.

With such aims and principles, economic growth is not to be an end in itself, but a means to giving rural people a better and more secure life situation. They put the improvement of people's position before simply accelerating economic growth as an aim in itself; in the conviction that human welfare for a desperately poor peasantry, will translate into a more balanced and sustainable growth.

With this in mind, one needs to have a closer look at particular issues in agricultural development:

### *Land rights*

Peasants need more security on their land. Without a secure and lasting right to the crop including wood products, peasants will not plant trees, invest much labour into soil protection measures, reclamation of gullies etc.

Private property is often advocated as a solution to this problem. But several arguments indicate that private property is in fact not in the interest of the small farmer, nor of a peasant agriculture development. Should private property bring back the old landlords? They would not stand by idly if land were to be made the property of the present tillers. At least in the South it would in fact once more

dispossess the peasantry. Even in the North, it would re-open the competition about land rights between rist peasants and former gult lords. A long period of insecurity and struggle might follow. In any case, private property in agricultural land would lead to a massive eviction of tenants, most of whom had been independent and self-owning peasants for the last seventeen years. An enormous social uprooting of large parts of the entire population would certainly spoil all chances for rural development for a long time to come. A massive migration of landless people displaced from their farms would flock to the towns, compounding urban unemployment problems, create desperate housing shortages, supply and transport and service shortages, and swell urban slums.

Secondly, even if it were possible to grant ownership titles to the present tillers, not to the former landlords, private property would again make land an object of speculation. As experienced in Kaffa in 1970, in Arsi in 1973, around the major towns around 1960, wherever land increased its value due to alternative possibilities in mechanised agriculture or urban development, peasants were evicted successively. Where peasant-owners did not want to leave their land to financially stronger interests, they were forced or cheated into debts, with land as collateral, until they had no choice but to leave. I have collected a whole series of examples for such processes during 1970 - 71, and the situation did get worse until the land reform of 1975 set an end to such manipulations (Social History of Land Reform, Pausewang 1983: 61, 81). One should be careful not to open up again for it.

Peasants in many parts of the country demand redistribution whenever differences in farm size get disproportional within a community. Asked what one can do to alleviate the shortage of land and fragmentation of holdings, a large majority answers that the community has a responsibility to distribute land to all those who need it. This may be voicing a misconception of more land reserves than available to the community. But as long as the large majority of peasants has no other productive resource but land, depriving a person of his right to land is depriving him of community belongingness, of his roots, his dignity. Therefore peasants prefer to have plots redistributed so that their sons can get independent farms even if they are small. Rist has survived in the feeling of belongingness to a community which has a responsibility for one's livelihood. The pride of having a stake and a co-responsibility in the community is still living culture in rural society (Pausewang 1991). This is a cultural asset on which development can build, rather than replacing it through private-property-rights and throw the large majority in dependence, tenancy, and tenure insecurity or in landlessness or urban unemployment.

The right to membership in a community is the basis of identity and dignity of peasants. It gives a consciousness of security which exceeds security on a particular plot, because it entails more than just a piece of land. Land distribution and transfer must remain the responsibility of the local community, as it was in Northern Ethiopia until 1977, and in the South until 1890 and again between 1975

and 1977. Land must not be vested in the State, nor left to the old aristocracy and landlords.

However, the peasant must get more long term security of the usufructuary right on his plot, including the right to transfer his land to his children. This will vitalize his interest in permanent improvements, to leave his farm to his children in a good stand, offering them a reasonable start and good prospects for a decent living. It has been suggested that ownership rights given to the present tiller, not the former landlords, would offer such security. This may involve legal problems, because the former "owners" will claim their or their fathers' property back. If land becomes a commodity, and a market in land is allowed to develop, it opens the door to speculators who specialise in dispossessing peasants through forcing them into debt. The law could forbid land to be forfeited as collateral for a loan. But debt could still force peasants out of their land, when the sale of land is the last resort for an indebted farmer. Secondly, private property could lead to a practice of transferring the entire farm to one son, while (usually) the younger children would be left to fend for themselves. From the point of view of farm production this might be desirable. But as long as there are no alternative jobs for those who don't inherit, there is just no other way to offer everybody a living except redistribution. The peasants know that, and demand just that.

In conclusion, however the land question is solved, it asks for three measures taken simultaneously: to mobilise all resources of the rural people; to limit population growth; and to develop alternative employment, avoiding or alleviating further fragmentation of land. There is just no way to shortcut this particular development dilemma: private property in land could not solve the problem of employing the productive capacities of the people, neither in the hands of landlords nor in those of the tilling families. Common responsibility for land distribution in the community can make the best possible allocation of land not for optimal production techniques, but for optimal use of available land and human resources, to feed the rural population.

### *Self supply and market production*

Self supply must be the basis of such development strategy. Subsistence farming must be recognized as the basis, because investments which have to be paid for with export are terribly expensive in terms of peasant labour. Self supply on farm and family level is necessary as long as credit at cheap and secure conditions is not available, and debt is a threat to the small peasant's living standard and productive capacity. Self supply on regional level gives food security and saves transportation costs. Food self-sufficiency on national level saves scarce foreign exchange and relieves the need to expand export earnings.

Not to misunderstand: I include in self-sufficiency a certain minimum of exchange: both bartering one crop against another on the local market, and selling some crops to be able to buy necessary goods like farm implements, clothes, salt, matches, and to pay taxes. As a second, though important step one should aim at subsistence production plus some additional crop for sale, which can open a chance for peasants to buy goods, to participate in the market. A third step would be to diversify agriculture and develop rural industries, which enrich rural production by offering implements and inputs, and by processing rural produce. At the same time, such industries can absorb some of the excess rural population.

But one step should be taken after the other. Market production should not be allowed to expand at the expense of self supply; and industries should not interfere with agricultural production but complement it and add value to its produce.

### *Local markets*

For the peasant, the local market has functions which are quite different from the world market. A subsistence peasant does not go to the market to earn money, but to get some item he can not produce himself. He sells whatever he can do without, to get what he needs most. A peasant can not produce every item himself. It may be much more productive if one peasant produces more teff than he needs, and exchanges it against gesho from another one who has good soils for producing that crop. Local markets have a kind of cooperative function: they allow to exchange goods without loss or profit. This is cooperation, - not in the understanding of "producer cooperatives" forcing peasants under the yoke of ideologically prescribed restrictions and regulations, but in the positive sense of mutual aid, of helping each other.

Moreover, all peasants need some money to pay school fees, taxes, travel to a clinic. The local market gives them a chance to sell whatever they can spare to get the money they need. Another function of the local market, as long as it is undisturbed by open market connections, is food security, as Desalegn Rahmato (1991) demonstrated in his study in Wollo.

This difference in market functions makes the peasant vulnerable on a market governed by the profit motive. He will not sell when prices are good, but when he needs something - be it money or goods. But the trader can wait until prices are low before buying, while demanding a price covering a good profit whenever the peasant needs goods. In any case, peasants are many and scattered, difficult to organise and therefore without marketing power. They have no choice but to pay whatever is demanded for a good they need, they just have to sell more if price relations between what they can sell and what they need have changed.

This mechanism is on local level behind the general trend of steadily deteriorating "terms of trade" for peasant produce. And it is one reason why local markets need a certain level of protection.

### *Cooperation*

Cooperation is helpful where it allows peasants to produce more by sharing their assets. If one produces beans for two families because he has good land for this crop, while the other one who is better skilled in beekeeping exchanges honey for beans, both win in the bargain. But if both are hindered in their work after sharing their land, a cooperative creates only losses. It was argued that cooperatives should make work easier, allow mechanisation and economies of scale. But in an Ethiopian context this is hardly possible.

A landlord under Haile Selassie could in fact make good money by hiring or buying a tractor and producing maize or wheat on large tracts of land. But this was only possible if he could evict the peasants living on that land. A cooperative of the peasants on the same land could not have done the same, as long as there is no alternative employment. If all the peasant families have to be fed, the tractor creates additional costs, and is not profitable. In fact, if fuel and maintenance costs have to be paid for by selling grain, the tractor ended up eating the food of the peasant families.

The tractor can not produce so much more from the same land that peasants get more food even after running costs are paid. So it produces a loss. It would certainly be good to reduce the hard work of peasants, - but they can not afford that if it costs them their food. Labour-saving technology is a dangerous luxury for peasants who have not enough food to live on.

Of course, once there are alternative job opportunities, and some peasants can earn a living in industries, it will be possible and profitable to engage technology on larger fields. But as long as such alternative jobs are not available, productive investment has to create more additional resources than it costs. Cooperation can only work where it offers tangible benefits for all those who participate.

### *Rural employment*

Rural employment is thus a key issue for development, which can not be treated as a separate topic to be added under "other concerns". Issues connected to "human development" (such as employment, poverty alleviation, participation, empowerment, social development, gender equality and women's rights, even ecology) are frequently isolated and left to special departments. To bring human development into the political agenda will not be possible without *basic economic rights* guaranteed to the individual.

Economic rights, in this context, must first of all concern a *right to food and shelter*. This can in Ethiopian context realistically only be guaranteed through a *right to work* for both *men and women*, as a *basic human right*.

This can not be achieved through state employment for everybody, but by giving everybody a chance to feed herself or himself and one's family.

The employment problem in Ethiopia can not be solved through *welfare programmes* because these are not productive; and resources must be produced before they can be distributed. It can not either be done through *state employment*, because the State would have to take the necessary resources from others, and redistribution can hardly be the basis for an employment programme feeding more than a limited marginal group. *Nor can employment for all* be achieved through *investment in urban or rural high technology jobs*. Attracting massive foreign investments, inviting multinational corporations would tend to replace more jobs than it creates - as it does in industrial societies. Coca Cola, IBM and Shell will not solve the Ethiopian labour problem.

To guarantee every citizen a basic economic minimum, an independent living, a *change of emphasis in economic policies* is needed, towards *making labour more productive without making it redundant*: giving everybody a fair chance to employ his or her work productively - and *then* raise its productivity through no-cost or low-cost improvements. For example giving women more time for productive work by freeing them from time consuming jobs like fetching water and fuelwood through more energy-efficient stoves, water supply; or improving agricultural productivity through upgrading knowledge of farming practice, use of crop rotation, fodder crops, small animals, bee keeping; water harvesting; upgrading of local crafts; supporting small new rural enterprises etc.<sup>4</sup>

### *Food security*

Food security is probably the most important motivating force for peasants. All efforts need to be done to give the peasant a credible expectation that he (or she) can meet the basic needs of the family if working well, and that he can meet emergency situations and droughts with a reserve which keeps his family secure.

Haraldur Olafsson and Boru Dadecha (1985) have demonstrated in Borana that there are sufficient early warning signs to prepare for a famine in advance. It was possible to keep people supplied during a famine with one tenth of the food aid needed per person compared to RRC supplies. Local reserves allow people to stay

<sup>4</sup> This paragraph was added to the paper at the Symposium, as a separate statement, in response to a discussion which tended to forget about the need to give an economic base for a decent living to every citizen.

at their homes, their familiar environment always offers them some food. A marginal aid may make the difference between staying to keep natural adaptations in place, and deserting home and agriculture. Waiting until people are forced to desert their homes and feeding them in refugee camps is the most expensive way of giving relief. It is much better to stop the normal flow of crops from rural to urban areas in case of an imminent food shortage, and if necessary to reverse them, to provide basic food security (Pausewang 1991 b).

## **Conclusion**

Peasants know that they have to produce three per cent more every year just to feed the growing number of mouths, before they achieve any improvement. They know that population growth necessarily contributes to add pressure on land resources and to make plots smaller. For them, every child born is not only a mouth to feed, but also two hands to work. Unemployment is no threat to them: In their society, everybody can work, and all work contributes to what people need. Their economic thinking takes work as an asset, a resource, not a cost.

Work should indeed be treated as a resource, in a country which has little else to build on. Therefore, the rural population must be considered the main asset for economic reconstruction. Their effort, their work, their knowledge and their initiatives must be recognised as the most productive resource to be exploited.

In the beginning, these assets can only be employed in agriculture. Small peasant agriculture must remain the leading economic sector for some time to come, and all rural people must have the chance to work out a living through cultivation. Access to land is essential for productive employment of this growing rural labour force.

Human development is central if the rural population shall win an active interest and involvement in development again. A right to the basic necessities of life, first of all to sufficient food for a reasonably secure survival, is vital. But basic food can not be guaranteed in all rural areas unless people produce it locally. That they get the basic resources to produce at least what they need themselves, is thus the first priority.

But it is not enough. In the long run, agriculture can not feed the growing population, and industrialisation is a must. It has to build on a flourishing rural productive society. Agriculture-related, low cost industrialisation, producing agricultural implements and processing rural products, is the starting point. Slowly, such industries will have to grow and to get more sophisticated, more centralised, and more mechanised. It will take a long time until such industries can absorb even the additional population coming to the labour force every year. But the process to develop it from small rural plants has to start now.



Without the active support and initiative of the peasant majority, such rural-based development is bound to fail. Rural people will not support it unless they feel that they have reasonable influence over decisions concerning their communities and their production. And they will not have such confidence as long as political decisions made in the centre interfere into their productive cycles and their community life and culture in a way they perceive as arbitrary and destructive.

This makes a strong case for rural democracy, for a political system which, for the first time, allows peasants to represent their interests in central decision making. This is not a mere formality of democratic rules of the game - it is a *sine qua non* for rural development. Without strong peasant influence in government no support in the rural population, and without such support no rural reconstruction. Economic recovery has to build on rural democracy, on empowering peasants and their rural communities.

## References

- Alemayehu Lireno, 1987: *Grain Marketing and Pricing in Ethiopia*, Addis Ababa, IDR Research Report No. 28.
- Alemneh Dejene, 1987: *Peasants, Agrarian Socialism and Rural Development in Ethiopia*, Westview Press, Boulder, Col.
- Boru Dadecha and Haraldur Olafsson, 1985: "Some Early Warning Signals of Impending Food Shortage in Borana", unpublished paper, CMI, Bergen.
- Cohen, John and Nils-Ivar Isaksson, 1987: *Villagisation in the Arsi Region of Ethiopia*, Uppsala, Swedish University of Applied Sciences.
- Cohen, John and Nils-Ivar Isaksson, 1988: "Food Production Strategy Debates in Revolutionary Ethiopia", in *World Development*, 16 / 3, pp. 323-348.
- Dessalegn Rahmato, 1991: *Famine and Survival Strategies, A Case Study from Northeast Ethiopia*. Uppsala: Scandinavian Inst. f. African Studies.
- Economic Commission for Africa (ECA), 1989: *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation*, E/ECA/CM.16/6/Rev. 3, Addis Ababa.
- Fantu Cheru, 1989: *The Silent Revolution in Africa. Debt, Development and Democracy*. Zed Books, London and Harare.
- Gibbon, Peter et al. (ed.) 1992: *Authoritarianism, Democracy and Adjustment. The Politics of Economic Reform in Africa*. Uppsala: SIAS.
- Griffin, Keith and Roger Hay, 1985: "Problems of Agricultural Development in Socialist Ethiopia. An Overview and a Suggested Strategy", in *The Journal of Peasant Studies*, Vol. 13 no. 1, pp. 37-66.
- International Monetary Fund (IMF) 1987: "Ethiopia - Recent Economic Developments" (SM 87/288; Dec. 9, 1987).
- McAfee, Kathy, 1991: *Storm Signals. Structural Adjustment and Development Alternatives in the Carribean*. Zed Books, London and Oxfam America.
- Mulugeta Dejen, 1987: *Agrarian Reform and Rural Development. Achefer - Shebadino Study*, Addis Ababa (Min. of Agriculture / FAO).

- Organisation of African Unity (OAU), 1985: *Africa's Priority Programme for Economic Recovery, 1986 - 90*, Addis Ababa.
- Pausewang, Siegfried, 1983: *Peasants. Land and Society. A Social History of Land Reform in Ethiopia*, Weltforum, München and London.
- Pausewang, Siegfried et als (ed.) 1990: *Ethiopia. Rural Development Options*. Zed Books, London.
- Pausewang, Siegfried, 1991: "Rural Conditions for Democracy in Ethiopia", paper presented at the XI. Internat. Conf. of Ethiopian Studies, Addis Ababa, April 1991, CMI Working Paper D 1991/5, Bergen.
- Pausewang, Siegfried, 1991 b): "Drought, Hunger, and Prevention", in: *Development and Cooperation* No.1/1991, p. 23-27.
- Tegege Teka, 1984: *Cooperatives and National Development. The Ethiopian Experience*, Addis Ababa: IDR Working Paper No. 18.
- United Nations Development Programme (UNDP), 1991: *Human Development Report 1991*, New York / Oxford.
- World Bank, 1981: *Accelerated Development in Sub-Saharan Africa: An Agenda for Action*, Washington, D.C.
- World Bank, 1989: *Sub-Sahara Africa: From Crisis to Sustainable Growth*, Washington, D.C.

# **Postscript: Report on a visit to Ethiopia and Eritrea January 11 to February 3, 1992**

Siegfried Pausewang

## *Purpose*

The direct purpose of this visit was my participation in a "Symposium on the Ethiopian Economy", presenting a paper on "Economic Reconstruction and the Experience of Ethiopian Peasant Communities". The symposium was arranged by a non-governmental organisation, the "Inter- Africa Group", with support and encouragement from the (provisional) Ethiopian Government. As it was seen both by the conveners and the Government as a discussion on future economic policies and a preparation for the negotiation with the World Bank and IMF on structural adjustment, it carried considerable political weight, and was given wide publicity. President Meles Zenawi added political significance by personally opening the conference. The television was present almost constantly, and carried the symposium on the news every day and even a week later.

Besides of participation in the symposium, my intention was to use the limited time as best possible to get an impression about the new situation after the fall of the Mengistu Government. I also reserved a week for a visit in Eritrea, to get a first hand impression about the situation there.

## **Ethiopia**

### *Main impressions*

Politically, Ethiopia is in a chaotic situation. There is a preliminary (or officially called "transitional") government facing an uncommitted scepticism in the urban population, and a transitional parliament (officially called "Council of Representatives") which faces some criticism for being neither representative nor qualified to counsel. Urban opposition groups view present government policies as a threat to national unity. Ministers are suspected of representing particular interests, and at least parts of their ministerial administration remain sceptically indifferent or even actively counteract their policies. The rural people - as far as they carry any political weight - are divided, insecure, disillusioned, and first of all tend to ward

off any government interference. For eight months there has not been any police force. The only force to keep law and order is a group of "Ethiopian People's Revolutionary Democratic Front" (EPRDF) fighters armed with automatic weapons and posted at strategical places in the town, mostly youngsters below the age of twenty, many of them children hardly over fifteen. These kids do not speak Amharic and can not communicate with the public, and appear to be hopelessly overcharged. Serious incidents have happened, and people have been killed out of pure misunderstandings. Still, Addis Ababa remains one of the safest capital cities in Africa, though criminality is said to have increased. In the countryside, violence is becoming a serious problem. The dissolved army left thousands of destitute young men homeless and unemployed. Lawlessness is increasingly felt as insecurity. Illegal markets are saturated with weapons at cheap prices, and armed gangs establish themselves in the countryside, robbing travellers on the roads, organising burglaries, and intimidating local people.

### *Political situation*

The EPRDF government started out with a promise to give democratic rights to all ethnic groups which had been suppressed both under Haile Selassie and later under the Derg. But it appears that the Tigrean leaders of the front were caught unprepared. They had not expected to take over state power as quickly as they did. They invited all political movements - which were, at that time, basically ethnic resistance groups against the Mengistu government - to a "Conference of Representatives" held in Addis Ababa early in July. To have a fair representation of nationalities, different groups were requested to organise, and in some cases the EPRDF invited individuals to attend and represent certain groups. Under given conditions, this may allow the best possible democratic representation of all groups. No doubt one of its intentions was also to balance the influence of the Oromo, the largest ethnic group in the country, with that of many other ethnicities. Their Liberalisation Front (OLF) demanded a separate Oromo state. At the London peace negotiations in May, OLF hesitatingly agreed to cooperate in a broad based transitional government, provided the future constitution would allow far reaching regional autonomy and reorganise the administrative structure of the country so as to create a united Oromo region with considerable internal autonomy.

The July Conference approved a "Transitional Period Charter of Ethiopia" to replace the constitution of the Mengistu period until a new constitution could be established by proper democratic procedures. The conference constituted itself as the "Council of Representatives" to function as parliament for the interim period, and proceeded to establish a government. Not surprisingly, the leaders of the EPRDF and of the Tigre political organisation were elected as interim president and prime minister respectively. The council also established a drafting committee for a new constitution, which is to be approved by a referendum followed by national elections within a period of two years.

Cabinet ministers were selected to represent the different nationalities, religious groups, and other factions. Also a representation of women in the cabinet was constituted, making Adanech Kidane-Mariam as Minister of Health the first female minister in Ethiopia.

Such composition, while allowing for a representation of all groups, makes for a weak government with little cohesion. Ministers appear to face opposition, often obstruction in their ministries, as they are presiding over a bureaucracy which is inherited from the Mengistu administration, and dominated by unionists supporting an all-Ethiopian nationalism, opposed to any form of "tribalism". They suspect their ministers to advance the interests of the ethnic groups (officially termed "nationalities") they represent, not the all-Ethiopian interests. And they spread such suspicion. They criticise the government, as the large majority of the business and academic community in Addis does, for artificially stimulating tribalism and conflicts between nationality groups. They argue that identification as Amhara, Oromo, Gurage etc. has no bearing on political interests. Political parties should not be organised on ethnic lines. The most extreme groups openly accuse the Tigrean People's Liberation Front (TPLF), the leading group in the EPRDF, to induce violence and fighting in the South, to be able to exploit the situation to the advantage of Tigre province.

In such an atmosphere of distrust, the government has to grapple with problems and decisions of immense consequence. But "the government" is not even in itself a political entity: being composed in part of inexperienced "representatives" as it is, each minister makes his own decisions in his field, with little coherence and relation to general policies. For example, I was told that different ministers had made promises and commitments to the World Bank which were incompatible and which the Prime Minister afterwards had to correct. There is little coherent government policy, and important decisions are made, if at all, by president Meles Zenawi, and if necessary approved by the Council of Representatives. In practice, this gives the TPLF and the EPRDF, the twin groups dominated by the Tigrean resistance movement, the political control for the time being, but at the price of a very confusing, fragile and cumbersome implementation structure and an inherent instability.

Instability is also programmed from another angle: in accordance with the agreements in London and the "Transitional Period Charter", the government is preparing for local and regional elections. The provincial administrative structure in the country was re-designed, provinces being replaced by regional administrative units which are as far as possible creating ethnically homogeneous regions. But homogeneity is impossible to achieve in a country comprising some 70 different ethnicities, with a tradition of migration and an urban structure mixing all ethnicities in towns. This fuels opposition from the urban population, ethnically mixed as it is. But the government has no choice: OLF representatives say openly that they joined only hesitatingly, and will cooperate only as long as the

government sticks to the agreed programme of speedily establishing regional autonomy. In case the government departs from that policy, they will withdraw and establish an independent Oromo state, and if need be, fight for it.

An independent Oromia would include the southern-central parts of present day Ethiopia, including as its capital Finfine, the present Addis Ababa. It would cut the rest of Ethiopia into three parts connected geographically only in the border areas, with all communications going through Oromia. It would almost certainly lead to other claims for independence, and would dismantle the state of Ethiopia creating a dozen or so small states riddled with conflicts both in between each other and internally.

To avoid a disintegration in violence, the government has little choice but to continue the programme of democratic decentralisation. But varying ideas about how independent the new regions should be, forecast new conflicts. To counter-balance regional separatism and ethnic strife, the government is at present trying to form a nationwide political party, a kind of social democratic party crosscutting ethnic differences. But the OLF conceives these plans as a plot to undermine their control in Oromo areas and their minimum demand for an OLF-dominated largely independent Oromo region. And other ethnicities without doubt have similar suspicions.

In the meantime, violence on ethnic lines has erupted in several areas. In Arsi province, an Oromo area with a sizeable minority of Amhara settlers who came in as conquerors, administrators, landlords and/or settlers a century ago, Amhara were attacked, their property looted, their houses burnt by Oromo groups. From Hararghe, Sidamo and other areas, similar events are occasionally reported. Often such incidents targeted the ethnically different minorities in the small urban towns, traders, administrators, teachers etc., but also (and especially) the former landlords and the settlers who are accused of having taken the land from the peasants and exploiting the peasant majority. Ethnic and social conflicts overlap each other, making it difficult to assess the political significance. While the urban classes in Addis Ababa accuse the Oromo and particularly the OLF of genocide against the Amhara, OLF claims that splinter political groups are behind such violence, supported or even incited by the Government, to discredit the OLF and weaken their support among the Oromo. Official OLF policy clearly states that minorities should have full rights of citizenship at their place of residence. But this does not prevent local OLF groups from taking local actions on their own. Again, other political groups formed on ethnic lines experience similar processes and nourish and express similar suspicions.

The best one can hope for, under such conditions, is a speedy and uninterrupted process of decentralisation, local elections leading to the establishment of regional administrations which would gradually increase their sovereignty, and creation of a kind of federal state, in which the central government would remain a coordi-

nating body with state functions in foreign policies, defence, communications, parts of economic policy, and possibly internal security.

### *The Symposium on the Ethiopian Economy*

President Meles Zenawi took his time to open the Symposium, indicating the importance he gave to its discussions. He invited recommendations, and welcomed a wide and substantial discussion: "Do not fight for your position - but discuss!" As to his political programme, the most important message he stated was summarized in the phrase: "...Get the urban elites off the backs of the peasants!" He stated that the small peasants will have to be put in the centre of development efforts. Their wellbeing and their participation should guide policies: they know best themselves what they need. A democratic state should allow them far more influence than they had under the previous regime. He expressly included the nomads who, he said, are Ethiopians too, and should not be made to suffer "for what we believe is development - let them have their own voice". Meles considered as first economic priority the reconstruction and rehabilitation of the assets and capacities which the war had destroyed. He confirmed respect to human rights, expressing the conviction that political and socio-economic rights belong together.

The symposium did not follow up any of his priorities. Speakers mostly repeated and fought for well-known positions. There was little interest in small peasants and nomads, but all the more concern for urban interests. Human rights were, if at all, discussed mainly in terms of a right to express political opposition and to own property. Reconstruction and rehabilitation tended to drown in the concern for access to resources and freedom to invest them productively. The interest of the urban business community appeared to dominate the discussions.

Let me exemplify this in two or three examples. A discussion forum on migration, urban housing and employment policies had little to say about public works programmes or other employment generation, but was carried by concern for returning property to the previous owners. Only returning urban houses to the previous owners could secure maintenance and thereby stimulate building industries and create employment. The government was criticized for its policy to sell houses, with preference to the present residents, and compensating the previous owners. In Mekele, the capital of Tigre province, urban houses were returned, critics observed. So how could a Government apply different standards? How can it sell the property of other people? The situation of a million people in need of shelter and a desperate shortage of housing was pushed in the background. So were the social effects of returning property rights, especially for the poor, its inflationary consequences, its influence on migration. Nor was the historical origin of house ownership in Addis considered, which gave some few families of the old nobility property rights over not only blocks, but whole sections of the town, before their



expropriation after the revolution of 1974. Not reflected either was the concern of the government that a return to previous owners would turn a large group of middle class residents against the government - while the small group of previous owners, mostly from the aristocracy, are in any case opposing it.

The majority wanted to make also rural land a private property. Secure property rights would allow to attract investments, it was argued. The argument that no outside investment could give a majority of Ethiopian peasants employment or development, but could cost them their access to land, made little impression. The history of Ethiopian land tenure, landlordism and peasant expropriation, was hardly considered, and the warning ignored that previous landlords would return to claim back their land, turning peasants into tenants again, or bringing them in debt to get hold of their land, as experienced before 1974. The concern was for investment opportunities for the few, not productive resources for the majority of over 80 % of Ethiopians who are peasants and have no other assets but their access to land and their ability to work and till it.

The same onesidedness governed considerations on exchange rate policies, where economic opportunities and the concern for attracting investments from outside overshadowed any analysis of internal conditions. Prof. Befekadu Degefe from Addis Ababa University alone urged the participants to consider consequences in the Ethiopian economy, to reflect what Ethiopia has to sell on international markets and what she needs to import for rehabilitating infrastructure and basic services and improve productivity in small-scale agriculture. But the majority argued for free markets and free access to foreign currency for those who can afford it, with little concern for the majority who have no money to exchange any way, but who occasionally need transport, medicine, or fertilizers.

### *Structural adjustment*

With such recommendations from a forum supposed to have convened the relevant academic and social expertise, the government could hardly feel strengthened for coming negotiations with the World Bank on a specific structural adjustment for Ethiopia. In his closing remarks, Tamrat Laine, the Prime Minister, thanked the assembly, saying the Government would consider its recommendations "wherever they are consistent with the Government policy" as outlined among others in the "Economic policy during the transitional period". But the problem was obvious: the one recommendation which was really unanimous, suggested Ethiopia should not wait for the World Bank or the IMF to design a "package", but present the negotiations with its own concept, considering specific needs of the country. But there was little or no advise about how to assess and tackle these specific needs, based on the premises President Meles had outlined in the opening: to place the peasants in the centre of development efforts; to reconstruct and rehabilitate with priority what the war destroyed; and to make sure that human rights are respected,

in a manner treating political and economic rights as belonging together, and safeguarding especially the needs of underprivileged minorities.

As it is, the Government is left with a hopeless task, unprepared but with high ambitions, when going into the coming negotiations on structural adjustment. It should deserve all possible support for its efforts to give priority to the needs of peasants and the poor before the economic interests of small but prosperous urban minorities; to consider local conditions before planning international adjustment; and to attend to reconstruction before export orientation.

Fortunately, the World Bank has an openminded representative in Ethiopia, who invites arguments and is interested in particular social conditions in Ethiopia. He told the symposium he was taught in university, and still held for basically correct, that private property in land was usually the best way to achieve rural development; but the Chinese experience had taught him that under certain conditions, common property combined with individual responsibility for production could bring better results. This remark was interpreted by many to indicate that the World Bank had accepted the Government position on this question, insisting in not privatising rural land. If not just a personal remark, it could also signal a preparedness to accept local conditions and the needs of a large rural majority as a basis for an economic policy more in line with the priorities of Meles Zenawi. In any case, the Government is in desperate need of economic expertise with a good knowledge of rural and local conditions, to translate the needs of the rural majority and the local minorities into a coherent economic policy.

Whether in the end any programme agreed between this government and the international institutions will be put into practice, remains to be seen. It may well happen that regional governments after a relatively short period become strong enough to demand re-negotiation in their own right, or at least to enforce their own priorities in a programme negotiated through the services of the central government. But such eventualities can not at this stage diminish the importance of the forthcoming negotiations.

### *Human rights*

The new government has committed itself to respect the human rights as codified in the Universal Declaration of Human Rights. This commitment is also expressed in article one of the Transitional Period Charter which particularly guarantees individual rights to freedom of conscience, expression, association and peaceful assembly, and the right to form political parties and engage in unrestricted political activity. All political prisoners of the former regime are freed. But there are a number of people detained after the EPRDF came to power, who are held because of their political positions. All members of the Central Committee of the Party and of Mengistu's Cabinet (with very few remarkable exceptions) were imprisoned

right after the EPRDF entered Addis Ababa; and later, local party cadres, government representatives, and other politically prominent or compromised persons were added. The Government has repeatedly asserted that they will be tried according to the penal code for their personal responsibility for atrocities and criminal acts. It considers them criminals, not political prisoners. After eight months, they have not yet been brought to court, nor even informed of what charges are brought against them. Their detention is another point of criticism in urban public opinion: the Government is accused of violating the very human rights guarantees it has codified by keeping these people imprisoned without legal action.

Some of them are former students and colleagues of mine. I visited the place of their detention in a police college in Sandafa, about 40 km outside Addis Ababa. Their conditions of detention are incomparably better than those of political prisoners under Mengistu's regime. They are not restricted in receiving visits from relatives and friends. They live under simple but not intolerable conditions in the former police barracks. Their most urgent complaints concern insecurity about the duration of their detention and the charges against them, and impatience about sitting idle and separated from their families.

While I was in Ethiopia, the prisoners in Sandafa filed a collective complaint, invoking their human rights as individuals and citizens, and demanding that the Government present them with legal charges or release them. Meles Zenawi answered publicly: These people have been imprisoned because of their crimes. Now they claim their human rights -while they had no consideration for other people's rights when they were in power positions. Preparing legal charges takes time, especially in a situation of political change. The government has more immediately urgent priorities to care for, but in due course they will be taken to court for their personal crimes during the Mengistu period.

Amnesty International challenged the Government repeatedly on the same issue, and a delegation was in Addis Ababa in December. The television brought an interview with the delegation on Human Rights day. The same day, the Ethiopian Human Rights Council had planned a public rally at Africa Hall, which had to be cancelled at the last moment, apparently because of government interference. President Meles Zenawi in a public statement refuted Amnesty's intervention on behalf of the prisoners, claiming that these people, a few thousand criminals, having wide-influence and international connections, managed to raise international pressure, while nobody cared for the millions of Ethiopians who suffered of food shortages, lack of shelter and the necessities of life as a consequence of the war for which these very people were responsible.

The Ethiopian Human Rights Council, founded and led by Mesfin Wolde Mariam, who in 1991 launched his "Ethiopian Peace Initiative" suggesting a council of elders to reconcile and re-unite Ethiopians, is itself a victim of government discrimination. Most of its members are politically identified as pro-unionists.

They are also criticized for being onesided in their concern for release, having relatives and friends among the prisoners in Sandafa. The government views their demand to "close the past" and reconcile, rather than prepare individual charges, as partiality, and accuses them of misusing the popular concept of "human rights". When several of the council members gave interviews to the press in advance of the Human Rights day, the Government intervened, stopped their publication, refused the interviewees passports for travel abroad, and warned the journalists not to repeat interviews of subversive contents.

Some regions where violence between different ethnic groups arose, sent elders to Addis Ababa to ask for help. But the Government did not want to receive them. Basing its legitimacy on a representation of ethnic groups, the government felt it could not accept complaints from groups of elders representing the same ethnic groups. Instead, the delegations were asked to take their complaints to their own representatives. But the Council of Representatives did not either want to receive the elders, as this could create frictions between different representatives. The elders were to be sent back without having brought forward their message, except from the Council of Human Rights hearing them. A protocol was sent to the Prime Minister and the ministries concerned.

In sum, there is no doubt that the Transitional Government of Meles Zenawi is taking its commitment to human rights serious. Its implementation is uncomparably better than the practice of the Mengistu regime. However, when it comes to practice, also Meles has problems, which can be explained, but not overlooked. Firstly, the Government feels uncomfortable and reacts in an unpredictable manner to criticism from a Human Rights Council which it perceives like an annoying dog biting its master. The Council accepts individuals who subscribe to a unionist political opinion, which is opposed to the Government but not illegal. But this does not justify measures which are in conflict with the Constitution and proper procedure of law. Secondly, the government can hardly escape criticism for not having been able to control and extinguish violence in the rural areas, particularly ethnically motivated conflicts which cost a high toll of human lives, food security, and property. Even if the Government lacks manpower and other resources to police the wide rural areas, there is reason to believe that political considerations prevent it from intervening as decisively as its resources and position would permit, on behalf of innocent victims of clashes between political groups. More cooperation with political groups on local level could certainly help to control such conflicts. Thirdly, there is the fact that four to five thousand persons are detained since eight months without any legal action taken against them. Political circumstances of the shift of power explain that a normal time span for legal action could not be applied. The priority of administrative concern to the suffering of victims of the previous regime's violent policies honours the government. But the two concerns - help to needy victims and speedy legal action against the detainees - are not mutually exclusive. A commendable priority can not justify unnecessary delays in legal procedure.

### *Situation of peasants*

Being in Ethiopia, I used the opportunity for short visit to rural areas. In Manz, Northern Shoa, I had a chance to talk to peasants in an area controlled by the EPRDF for almost two years prior to the fall of Mengistu's government. Peasants near Molale and Mahal Meder were occupied at that particular time with a land reform initiated by local TPLF or EPRDF leaders. Since several years, the TPLF has carried out a land reform in the parts of Tigre which they controlled. Land remained public property administered by the local community. Each individual, man or woman, married or not, got a claim on a share in the land. Women being integrated in the struggle as fighters in the TPLF, and equality being demanded of their services, they were also given equal rights to land. (To discourage child marriage, the TPLF established a minimum age of 17 for girls and 24 for boys to get land. As men are customarily much older than their wives, and as men prefer to get married to a woman who brings her own land into the marriage, this provision is said to be effective in postponing marriage age.) Following their home experience, the TPLF fighters had forced the same pattern of land distribution on peasants in Manz. In consequence, a peasant association which previously had some 450 families to provide with plough land, had now some 1500 claimants to be supplied. Peasants strongly resisted this redistribution. They resented the Tigreans to interfere in their traditional life. They sent a delegation to Addis Ababa, which came back with a letter from the Prime Minister ordering local authorities to recall their decision: According to the established economic policy of the transitional government, land should not be redistributed during the transitional period. But local TPLF cadres decided to uphold their land reform. Peasants were outraged. The reform carried conflict into the families. In most cases, the redistribution committees had allotted parts of the land of one family to its sons and daughters. We talked to an old peasant on the market in Molale, who openly said, supported by others: My son was assigned part of my land, but I am not going to give it to him. If he wants to plough it for me, as member of my family, he is welcome. But if he wants to till it in his own name, by God, I will rather kill him...

This story is telling because it shows how little practical control the Government has over local decisions, and because it indicates the variety, divergence, and spread of opinions and actions, and the difficulties in administering one general policy in rural areas.

Another detail appears worth mentioning. A representative of the Ministry of Agriculture found out that peasants had applied fertilizers even during the time when the Government did not distribute them in the area while EPRDF controlled Manz. Peasants had crossed the front line with donkeys and bought fertilizer on local markets, cheaper than the Government sold it. The mechanism is telling: Peasants bought fertilizer at fixed prices on credit to be repaid after the harvest. A peasant might buy four quintals of fertilizer for 75 birr each on credit, apply two on his

fields and sell the other two quintals on the open market for 60 birr each. This gave him a loan of 120 birr to be paid back after harvest at an interest rate of 25 % - a bargain worth the trouble, where a credit on local conditions would cost 50 to 100 % interest. The case shows the ability of peasants to adjust to particular conditions, as well as their ingenuity in finding ways to make the best out of available resources.

Peasants in Manz seemed to be little concerned with ethnic issues, to resent ethnic policies. But then, Manz is Amhara territory, and the Amhara stand a lot to lose if ethnic criteria are allowed to dominate politics. Unfortunately I did not have the chance to compare with observations in ethnically different rural societies this time. With this limitation, my impression is that peasants seem to be waiting rather cautiously, ready to ward off outside interference as much as possible. They have understood the Government's decision to give priority to small peasant interests and local needs, but observe sceptically the actions following such policy. As far as political organisations based on ethnic identity offer them protection they appear to support these. Often old animosities against ethnic minorities are revived in the process. This turns mostly against Amhara minorities, who have the reputation of being exploiters, out of historical experience. It was mostly Amhara warlords who were given the largest "gult" (feudal fief) rights when Emperor Menilek in the late 19th century conquered new areas in the South and established his soldiers as a new nobility over the subdued tribesmen. These "neftegna", (literally gunmen) became later landlords who eventually dispossessed the peasants. And it is the economic interest and the historical experience, rather than ethnic identity, which to my experience is most likely to decide over their loyalty to the political organisations of ethnically defined nationality groups.

#### *Aid or no aid - and to whom?*

What can be done from outside in the present rather confusing situation? What can donors do to help those who need aid most critically? How to support a process leading towards a consolidation of the political situation, towards a democratic state with respect for human rights, guarantees for social security and economic improvements for the poor, and economic development? This question is asked by many representatives of aid donors in Ethiopia.

While a recommendation to "wait and see" might appear as the safest approach, it is not the most promising one. While there is reason to hesitate as long as government policies are confusing, the government needs support to proceed from its confusing situation. Any assistance is helpful which could enable the government to clarify and strengthen commendable principles and policies: Human rights respect, a development strategy placing the small peasant majority in its centre, and an economic strategy of rehabilitation before expansion.

Apart from that, probably, the most prudent way of giving aid in the persisting uncertainty is support to local projects improving the lives of the poor, above all relief aid for famine regions. Projects which strengthen the ability of local people to organise their own affairs, and to take steps that will improve their economic position in a sustained manner, can hardly be overemphasized. There is no contradiction between projects emphasizing local autonomy and support to a democratic development on central and/or regional level. To the contrary, only strong local organisation can give local people a leverage in a future consolidation of regional administration and a democratic state. Support to local initiatives will not do any harm even if we expect a struggle for power between regional and central state level: a strengthened, more self-conscious peasantry will not necessarily strengthen the forces of disintegration and tribal conflict. Removing discontent among peasants and strengthening their selfassurance against higher authorities, may rather limit the chances for the forces of narrow ethnicity and local conflict to win local support. In any case, the wellbeing of the poor majority should be the priority of aid agencies. And poverty is a factor increasing, not defusing local violence. Encouraging and supporting local initiatives, both economic, social and democratic in objective and character, will in any case be welcome.

A particular field where aid is desperately needed would be an initiative to create employment opportunities for demobilised soldiers who are left without incomes, a home to return to, or other alternatives, and who today form a considerable security problem mostly in the rural areas. Such problems can only increase if no new opportunities are offered for them. A model that has been discussed but not practically addressed so far, is a mobile working force which could be deployed to sites of emergencies, to road or dam construction efforts etc. Such a force could also be trained to become experts for constructing terraces, river embankments, bunds against soil erosion and other environmental conservation measures, to be hired by local communities in need of qualified help.

Creating employment is a high priority. Replacing imported machinery by more labour intensive work methods could help save costs and foreign currency, and offer another field for support by donors. In rural road construction, for example, human labour could save ca. 50 % of construction costs, according to experiments and calculations of an Ethiopian road engineer. Unfortunately he could not give any corresponding figures for the construction of long distance all-weather roads, but a study should be feasible and could be financed by donors. Such efforts could create employment and economic spin-off effects.

In short, the insecure and equivocal political situation may prevent donors from committing themselves to a strong aid support to the transitional Ethiopian government. But such considerations are no excuse for refusing help where it is needed most critically: in all projects and programmes that can strengthen local people, to give them a better start towards economic improvements and more democratic influence. The need for such help is almost without limits, and may

prove critical also for the Government efforts to establish a stable and democratic political and economic structure.

## **Eritrea**

For all practical purposes, Eritrea can no more be considered part of Ethiopia, but has to be taken as a separate entity. Though it is not recognized as independent state, nor has requested such recognition, the EPLF leadership functions like a state government, and deals with the Ethiopian government on an equal footing, not as a provincial authority.

When the EPLF took over Asmara, thus effectively controlling the entire territory of Eritrea, it was decided to postpone the question of independence and diplomatic recognition until a referendum could give it a strong democratic legitimization. First the country has to be rebuilt, war damages repaired, the infrastructure rehabilitated, democratic political consciousness strengthened, fighters and returning refugees, rural EPLF supporters and urban collaborators reconciled and integrated, and international contacts established. The referendum is to take place within two years. Until then EPLF functions as transitional government.

### *Main impressions*

Even the first impression in Asmara is in sharp contrast to Addis Ababa. The population in Addis is characterized by insecurity, scepticism, fear. In the evening at ten o'clock the streets are empty, though curfew was considerably relaxed and does not start before much later at night. The centre of Asmara seems to breathe selfconsciousness, peace and security. The town appears tidy and clean, works are in progress to repair the damages on buildings and the results of years of neglect. Asmara gives the impression that there is no criminality nor any reason for fear. At night streets are crowded with people strolling, in a relaxed and friendly atmosphere, young ladies windowshopping in their nicest clothes.

The most striking impression is, again in sharp contrast to Addis Ababa, the almost universal spirit of a new start, the will to work together for a new Eritrea, the enthusiasm to contribute and willingness to accept sacrifices.

The political situation in Eritrea is much better than in Ethiopia in almost every respect. Unlike Addis Ababa, the EPLF came into Asmara as a liberator, finding a population rejoicing over the victory and the end of 30 years of war. After most of the Ethiopian soldiers and administrators left, the EPLF met a population both in the capital and in the country as a whole with an almost euphoric will to work together to build a new nation and a prospering economy. While the circumstances of the liberation from Mengistu's regime split the Ethiopian population, it united the Eritreans behind the EPLF and the government.



Unlike the EPRDF in Addis Ababa, the EPLF has used the years of struggle for a rather systematic planning for the time after victory. They came with a clear concept of political policies, administrative priorities and economic reconstruction plans, and with a team of people prepared to get to work. They did not have to take over a sceptical bureaucracy, but could build a new administration, integrating those from the former Ethiopian administration who were willing to accept the new priorities. As compared to Ethiopia, they certainly had a "flying start".

### *Economic problems*

Of course the spirit of unity and work can not permanently override heavy political problems ahead. First of all the country suffers of a severe lack of resources. Aid is coming in rather slowly, and the fact that foreign governments still consider Eritrea as part of Ethiopia, creates delays and difficulties in getting outside support. Aid is to date coming through non-governmental organisations, not from governments, and is mostly a continuation of humanitarian and relief aid coming on the same lines as during the time of struggle. It is mostly channelled through the Eritrean Relief Association (ERA) which for many years organized most of the relief work and the health system and other civil services in the rural areas under control of the EPLF.

Eritrea had a relatively good economic base under the Italian colonial rule. The Italians built up some local industries and a reasonable colonial infrastructure. Roads and a railway may have been built mainly for military purposes, in preparation for an expansion into Ethiopia, but still they were assets also for civilian economic growth. Industries in Asmara produced much of the needs of the army and colonial administration, and also for the indigenous upper classes. Trade was prospering, as Eritrea had the major transit ports for almost all goods to Ethiopia. But most important was the Italian occupation in terms of training Eritreans in artisanal skills, in repair and maintenance of technical equipment.

Eritrean craftsmanship, repair skill and business knowledge have been known in Ethiopia for a long time. It is said that the success of Ethiopian Airlines, for example, is basically due to Eritreans in its management and maintenance units. In spite of much damage during 30 years of war, Eritrea still has skilled manpower reserves of people who have learned the skill of making imaginative use of scarce resources, and making technical equipment work again with simple devices and home-made spareparts.

Most industries were dismantled and deported by the Ethiopians, partly already under Haile Selassie's time, or destroyed in the war. But the knowhow is there, and the experience. Rebuilding can thus be easier than in countries where a completely new start has to be made with people who have to learn technical skills from a rural background.

Even so, the Eritrean government gives priority to agriculture. Feeding the people must precede industrial production. Also, they seem to be aware of the danger of urban interests drifting apart from or confronting rural needs. They plan in terms of defusing industries to rural areas, trying to bind the two sectors together so that industries, at least in the starting phase, would depend on rural production and contribute directly to rural growth. Rehabilitation of infrastructure and rural support industries is given priority over larger and more urban industries producing for more sophisticated urban needs. But such distinctions are not easy to define in practice, and even more difficult to control and direct.

### *Agriculture*

Also Eritrea has about 80 % of its population in the rural areas, mostly living as subsistence peasants. About 10% of them are nomads and another 15 to 20 % live in semi-nomadic patterns.

For the last 10 years, there has been almost constant drought. The Asmara region has not experienced rain since two years. The landscape looks dry and barren, and agriculture has not been able to produce more than a fraction of the food needs. The last crop was disastrous, and food prices are very high now. The Ministry of Agriculture has no exact knowledge about the effects of drought on environmental damage and ecological deterioration. But the general trends are known, and one hopes to be able to win back some of the ecological losses, to reverse the slow expansion of the Sahel deserts to the South. It will not be an easy task, but so essential that it has to be done any way, and at any cost.

Reforestation can only be successful if it is accepted and done by the peasants. Planned by the Government, bypassing their control of land and of natural cycles, it would be bound to fail. But Eritrean authorities are self-confident: We can work with the peasants. In Ethiopia it is completely different, the Minister told me. They antagonized the peasants - we worked with them. The fighting would not have been possible without their support. The battles were also fought in helping the peasants. That is why we are different from others, are close to the peasants. We have been accessible for them. We who have been fighters, remain accessible. Any peasant can come to see me, and I go out and talk to them. We remain simple. Any peasant can come to the office to see the minister...

Agriculture is today considered the first priority for reconstruction. At present, the majority of small peasants are not even self supplied. Food security is essential, self supply the first priority. It is better to supply the 20 % urban population through imports than forcing peasants to supply food for the towns, as long as they do not have food security for themselves.

But small peasants need help to become selfsufficient, and gradually reach at least a bit more production in addition which gives them some purchasing power. The ministry plans to promote better seeds, a limited fertilizer distribution, and cheap technological improvements for the peasants, preferably to be produced by local craftsmen and repaired and maintained by the peasants themselves.

There is no problem of access to markets, according to the Minister: Eritrea is a small country, and all rural areas are within one days walking distance from major markets along the roads. Every peasant can sell even perishable vegetables.

Plough oxen are a big problem for many small peasants: many oxen were killed during the war. Lack of drought power can be disastrous for agriculture, and the government may have to establish tractor hiring stations for peasants who have no oxen for ploughing their fields.

The biggest problem for agricultural development is how to cope with recurrent droughts. Irrigation seems to be the key to more regular and better yields. There are some rivers which can allow larger irrigation schemes. But the main emphasis today is on small dams for local small-scale irrigation projects. At least at this stage, the country does not plan large projects, but small dams which can be built with manual labour, and which can avoid the danger of salination.

There will also be room for mechanised private farms cultivating export crops and food for the urban market. But the Government will avoid competition for land and productive resources between the two. Peasant agriculture is mainly concentrated in the highlands, while land for irrigation and commercial farming is mainly available in the lowlands.

Strong preference is given to natural fertilizer, compostation and more ecological methods of cultivation. Chemical fertilizers are both too expensive and can easily be damaging to soils, particularly under dry and extreme conditions of cultivation.

### *Energy*

Energy is another big problem in rural areas. The forests have been severely decimated during the last 30 years. The Ethiopian army has during the last years cut down much of the valuable old olive trees which were a characteristic feature of much of Eritrean landscape. Replanting trees is important for rehabilitation. But if the rural population is not offered alternative sources of energy, the sheer need for fuel would force them to cut newly planted trees before they mature. The need for energy is immense, prices for fuelwood are soaring.

There have been some experiments with solar energy, which ought to have a high potential in Eritrea, but which is still dependent on too expensive technology to

be exploited on a wider scale. There are plans to cooperate with Ethiopia on running the oil refinery in Assab: there is no need for two separate plants. Even so, oil remains expensive and difficult to distribute locally.

### *Situation of peasants*

I visited only a few villages in the short time, and can only give sketchy impressions from the situation of peasants. The first observation: peasants express a great sense of relief that the war is over. Especially near Asmara, peasants must have suffered very much, because of heavy taxation, restrictions on movements, on sales, on resources, political control and security surveillance everywhere, pillages, repression and humiliations by the soldiers, and the damages and destruction of the war. Nevertheless, and in spite of close control, most peasant families had some sons among the fighters, and supported clandestinely the EPLF. Almost every peasant family also has some family member who was arrested, tortured, or killed, and every family was for years constantly exposed to a threat of arrests and of violence and death. It goes without saying that this situation greatly restricted cultivation and added to the effects of the drought.

The sense of relief is profound. Expectations from a peaceful future in an independent state must appear all the more glorified. The new authorities meet a pressure of high expectations from the peasants, which might be difficult to fulfil. Now the war is over, peasants are enthusiastic about building dams for irrigation, and hope to get pumps and other equipment. They might soon get impatient if all the services expected can not be provided within a short time.

A controversial issue after independence is land distribution. During the struggle, women and men were involved on equal basis, peasants felt as part of the fighters. In the liberated areas, EPLFs land reform gave every individual a claim on land, male or female, married or not. But in those areas where the Ethiopian authorities preserved the traditional patterns of family units controlling the land, peasants refuse to change now, to split up their family land. The conflict has not been resolved so far, but the government will have to make a decision which will not be popular with all involved people, regardless which way it decides.

### *Health*

Eritrea is planning to reconstruct a health system on a much more decentralised pattern than usual. Again, the experience of the struggle opens for alternatives. In the liberated areas, only the most critical cases of diseases and wounds were hospitalised. Preventive health care was given more importance by mobile health teams treating people in their homes and using the home as the preferential place for convalescence and for medical counseling and treatment.

This pattern is expected to be followed also after the war. While health budgets are going to expand, the growth is planned to be concentrated in decentralised health care, community health services, and mobile medical teams, while the number of urban hospitals will be frozen, their services restricted to the most necessary individual cases. This is supposed to give a health care system which reaches more people providing better health, while costing much less resources than an unnecessarily expensive modern health technology which can only be available for a small fraction of the population.

Mention must be made of the tremendous task of rehabilitating the thousands of crippled people after the war. Even now, landmines occasionally cause injuries, though EPLF fighters were very quick to clear mines in the former frontline.

### *The university and research institutes*

The University of Asmara is functioning again, after it had been closed and moved to Southern Ethiopia three years ago. Parts of the equipment and the library books taken to Ethiopia have not been returned yet, and most of the staff has not returned. The now existing university is thus more a new foundation in the old buildings, than a re-opening. A description of the university is available, so I will not repeat existing information.

The President of the University, Dr. Amdeberhan, wants to develop the university as quickly as possible, and rather faster than that. He is very interested in cooperation both with CMI and with the University of Bergen. As he was abroad, I had no chance to meet him before my last day in Asmara.

Instead, I met Dr. Tesfai Haile, documentalist and acting director at the "Institute of Information, Research and Development Studies" (IRDS). This institute is in the process of amalgamating the remains of the earlier "Research and Publications Office" (RPO) and the "Research and Information Centre in Eritrea" (RICE) with a new unit for Development Studies and a department dealing with appropriate technology. Dr. Tesfai Haile, a sociologist trained in Austria, showed me the Institute and its library, situated in the centre of the town in the premises of the former RICE. He took me to the University campus, situated a twenty minutes walk from the centre. We visited the main library on the compound. Tesfai Haile expressed great interest in exchange relations and cooperation between CMI and the documentation centre of IRDS as well as the University library.

I also met Dr. Paulos Tesfagiorgis, former head of ERA for many years, who plans to build up an "Institute for Human Rights and Development Research and Training". Human rights - especially the social and economic rights - have to be integrated in development, one without the other is not viable, and the unity has to be reflected in research and in training. Apparently his work has not yet

proceeded too far, and the institute exists only in his ideas and on paper so far. He himself admits he has the experience in organisation, in building up an institution, but would need help on the research side.

In topic and research focus, this idea appears to be quite close to our institute, integrating human rights concern and development research. If the ideas become materialised, this institute might be an interesting partner in Eritrea. Because of the closeness of focus, it could invite for an exchange of experience, and other forms of cooperation, without needing much resources. But we will have to observe carefully whether the project is going to succeed, whether it can attract the necessary resources and skills, or whether it will remain a one-man show of loose ideas without practical follow-up, as some similar projects in other countries have proven to be.

### *Women in Eritrea*

The years in the bush as fighters on equal foot with men have created a unique chance to give women equal opportunities. This tradition has now to be transferred to the society at large. This is a difficult process which takes much work, effort, convincing, said Askalou Menkerios, the chairperson of the "National Union of Eritrean Women". Women are often not sufficiently politically conscious. We are working towards elections. We know women do not always follow their political preferences in voting, but just say: oh, this one looks alright, let us elect her.

The Ethiopian authorities formed women organisations in the towns, under REWA. NUEW does not automatically take over their members. There was forced membership, and the leaders were party people, who are responsible for much of the old repressive system, said Askalou. But members are admitted if they apply and accept the new statutes. If the women in the coming elections decide to chose the old leaders, it is up to them, Askalou said. But we have to do some work in conscientisation, to make them understand the consequences of their voting and the objectives of the new union.

There was and still is much opposition in rural areas against equal rights for women, especially when it comes to land rights. Peasants try to avoid giving land to the women, even influence their wives to vote for common property in the family, so as to keep the system as it is. Askalou quoted a saying in Tigrinya: "There are no women with brains, as there are no donkeys with horns."

In our people's assemblies we have established the principle of a quota of at least 25 % women, she said. This was necessary because men are just simply not ready to vote for women. They want women to stay in the kitchen. When men discuss, women are not expected to interfere. They have no political understanding, no schooling, no consciousness, and need some agitation first.

### *Political self-consciousness*

The political self-consciousness of being able to build a unique society in Eritrea is to be felt everywhere, among highranking officials and peasants alike. Girma Asmarom, the Chief of Protocol, expressed it this way: We have the advantage to be able to draw lessons from the experience of others. Eritrea can not be compared to any other country, not to China nor Cuba or Guinea Bissau. They fought an internal war - we fought an outside enemy inside our country. We knew what we were going to face, we prepared, planned ahead. We want to build our own future. We do not accept pressure from anywhere. We are lucky, we are left alone. We have a private economy, a free market, an open society. Material help will be welcome if it is given on our own terms. If donors want to force us to accept their conditions, we will rather do without. We have fought for 30 years without depending on anyone - now the war is over we can manage our own. If we can do a project quickly with aid, it is fine - but we would rather take our time, even if it costs us ten years, than accept odd conditions.

We know we will face problems transforming a war situation into a permanent peace economy. But we have plans. We have thought about all this for 10 years, had planning groups all these years preparing for independence. We are a small country. We can cope. We will give agriculture the first priority, feeding the people. We will keep the urban people close to the rural majority, diffuse industries to the rural areas. Urban bias is a question of attitudes. It is again different here: all people in government have been together in the battlefield. We who survived know each other, our dedication. And the people know us, we know them. We know it will not be easy. The spirit of the fighters will not be there for ever. We must use it while it lasts.

A peasant near Asmara expressed it in his way: The Italians suppressed us. They did everything in their own interest, but they still let us live. Under Haile Selassie it was worse, but still we could survive. Under the Derg it was the very worst time. Our children were taken, they pillaged our cows, our crops, we were not allowed to move, they killed us wherever they wished. Now finally since eight months, it is as if we are born anew. The sun finally has come up and is shining. I am 70 years old, but I am born only eight months ago...

A medical doctor explained the difference thus: Ethiopia has a lot of intellectuals who go to USA or Europe, do not want to stay at home. The Eritreans came back, joined the fighters. It was not uncommon to have fighting units in the first line consisting of more than 50 % people with a MA or PhD. But they were still humble, fighting together, not establishing their authority. This is a difference in quality, in substance. Now we have qualified manpower, that is our main asset, people who have gone through the experience of fighting, where men and women, illiterate and educated stood together and had to rely on each other. We had to be disciplined and rely on each one, or perish. This is an experience you can not

forget, you build on. It makes for a different form of concern for all parts of the population, a different culture of equality and cooperation.

### *Problems ahead*

This spirit is charming also the visitor. Rightly so, because it is an invaluable asset in the process ahead. But it may be considered naive to rely too exclusively on the spirit of victory, to expect it to last forever and to solve all the problems lying ahead. For there are also conflicts inherent in the situation.

The EPLF has decided that all its fighters will continue to work without a salary, as they did during the struggle, in the reconstruction works for the transitional period of two years, until a referendum has established Eritrea as an independent and internationally recognized state. Probably the government would not have the resources to pay its staff without such sacrifice. Former fighters now working in government positions receive food, clothing and housing, transport and whatever they need, but no salary. This pattern, dictated by need as it may be, carries a germ of future friction: ministries have two, or even three, types of employees. One group was taken over from whatever is left of the Ethiopian provincial administration. They continue to receive their salaries and consider themselves the professional expertise. But they had to accept that the command positions were filled with fighters who had much less administrative experience, often none at all. The University now offers crash courses in public administration, to give them some knowledge of administrative routine. Resentments are bound to develop if non-professional newcomers are placed in command over professionals, blocking avenues of personal advancement, and even paid much less than their subordinates. For the time being, the spirit of the new start bridges over such differences. But how long will such fragile peace last? People returning from abroad with good professional training but little relevant experience also demand high positions, and are used to high salaries.

Conflicts between urban and rural interests are bound to come to the fore again. The expectation is naive that the experience of fighting together could permanently prevent urban classes from demanding profitable conditions for their economic future. There is a distribution conflict which can not be wished away. The government will have to reconcile conflicting interests, and to restrict some group interests and protect others. Experience in other countries after a long liberation struggle shows that the fighters' spirit does not in the long run withstand the economic competition for resources. Eritrea would be well advised to capitalise on this spirit as long as it can, but not to expect miracles of it.



### *International relations*

Pressure to adjust to world economic structures will no doubt soon increase on Eritrea, and they will at least in some points conflict with the policies planned by EPLF. Eritrea may appear fortunate to have achieved a two years grace period: as long as the country is not recognized as independent state, though it is functioning internally as one, it appears that EPLF can relatively undisturbed start an independent programme of reconstruction. But it is limited in international influence and access to aid. It appears the Ethiopian government is getting some of the diplomatic pressure on behalf of Eritrea, on top of its own problems.

Some unnecessary and embarrassing problems follow. Eritrea can so far not negotiate with governments (apart from Ethiopia), neither on aid nor on other issues of cooperation. No telephone connection exists from Eritrea to the outside world: Eritrea does not get an international code. There is no possibility to send mail out from Eritrea: Eight months after the war, one needs to find a traveller who posts letters in Addis Ababa or buys stamps in another capital.

More serious complications are bound to come. For example, Norway decides to send back Eritrean asylum seekers, arguing they are no more in danger at home. They were sent "home" to Addis, from where one can not continue to Eritrea without a visa from Eritrean (EPLF) authorities. In addition, they were sent without resources or hope of help for re-integration, into a country facing enormous problems of re-integrating over half a million of poor refugees returning from neighbouring Sudan, with UNHCR support. Such acts are both in Eritrea and in Ethiopia understood as Norwegian ignorance of local conditions, not as a sign of correct diplomatic etiquette but of embarrassing hypocrisy: Even the Ethiopian authorities (diplomatically speaking the legal state authority,) accept the EPLF's control of immigration into their region. The international community has in practice allowed the representations of EPLF in their countries to function as diplomatic missions, to issue visa and work in lieu of embassies. Unnecessary formalities serve no purpose. Giving up such pretensions, Norway could continue the positive tradition of humanitarian assistance which was established long before Eritrea was re-united under the control of EPLF. What was possible in the EPLF-controlled regions before Mengistu's fall, could not be impossible now that even the Ethiopian government accepts the fact of EPLF control over Eritrea.

### *Aid to Eritrea?*

Some donor representatives argue that at this stage, Eritrea needed nothing much from the international community, except for food aid, and small projects providing seeds and oxen, and local irrigation dams which could improve rural production. For the non-governmental organisations now working in Eritrea, who are mainly concerned with poverty alleviation and relief work, this may be a reasonable view. Even in such small projects, the needs are not small. Eighty or

ninety thousand oxen are needed in the highlands, and can not be bought locally as so many animals were slaughtered or killed during the war. Breeding them from local cattle takes much time. Import seems warranted.

May be, all in all, Eritrea is much less in need of aid than Ethiopia, in spite of having suffered enormously from the war. May be Eritrea could not even make use of large scale aid. And almost certainly, Eritrea would have less capacity to utilize large investments from abroad, within its present economic policies of reconstruction and peasant-oriented rural development.

But that should not mean that Eritrea is to be left alone. Aid to the University, for example, can help to upgrade and increase the skilled manpower for the development process. Research is essential to maintain and expand planning capacities and the ability to monitor, interpret and understand developments and correct any imbalances or deviations from desired goals. Documentation can facilitate future learning from a rather unique experience.

Another field where Eritrea would almost depend on outside help is the need to build up new public institutions, before an own administration and economy can start to function. Planning capacities, are needed, a central statistical office (which Norway has helped build up in other new nations), mapping institutions (I met a Norwegian specialist on mapping in Asmara hoping for finance for a project to identify mapping needs); and others. Technical assistance to such needs would be essential regardless of whether they are eventually to serve a provincial or national authorities. Such help can therefore be given irrespective of the final decision on independence for an Eritrean state.

Labour intensive public employment programmes may be another field requiring aid from abroad. The repatriation and integration of refugees is certainly a difficult task which demands and deserves much material support. Health, education, culture, democratic political organisations, to mention just a few of the possibilities to support a process which does not need the big projects nor the pressure towards adjustment - but the solidarity of an outside world concerned about human development, on a low key, in small and personal support.

## Working Papers

### Development Research and Action Programme — DERAP

- D 1990: 7 EADI - European Association of Development Research and Training Institutes. Working Group on Information and Documentation  
*Working Group on Information and Documentation Session at the 6th EADI General Conference.* Bergen, September 1990, 93 p.
- D 1990: 8 WIIG, Arne  
*Klesekspert fra Bangladesh. Informasjonssvikt og kvalitetsfelle.* Bergen, desember 1990, 60 s.
- D 1990: 9 WIIG, Arne  
*Produkt differensiering og kvalitet.* Bergen, desember 1990, 89 s.
- D 1990: 10 BLEIE, Tone  
*Dowry and bridewealth presentations in rural Bangladesh: Commodities, gifts or hybrid forms?* Bergen, December 1990, 165 p.
- D 1990: 11 SKRAMSTAD, Heidi  
*Prostitute as metaphor in gender construction; a Gambian setting.* Bergen, December 1990, 25 p.
- D 1990: 12 SKRAMSTAD, Heidi  
*The fluid meanings of female circumcision in a multiethnic context in Gambia. Distribution of knowledge and linkages to sexuality.* Bergen, December 1990, 21 p.
- D 1990: 13 GEISLER, Gisela  
*The Vagaries of descent-reckoning: Father's right is mother's loss.* Bergen, December 1990, 19 p.
- D 1990: 14 GEISLER, Gisela  
*Moving with tradition: The politics of marriage amongst the Toka of Zambia.* Bergen, December 1990, 24 p.
- D 1990: 15 ADAM, Yussuf  
*Foreign aid to Mozambique,. Needs and effects. A preliminary study.* Bergen, December 1990, 27 p.
- D 1990: 16 CHERRETT, I. et al.  
*Norwegian aid and the environment in Mozambique. The issues.* Bergen, December 1990, 82 p.
- D 1991: 1 HALVORSEN, Kate  
*The gendered state: A review of some recent studies on women and the state.* Bergen, February 1991, 29 p.
- D 1991: 2 CHILOWA, Wycliffe  
*Liberalisation of agricultural produce marketing and household food security in Malawi. Preliminary results from baseline survey.* Bergen, February 1991, 26 p.
- D 1991: 3 CHILOWA, Wycliffe  
*Structural adjustment and poverty. The case of Malawi.* Bergen, May 1991, 14 p.
- D 1991: 4 KAPADIA, Karin  
*Discourses of gender and caste in rural South India: An analysis of the ideology of impurity.* Bergen, September 1991, 43 p.
- D 1991: 5 PAUSEWANG, Siegfried  
*Rural conditions for democracy in Ethiopia. Peasant self-determination and the state.* Bergen, December 1991, 18 p.
- D 1991: 6 OFSTAD, Arve, Arne Tostensen and Tom Vraalsen  
*Towards a "Development Contract". A new model for international agreements with African countries?* Bergen, December 1991, 13 p.
- D 1992: 1 EADI - European Association of Development Research and Training Institutes. Working Group on Information and Documentation  
*Strengthening cooperation in documentation for Development. A seminar on networking with special emphasis on NGOs.* Bergen, March 1992, 214 p.
- D 1992: 2 SKRAMSTAD, Heidi  
*"Kvinner i utvikling" i Gambia. Nye kjønnsrelasjoner med hjelp fra Verdensbanken?* Bergen, mars 1992, 25 s.