

POLITICS HAMPERS PROGRESS ON POVERTY ERADICATION, BALANCED GROWTH, FAIRNESS, DEMOCRACY AND JUSTICE

By Genet Mersha, January 4, 2010

"When the facts change, I change my mind. What do you do, sir?"

John. M. Keynes's reply to criticisms during the Great Depression that he changed his position on monetary policy
(Alfred L. Malabre, *Lost Prophets: An Insider's History of the Modern Economists*)

Part III

Recapitulation

Part I and II of the articles under the theme of poverty and inequality in Ethiopia have tried to bring home the point that mere economic growth could hardly solve all the problems of poverty and inequality. In theory, current official thinking in Ethiopia also seems wedded to that. However, official pronouncements and practice have divorced long time ago. Consequently, it is in the light of the resultant unsatisfactory results, those two articles chose to refresh memories about oft-stated slogans disavowed in practice.

It remains, thus, the sure "road to Damascus" past which it is possible to reap the much sought and much-promised harvest of economic justice and improved human conditions is through the realization of equity for all and equality of all. The means to that end is through the distribution of the gains of growth and active participation of the beneficiaries in decision-making in the efforts to change their lives. That in turn brings prosperity to tall with more growth. The metaphorical Damascus is the deliverance by 2015 of more than half of our poor population from absolute poverty and inequality. The vehicle is the universally agreed United Nations Millennium Development Goals (UN-MDG).

In continuing our conversation on the theme of poverty and inequality in Ethiopia, this writer has come up with follow up. In the next few pages, it presents a snapshot of Ethiopia's progress toward attainment of the 20 targets under UN-MDG Goals 6-8 to date. Before that, however, we need to clear our conceptual path with some clarifications.

Too many policies and strategies, which is which?

Different countries pursue different kinds of pro-growth or pro-poor strategies, depending on their circumstances. In their tribal language, economists identify some of these as follows: (i) poverty reduction through distribution-neutral growth (DNG). This is anti-poor on its own, as it hampers efforts to change the lives of the poor by creating a resources gap. The wealthy get wealthier; (ii) poverty reduction through redistribution with growth (RWG). The objective here is to channel "the increments of growth disproportionately into investments which would benefit the

poorest” segments of society; (iii) poverty reduction through an equal distribution of each period’s growth (EDG). This could be equally effective, except that it involves higher administrative costs; and, (iv) poverty reduction through redistribution of current income (RCY). This is a non-recurrent exercise, mostly in middle or higher income countries.

Countries are likely to pursue either one of these strategies or a combination thereon. Nevertheless, the differences between these are very important, though it all boils down to what kind of national vision is in place. In other words, what kind of a country does one want—a nation of prosperity and equals, or of inequities and injustice?

What is wrong with Ethiopia’s strategy?

In Ethiopia’s case, the slogan is growth with distribution. To that end, numerous actions have been undertaken. Nonetheless, in spite of these and significant GDP growths, the data suggest loud and clearly that poverty is on the rise, instead of declining. This speaks of a strategy anchored on shifting grounds. This could be the outcome of growth processes hijacked by the dictates of political interests rendering pro-poor growth toothless. Obviously, the desire to break out of the shackles of poverty is there, although priorities have changed to overcoming the damage the tragic 2005 election has caused. As the French would say, *“Cherchez la femme”* and one could see the rabid official search for affirmation through faster economic growth, vacuous pretensions, threats and repression. However, just like poverty, the trap is duplicitous politics has its own vicious cycles.

Consequently, the strategies adopted in response have become neglectful of associated measures that could have raised effectiveness against absolute poverty. The impact of this is reflected in the limited progress Ethiopia has made in MD Goals 6-8, much in the same way as in the Goals before that. This has encouraged rejection, borne of a sense of distrust and frustration. Even then, TPLF/EPRDF finds it easier to blame whoever is not with it for that, as if that could solve the problems. Hence, the country has been in a polarised political environment with fear as common denominator for all, and yet policy-makers without public confidence and acceptance. Let MD Goals 6-7 speak to that for now.

- Goal 6:** combat HIV/AIDS, malaria and other diseases. This requires achieving by 2010 universal access to treatment for HIV/AIDS for all those who need it; halting by 2015 and reversing the incidence of malaria and other major diseases.
- Goal 7:** Ensure environmental sustainability. This has a number of targets, but the most significant ones require integration of principles of sustainable development into country policies and programmes and reversing the loss of environmental resources. Reducing biodiversity loss with a view to achieving, by 2010, a significant reduction in the rate of loss as per agreed upon target; and
- Goal 8:** Develop global partnership for development. From a developing country point of view, the target of this goal includes a commitment to good governance, development and poverty reduction - both nationally and internationally. Partner countries would agree to provide funding.

Table 1 Measurement of progress toward MD Goals 6-7

MEASUREMENTS		1990	1991	1995	1996	2000	2005	2007
Goal 6	HIV prevalence rate, men 15-49 yrs, survey						0.9	

	AIDS related deaths total ('000)					60.0, ('01)		67.0
	15-24 yrs men with HIV/AIDS knowledge						33.0	
	15-24 yrs. women with HIV/AIDS knowledge						20.0	
	Tuberculosis prevalence rate per '000 population	312.0	337.3	403.2	395.9	486.2	612.4	579.0
Goal 7	Slum population as percentage of urban population, %	99.0				99.4		81.8
	Slum population in urban areas, in '000	5,983.6				10,159	10,118.6	
	Proportion of population using improved sanitation facilities, total	4		5		7		
	Proportion of population using improved sanitation facilities, total	4		5		7		
	Proportion of population using improved drinking water sources, total	4		10		19		31 ('06)
	Proportion of land area covered by forest	13.8				12.5	11.9	
	Terrestrial, marine areas protected, '000 sq. km,	190.5	190.5	190.5	190.5	190.5	190.5	193.7
	Consumption of all Ozone-Depleting Substances in ODP metric tons		12.6	48.6	47.7	58.0	22.0	5.0
	Energy use(kg oil equivalent) per\$1,000 GDP, 2005 prices)	571	635	595	544	541	458	426 ('07)

Source: compilation from /Millennium Indicators. NB:- For HIV and tuberculosis, the data have to be seen sceptically, since it refers to experience in medical centres. How many nameless and faceless individuals perish without stepping at the door of a medical centre?

One strong criticism directed against Ethiopian leaders is their top-down approach—command in both style and content. No less serious is also the consequence of that approach, which has reduced beneficiaries of eradication of poverty and inequality to mere puppets, whose role is merely to confirm whatever decisions the core of EPRDF pushes down. Missing in all this is empowerment of the people, as participants in the decision-making processes. Partner governments, journalists, experts and organisations at different levels and in connection with specific circumstances have identified this as major bottleneck to sustainable growth in Ethiopia, arresting its capacity to lower the level of poverty. They worry that this has also endangered progress towards building a democratic society. Below here are the views they have expressed.

SWEDEN: Within the framework of the Country Cooperation for Development with Ethiopia (2003-2007), Sweden early on observed, "Certain democratic and economic reforms were implemented in the 1990s and decentralisation is high on the agenda. But despite the reforms, poverty is deeply rooted and widespread. The private sector is beset by difficulties, direct foreign investment is limited and individuals and local communities still have little or no say in the decisions affecting them. The conclusions of the country analysis [Sweden's] may be summed up as follows: there are immense difficulties and problems to be overcome in almost every sector of development assistance and cooperation."

BLOOMBERG: In a recent interview, Bloomberg's Jason McLure records the bitter complaints of rural farmers who felt violated by both their government and international companies investing in agriculture. They felt embittered for

two reasons: they were barely consulted whether the mammoths should push deep into their neighbourhoods. More troubling is perhaps none of these people is aware their virgin lands are given away for as long as eighty years at a price no better than chicken feed—must correct—“for a song”, as the great economist the late Paul Samuelson used to say. So at the end of December, Mr. McLure reported, “Workers in Elliah [south-western Ethiopia] say they weren’t consulted on the deal to lease land around the village, and that not much of the money is trickling down.”

INSTITUTIONAL RESEARCH: Further, a 2008-2009 report by the Chronic Poverty Research Centre read the problem this way: “Ethiopia has a decentralised, federal system of government and the ruling party sees participation as the cornerstone of good governance. However, the form that participation takes in Ethiopia [is] often more directive and top-down than genuinely participatory.” Another group of researchers confirms this with a comment that policy is debated vigorously and passionately in official policy circles in Ethiopia, but are often limited to a narrow pre-determined agenda (Devereux, et al, *Trends in PSNP Transfers within Targeted Households, Addis Ababa, IDS Sussex and Indak International plc, 2005*).

IFAD: With the plight of small-scale farmers and their needs as its international mandate, the UN International Fund for Agricultural Development (IFAD) has identified seven “specific causes of rural poverty in Ethiopia,” one of which is lack of participation by rural people in decisions that affect their livelihoods. All of the causes are listed here: “(a) wide fluctuations in agricultural production as a result of drought; (b) an ineffective and inefficient agricultural marketing system; (c) underdeveloped transport and communication networks; (d) underdeveloped production technologies; (e) limited access of rural households to support services; (f) environmental degradation; and, (g) lack of participation by rural poor people”(Enabling the rural poor to overcome poverty in Ethiopia, 2006).

Let us try to get a bird’s eye view of progress so far made by asking what has been achieved in respect of each of the seven points, above. If we start with environmental protection, once again that brings to the front burner the country’s continued dependence on an increasing scale on humanitarian aid. It stands to simple common sense that, for a country that was chosen recently to spearhead Africa’s negotiations in a major international environmental conference to elaborate a treaty in Copenhagen, the rebuke the data in Table 1 casts is bad publicity to official pretence. The data state that, despite fluency in rehearsing the climate related agenda, government action remains shorthanded in respect of providing practical support and encouragement to the farming population to use irrigation, improved production technologies, and environmental rehabilitation, as Table 2, below, indicates.

Table 2 State of agricultural production in 2007-2008

	Area under crops	Irrigated land	Improved seed use	Fertilizer use	Pesticide use
Total in hectares	13,274,036	219,145	429,791	5,937,184	263,201
Percentage		1.65	3.24	44.73	1.98

Source: Ethiopian Central Statistics Agency (CSA; Abstract 2008)

The Swedish International Development Agency (SIDA) writes, “The need for social protection already far outstrips supply and access. Even in countries with relatively well established and organized social protection systems, such as Ethiopia and Bangladesh, only a small minority of the chronically poor has access to social protection” (*Closing the Gaps*, Commission on Climate Change and Development, 2009).

We hear of recurring stories about government efforts to improve the agricultural marketing system. Even then, unfortunate as it is, for some time now the focus has rested on stabilization of domestic grain prices, instead of increasing production and improving income-earning capacity of ordinary farmers. This points to poorly designed government support to farmers and agricultural productivity growth. Consequently, for such a long time, under a government that comes up with the right agenda, the desired goal of improving the agricultural sector has been hostage to extraneous factors—its politics of staying in power unchallenged.

In consequence, the narration in Table 2 stands in firm contradiction with government claims of success in agricultural development. If that were the case, government should not have remained a novice in office after twenty years. Famine and hunger should have not been allowed to have a permanent lease on Ethiopia with its widening rain-fed agriculture. In other words, we can testify that government is giving attention to education and basic health services and is building infrastructures to enable it attain its twin goals of reducing poverty and inequality on one hand and facilitating economic growth on the other.

However, the pitfall is that those neglected factors are arresting progress toward that goal. Following field-based study, Taylor Brown & Amdissa Teshome concluded, “political and ideological preoccupations, planning processes and implementation barriers and bottlenecks have prevented these and other policies from having as great an impact as they might on chronic poverty” (*Implementing Policies for Chronic Poverty in Ethiopia*, 2007).

Add to this is the huge cost of faulty policies, which are reflected in wrong priorities and macroeconomic missteps. As has been the case with Ethiopia for nearly the last three years, these have resulted in terribly costly double-digit inflation, exorbitant food prices to the extent policy is responsible in the last one-and-a-half years, and very high unemployment across the different strata of the population, as shown in Part I. The picture this portrays is that of parents with their unemployed and unemployable offspring at home nearly all along, or choosing to become refugees in distant lands—just on account of diminishing purchasing power resulting from wrong-headed policies that have imposed more poverty. It is in witnessing this again and again, a World Bank economist cautioned governments, “Doing less damage is also a good idea.”

Notwithstanding the sophistry of economists whether the glass is half-full, seen from the side of the well-to do—or half-empty—seen from the swelling poverty side, today’s and tomorrow’s story is that the half-empty glass is filling up faster than the half-full, despite the slogan of pro-growth policies and pro-poor strategies.

African Economic Conference discusses obstacles to eradicating poverty in Ethiopia

A presentation by two Ethiopian researchers and their British colleague to the African Economic Conference, held in Addis Ababa from 11 – 13 December 2009, stressed the need for a more robust action against absolute poverty. In spite of the fact that their phrasing is restrained, the justifications carefully couched in mathematical lingo, their conclusion was scarcely deterred from pinpointing the lack of focus in government policies and strategies. In that regard, they observe,

“In sum, pro-poor growth outcome for Ethiopia would not be achieved through a collection of ad hoc and targeted programmes of the ‘safety net’ variety, combined with pious policy rhetoric. A pro-poor outcome results from a pro-poor strategy, which consists of goals, targets, instruments and monitoring...It involves policy that requires government leadership, to establish a set of incentives and interventions that consciously and purposefully alter the outcome of the current growth and distribution process, within an economy in which production and exchange overwhelmingly derive from the private sector. Further, the strategy needs to be based on the foundations of decentralisation, participation and ownership. Ownership means that the strategy is nationally designed, implemented and monitored. Deepening of ownership is achieved through the decentralisation of many policy functions to economically feasible provinces (regions), and by participatory consultation with civil society” (Alemayehu Geda, Abebe Shimelis and John Weeks entitled *Growth, Poverty and Inequality in Ethiopia: Which Way for Pro-poor Growth?*).

With the distribution of the gains from growth as the only means of uplifting the poorest segments of the society, here is what they see as helpful for Ethiopia:

“At the most general level, pro-poor growth can be defined as a strategy which (1) rejects a ‘growth is sufficient’ approach in which all emphasis is placed on economic growth, and poverty addressed through so-called safety nets (if at all) and (2) replaces this with a strategy explicitly designed to change the distribution of the gains from growth. Growth with redistribution is the optimal strategy for Ethiopia and this is revealed by examination of episodes of growth across the three regimes of recent history and the wealth of household data examined in this paper” (Geda et al).

Table 3. Trends in poverty and inequality in Ethiopia: 1994–2004

Region	National data				Panel data			
	1995-96	1999-00	2004-05	1994	1995	1997	2000	2004
Headcount ratio								
Rural	48	45	39	48	40	29	41	32
Urban	33	37	35	33	32	27	39	37
National	46	44	39	46	39	29	41	33
Gini coefficient								
Rural	27	26	26	49	49	41	51	45
Urban	34	38	44	43	42	46	49	46
National	29	28	30	48	48	42	51	45

Source: Alemayehu Geda, et.al. Table 7

Clearly, their expert conclusions are in harmony with the findings of Dr. Fekadu Gelaw, (*The Relationship Between Poverty, Inequality, and Growth in Rural Ethiopia: the Micro Evidence*), discussed in Part II. His major finding is that poverty and inequality are on the rise. In Part II, this writer interpreted his data to mean, poverty and inequality have accelerated. The share of the poorest 40.0 percent in total consumption has gone down from 15.33 to 13.10

percent. During the same period, the share of the richest 20.0 percent increased from 45.80 to 51.42 percent. The share of the medium 40.0 percent has gone down from 38.422 to 35.49 percent.

In addition to the data they provided in the table above, they corroborate this by pointing out the following:

"The evidence on the state and path of inequality over the decade obtained from the national household income and consumption surveys, as well as the panel data, indicate that it has been clearly rising in urban areas, and remained more or less at its initial level in rural areas though it exhibited considerable variation across time according to the panel data."

The three experts conclusion seems to be shared by an ILO/SOAS study (the British School of Oriental and African Studies), with John Weeks (above) as one of the researchers. It makes the general observation on the question of distribution, as follows,

"It is always the case, no matter what a country's per capita income or degree of inequality (if it is not zero), that redistribution with growth is more effective than distribution neutral growth in reducing the intensity of poverty (as opposed to the head count). The relative benefit of equal distribution growth increases as one moves down the income distribution, independently of a country's per capita income or degree of inequality."(Redistribution and Growth for Poverty Reduction, 2001)

UN-MDG Goal Eight Develop global partnership for development.

This goal has six targets, a brief summary of which is:

- ◆ Develop further an open, rule-based, predictable, non-discriminatory trading and financial system. It includes commitment to good governance, development and poverty reduction – both nationally and internationally
- ◆ Address the special needs of the least developed countries. It Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction
- ◆ Address the special needs of landlocked developing countries and Small Island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)
- ◆ Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term
- ◆ In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- ◆ In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

The first target aims at democracy. In a way, the conversation on how to fight poverty and inequality cannot be separated from the important role of democracy in governance and in national development. Democracy and human rights have been the two major concerns of Ethiopians, discussed and debated *ad infinitum*. The problem is

government has resisted being part of the national conversation on that. What it accepts in principle, it rescinds it in practice.

For instance, a democratic government does not allow its people to starve, nor deter them from seeking alternative paths to unleash their skills and gifts. It would not also persecute journalists, nor would it suppress the media that can report whatever is happening in the country and to the country. Freedom of information plays an important role in national development. Similarly, this is equally so in a country such as Ethiopia that in its long history, unlike today, has been rather relatively clean from corruption and crimes both at the official and individual levels, mostly because of the nation's own values. A democratic government recognises the media's importance in exposing corruption at all levels, instead of persecuting journalists.

The issue of freedom of speech and the media are of such importance in the relations between Ethiopia and its partners. This has been discussed many times as an issue of concern. The EU Presidency in December chastised openly the Ethiopian government. This has been an ongoing thing, since this regime seized power in 1991. Recall in this connection that, it received its first public disapproval from the US in 1996 when Secretary of State Warren Christopher rebuffed the Ethiopian government's invitation to hold a joint press conference during his brief visit to Addis Ababa in 1996.

That rejection was in response to reports of legal harassment and imprisonment of Ethiopian journalists, and government's systematic exclusion of the private press from official press conferences. In a public statement, Secretary of State Christopher was quoted saying, "Ethiopia has made progress in human rights during the past five years, but the United States wants to see more. One of the areas of our concern is the freedom of the press and the treatment of journalists." This was nearly 14 years ago; suppression of media freedom is still a pressing problem, despite the clutter of official denials.

Five-year pledge to ensure connectivity rings hollow. In 2001, Ethiopia focused on introducing internet connection via broadband. Prime Minister Meles Zenawi pledged to the nation within five years that would be Ethiopia's reality. To that effect, Cisco reported Ethiopia is committed to spend 10 percent of its GDP annually for a period of five years (Cisco—Customer Case Study). As the main contractor in building the network, Anthony Vonsee, vice-president in charge of Cisco Systems Africa, told *Times Online* in August 2005, "Ethiopia is a model of how things should be done...Often there are a lot of fuzzy words, but here they're being matched with action." If the GDP data used by Cisco of \$6.7 billion is right, the estimated cost at the time for Ethiopia to build connectivity was in the range of \$350-400 million.

When the dust settled down, several years later, way beyond the five-year pledge, the Ethiopian Telecommunications Corporation (ETC) dropped a scathing self-indictment, when it disclosed the ICT infrastructure development and the access indicators status quo in the country. Here is what Ethiopia's submission to the Seventh World

Telecommunication/ICT Indicators Meeting, held in Cairo from 3-5 March 2009, looked like (ITU Document INF/004-E of 24 February 2009).

"At present, ICT in Ethiopia is at the very early stage. Nearly the entire rural population lacks telecommunications infrastructure. The major indicators pointing to the low level of ICT development in the country are:

- *Lack of skilled human resources coupled with low ICT literacy,*
- *Low level of Internet service and poor connectivity,*
- *Lack of organized data and information resources and poor accessibility to those that exist,*
- *Limited or no public awareness on the role and potential of ICT,*
- *Undeveloped private sector,*
- *Legal and regulatory constraints*

Generally, ICT in Ethiopia [is] least developed. It is also highly skewed towards major cities and towns, particularly Addis Ababa. In part, this is due to limitations in both physical and ICT infrastructure, and partly due to the limited number of computers. Consequently, while the Internet and other forms of information and communications technology are readily available in Addis Ababa, limited access to ICT by the rural population continues to be a major impediment to the use of ICT nation-wide."

In contrast, the original proposal looked like as follows, as reported by ETC in its submission of 1 July 2009 to the ITU's Regional Preparatory Meeting for the Africa Region for WTDC-2010, held in Kampala:

- A government network (known as 'WoredaNet') which links nearly 600 local 'woredas' and 11 regional government offices across the country with each other and with the federal government at Addis Ababa. The project provides these offices with videoconferencing, e-mail, Internet access, and file sharing capabilities—creating a foundation for e-government.
- An education network ('schoolnet') providing more than 700 secondary educational institutions with access to general ICT, email, and the Internet. Most importantly, though, it would allow these institutions to receive streamed Internet- and broadcast TV-based educational content from education media agencies—creating a foundation for e-learning.
- An agriculture network ('Agrinet'), which would link more than 30 research and operational agricultural centres to stimulate the growth of this cornerstone of the economy. In addition, a healthcare network was proposed as an extension of the three primary projects. 'Healthnet' would connect all major referral hospitals around Ethiopia and form the basis for a nationwide telemedicine infrastructure. ETC informed the ITU that so far 565 local weredas, 669 high schools and 49 agricultural institutes found in the country have been networked and benefited from the project. The Technology which has been used to deploy this programme is VSAT communication (Source: Document RPM-AFR09/14-E).

Those knowledgeable in the field say, let this writer understand that the 'nets' have proved very costly and inefficient, compared with the 'fortune' spent on them and the original intent. Even then, today not only that Ethiopia has no proper infrastructure and connectivity, the government has traded its responsibility of developing it for use by ordinary people to controlling through eavesdropping and imprisoning individuals, it suspects of being hostile to it. Ethiopia is also one of the few countries that jams radio signals and blocks internet accesses, as reported by recognized internet experts.

With the nets in place, still citizens have only limited access to internet, for that matter slow as snail. That is not because of poverty, illiteracy or lack of infrastructures only, but also, as cryptically alleged by ETC, because of the “legal and regulatory constraints.” The main bottleneck is the official policy that is engaged in persistent mind control. Beside harassing journalists, government, unlike other African countries, has maintained exorbitant taxation on computer import, internet usage tariff and discouraging computer training schools from mushrooming. The whole project is managed by now the not so new government agency called the Ethiopian ICT Development Authority (EICTDA), whose task includes overseeing ICT developments and policy in the country.

This writer had discussed this matter in her article dated 24 Oct 2009 entitled *The Global Digital Divide: Ethiopia, Africa on My Mind* (www.abugidainfo.com). Those African countries that had surged ahead in computer literacy and its widespread usage and mobile phone penetration did it by lowering the taxes and tariffs. The writer specifically singled out, among others, the fantastic case of The Gambia that now enjoys good standing in use of information technology and substantial mobile penetration in that respect.

In terms of Ethiopia’s progress toward achieving the MD Goals, Table 4 under Goal Eight presents a sombre picture, consistent with what the Ethiopian Telecommunications has reported to the regular expert level meetings of the ITU in Kampala and Cairo during the year just out.

Table 4 **Measurements for Goal 8**

MEASUREMENTS		1990	1991	1995	1996	2000	2005	2007
Goal 8	Telephone lines, per hundred pop, ('000)	125.0	133.1	142.5	148.7	232.0	610.3	880.1
	Personal computers, thousands			35.0		100.0	300.0	532.0
	Internet users per 100 population					0.01	0.21	0.35
	Mobile phone subscriptions per 100 population					0.03	0.53	1.45

Source: UNSTAT—Millennium/Indicators

INTERNATIONAL AID: Table 5 is self-explanatory. Note that the good will the international community has shown to Ethiopia since 1991 with relatively massive aid, substantial debt reduction has been immense, until the situation radically changed after the massacre of people who demanded their votes to be reflected accurately in the 2005 election. Ever since, ODA has hit down, although in recent years, perhaps due to the country’s rental of its foreign and national security policies in connection with the threat the situation in Somalia has posed, it may have begun to pick up.

Table 5 **Measurements for resource flows**

ODA received in landlocked developing countries as percentage of their GN																	Last updated: 14 Jul 2009	
1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
8.40	8.22	8.30	12.48	15.64	11.62	9.67	6.58	8.25	8.27	8.45	13.5	16.81	18.84	18.11	15.61	12.88	12.48	

Debt service as percentage of exports of goods and services and net income																	
37.6	29.0	22.7	17.9	15.1	18.3	41.1	9.8	9.7	13.9	14.5	20.0	10.3	7.6	5.4	2.1	2.0	3.5

Source: UNSTAT—Millennium/Indicators

(To be continued...)

Part IV is the final instalment. It would present the *chaebol* model South Korea had employed, a version of the Japanese *zaibatsu system*—big family businesses owning both capital and the means of production. The *chaebol* model variant—family business without capital allied to the government—seems to be replicated systematically in Ethiopia through ruling party businesses. Whether it is by design or coincidence, the similarity of preferential treatment, politics has proffered on them in the form of large bank credits, foreign exchange even in lean periods, information and legal support—an opportunity denied of the private sector and individual entrepreneurs—cannot not be ignored as neither illusion nor benign resemblance.