

Eliminate Poverty And Backwardness

by Lawrence Freeman
and Donielle DeToy

Dec. 8—Ethiopia, the most populous landlocked country in the world, with over 93 million people, lacking abundant precious metals and other high-priced resources, has made the development of its people, its most valuable resource, the primary focus of its policies. Bereket Simon, a valued advisor to Prime Minister Hailemariam Desalegn, emphasized in discussions with *EIR* (see interview below) the importance of the government's role in improving its economy; reversing low productivity, and advancing the livelihoods of its citizens, by strengthening employment in the formal economy over the backward informal sector.

The Ethiopian Popular Revolutionary Democratic Front (EPRDF), the ruling coalition, has rejected the neo-liberal policies which dictate that only unbridled free trade and the forces of the "market" can determine the future of a nation. Instead, the EPRDF insists that the government has the responsibility and obligation to advance society by infusing it with new technologies, building necessary infrastructure, enhancing the skill levels of its workforce, and improving access to information and financing.

The EPRDF liberated Ethiopia in 1991 from the communist dictatorship of Mengistu Haile Mariam, who had controlled the country since the overthrow of Emperor Haile Selassie in 1974. However, as Bereket stressed, the turning point was in 2001. After a several-month-long robust debate inside the Front over what policies would best serve the future of the country, the philosophies of the late Prime Minister Meles Zenawi, who died in 2012, prevailed, and are guiding Ethiopia today. These concepts have led to visible improvements, albeit for a still relatively small, but growing, portion of the population, which even Ethiopia's Western critics have been forced to grudgingly admit.

Bereket, who was a close ally of Meles, and colleague in the liberation movement, reported that the EPRDF in 2001 rejected socialism/communism, but also did not accept the Western financial model, epitomized by the IMF's insistence on privatization, which also prohibits the state from intervening in the economic process of the nation. Meles studied the models of Taiwan and South Korea, where the state successfully directed investment into the agriculture sector that dominated these initially rural societies, but which, over time, led to significant growth for the entire economy.

Zenawi, a towering figure in modern Ethiopia, was the leading intellectual force driving this new policy for Ethiopia, and it is his legacy that still dominates the thinking of those in government and many citizens today. When his philosophy is combined with a collaborative approach to all nations in the region, including Egypt, it promises to transform the region.

Economic Successes

Over the past 13 years, Ethiopia has practiced this state-interventionist approach to its economy, and has achieved the following advances:

Agriculture: With 80% of its people engaged in agriculture and related sectors, the challenge is to generate a greater output per capita, and at the same time, create an educated, skilled labor force to begin building an industrial-scientific base. During this period, over 60,000 agricultural experts were deployed into the rural areas to educate farmers in basic technological methods. The result has been an increase in grain production from 10 million to 25 million tons, today.

Education: With 60% of the population under 30 years of age, the construction of 30 new universities, an expanded Technical & Vocational Educational Training (TVET) program, and an increase in student enrollment from 2 million to 22 million, represents the beginning of a necessary shift. In April 2010, the Ethiopian Academy of Sciences was established, with a vision to create a scientifically literate society in Ethiopia.

Hydroelectric power: In 1991, only 8%, or 4 million of its then 51 million people, had limited access to electricity. Starting in 2004, with the creation of the first of four Gibe hydropowered dams (Gibe III & IV go online in 2014-15, with estimated combined output of 3,900 MW of electricity) along with subsequent water

projects being built, this “Water Tower” of Africa has begun to export electricity. With the anticipated 2017-18 completion of the Grand Renaissance Dam (6,000 MW)—the largest in Africa—over 75% of its population will have direct access to electricity. Today, almost 50% of people have access to electricity, including over 6,000 rural villages and towns due to the development of 152,000 km of new connections and transmission lines.

Health-care: An outreach program has sent 40,000 health-care workers into the rural areas to teach basic public health, hygiene, and prenatal care. The results over ten years were a two-thirds decrease infant mortality rates, from 103 deaths per 1,000 births in 2003, down to 44 in 2013.

Housing: Addis Ababa, Ethiopia’s capital at the foot of Mount Entoto, was founded in 1886, under Emperor Melenik II. Today its population of 3 million is witnessing the construction of over 120,000 new condominiums, and hundreds of apartment buildings, to address the housing shortage in the capital and surrounding area. This construction boom has placed a premium on much-needed building materials; for instance, the city needs 1.3 million cubic meters of gravel this fiscal year, and an estimated 6 million cubic meters in the next five years, just for housing construction.

Transportation: With over 82% of its population living in rural areas, the building of decent roads and highways was one of the most important projects. The just-completed 80-km Addis Ababa Adama (Nazareth) Expressway relieves one of Ethiopia’s most heavily congested corridors. Up to 20,000 vehicles travel daily from Addis Ababa through Oromia Regional State to Adama. This, the first toll road for Ethiopia, and the first highway for eastern Africa, was built by the Chinese Communications Construction Company. It is planned as a segment of the future Addis Ababa-to-Djibouti highway, and part of a 64,000-km road network the government intends to complete by 2015.

Within Addis Ababa, a 34-km light-rail system, being built by the China Railway Group Ltd, which, with its 41 stations, will connect the outlying areas of the capital, east-west and north-south, with a passenger capacity of 15,000 per hour in each direction. A feasibility study has just been completed to extend the national rail network from today’s 800-1,000 km to 4,000-5,000 km.