Chapter - Two

Relationship between India and Post-Socialist Ethiopia: An Overview
CHAPTER-II

RELATIONSHIP BETWEEN INDIA AND POST SOCIALIST ETHIOPIA: AN OVERVIEW

2.1. Introduction
The previous chapter discussed a lot about the history of Indo-Ethiopian relations. Post-socialist Ethiopia means the overthrow of Marxist-Leninist Derg regime in 1991. The new government introduced policies that have much in common with those dominating the international geopolitical scene in the 1990s and 2000s. These include an emphasis on democracy, grassroots participation and, to some extent, market liberalization. With the existence of post-socialist phase in the country the bilateral ties with other countries have improved especially with India in many fields. Such as: economic cooperation i.e. agriculture, trade, industry and investment, small and medium-scale enterprises, finance, regional integration; in political cooperation main aim is to maintain peace and security in both the countries and to improve civil society and bring good governance. Except an economic and political field the aim of both the countries is also to develop more knowledge related to science and technology, information and communication technology and also to accelerate socio-economic development between them. The rich-history of Africa-India relationship have enhanced the existing close, deep and multi-layered relations between India and Ethiopia and have realized the need to give a new dimension to this cooperation and have decided to adopt this Framework for Cooperation between Africa and India.

Ethiopia is the oldest independent country in Africa. Unlike most other African countries, apart from a brief Italian occupation (1936-1941) it was never occupied by a European power. Emperor Menelik II, who reigned from 1889 to 1913, is often considered as the founder of the Ethiopian nation as it exists today. He successfully united what were previously several disparate regions and peoples, and started the modernization of the country. His successor Haile Selassie I (who reigned from 1930 to 1974), continued this modernization. He revised the Constitution and sought to bring Ethiopia closer to a European type of government, introducing various welfare programs and outlawing slavery. Ethiopia joined the League of Nations in 1923. Ethiopia was invaded by Fascist Italy in late 1935, but was liberated in early 1941 by Haile Selassie's troops with the help of the British Army. Following much political unrest (conflict with Eritrea, severe famine), a military rebellion made a coup
d'état in 1974, and Lieutenant Colonel Mengistu Haile Mariam became the head of state. (ILO, 2006)

The constitution was suspended and the parliament was dissolved. The monarchy was replaced by a Provisional Military Administrative Council, called the Dergue, which soon diverted from its announced socialist cause. The re-orientation of the government and national economy from capitalism to Marxism led to the Mengistu's military dictatorship until its fall in 1991. In addition to the suppression of personal liberties, this regime aggravated the economy and domestic difficulties (ethnic tensions, droughts and famine, widespread flights to Djibouti, Somalia and Sudan). In 1987, a new Marxist-based constitution was approved. With the fall of Communism and Soviet support, a coalition of rebel organizations led by Meles Zenawi, was able to conduct a revolution in 1991. The transitional government of Meles Zenawi sought to stabilize and strengthen Ethiopia, although certain human rights abuses continued (imprisonment of political opponents, journalists and trade union leaders). (ILO, 2006) (Appendix: II)

A new Ethiopian constitution, drafted by an elected constituent assembly and approved in 1994, set up a bicameral legislature and a judicial system, as well as it guaranteed equal rights and freedom of expression to all Ethiopian citizens. In May 1995, free and democratic elections were held and Meles Zenawi was elected Prime Minister. Parliamentary national multiparty elections were held again in May 2000. Prime Minister Meles was re-elected to his post in October 2000 and a new president, Lieutenant Girma Wolde-Giorgis, was elected in October 2001. (ILO, 2006)

2.2. Rise of socialism in Ethiopia

The period between 1974 and 1990 was one of revolutionary turmoil following the coup d'état against the monarchy, civil wars, a war with Somalia, and an experiment with agrarian socialism. By the end of the 1970s, the broad outline of a quasi-socialist economy was in place: all land, extra houses, and large as well as medium private enterprises were nationalized without compensation. Owner-cultivators and sharecroppers were given use rights (usufruct) to land in lieu of their customary freehold or communal ownership rights. The rural population was then organized into peasant associations. These state-sponsored associations were soon to serve as stepping stones for the establishment of producer cooperatives or quasi-collective farms. Much of inter-regional wholesale and retail trade in key staples and important
industrial goods was reserved for parastatals. The military regime’s vision of state-led industrialization included an over-zealous “villagization” campaign, to facilitate political control as well as the delivery of social services; an ambitious but poorly planned program of “resettlement” of the drought-vulnerable population; and a program of import substitution for key industrial goods. By mid-1988 villagization had grouped 12 million people—one-third of the rural population—in more than 12,000 large villages. (Clapham 1988: 251)

Though briefly distracted by the devastating 1984–85 national famine, when GDP contracted by 13.2 percent, the Derg consolidated its power in the second half of the decade. It formulated a Ten-Year Perspective Economic Plan (1985–94) with an unrealistic expectation of receiving foreign aid to finance more than half of the planned investment. (World Bank 1987; Griffin 1992) The plan nevertheless provided a more consistent framework for medium-term and annual plans than the previous disparate-projects approach. The economy rebounded briefly but spectacularly at the rate of 9.3 percent and 13.8 percent in 1986 and 1987 respectively. To its credit, the government also expanded elementary and secondary education and rural health clinics at unprecedented rates. The ambitious literacy campaign was awarded a UNESCO prize. However, two-thirds of the adult population remains illiterate today. The military regime also belatedly established a socialist party, the Workers’ Party of Ethiopia (WPE), with military officers and the upper echelon of the civil service at its core. Ethiopia finally joined the “people’s democracies” of the Soviet bloc in 1987 with the declaration of the People’s Democratic Republic of Ethiopia under a constitution ratified by national referendum. The Derg intensified the administrative centralization program of the monarchy under a unitary state, and implemented an unprecedented degree of state ownership and control of the modern sector of the economy. The country’s 15 regions were reorganized into 30 administrative units. Imitating the nomenklatura systems of the socialist states, the regime established parallel networks of government and party organs down to the level of the kebelle (neighborhood), all controlled by WPE functionaries. The Derg also introduced a still enduring cadre system of party control of the economic, military, and administrative sectors of the state bureaucracy. A number of developments accentuated the “normal” level of crisis in the waning days of war socialism, which eventually led to policy reforms. First, the burden of financing a huge army was too high for the feeble domestic economic base to support, especially since the Soviet Union was itself beset
by a profound crisis after 1988. Second, the idea of socialism was discredited internationally and domestically. Third, the economic consequences of the campaigns of villagization, resettlement, and producer cooperatives proved disastrous for an already impoverished population. The economy cumulatively shrank by 7.0 percent during and immediately after the height of the civil war, in 1988–92. While most captive civil servants could do little to arrest the double squeeze on salaries of pay freezes and double-digit inflation, small producers increasingly resorted to the age-old but inefficient methods of survival—informal exchange and subsistence production.

The IDA maintained a modest portfolio of loans (US$35 million annually) during 1976–86. It confined its funding to economic and sector work (technical assistance and country economic memoranda), and financing of selected social services, transportation and communication, and the important coffee sector. Loan disbursement rose to US$52 million per year during 1989–90 with an agreement to support an agricultural extension and credit program called the Peasant Agricultural Development and Extension Program (PADEP). As shown in table 4.6, the government managed to obtain a respectable level of grant money in the 1980s (on a per year basis): US$70 million from the EC-EU, US$68 million from Italy, US$135 million from the Nordic countries, US$25 million from Germany, and US$41 million from the United States, mostly food aid. Data on economic aid from the Council for Mutual Economic Assistance are sketchy but it was rather modest (US$30 million in 1983) and came primarily in the form of project aid. (Clapham, 1988) The Derg seriously considered liberalization after 1988 although the implementing legislation was not in place until the WPE Congress of March 1990, a year before the regime’s demise. (Haile Mariam, 1990)

The impetus appears to have come from the pressure created by the steady gains of the northern rebel movements as well as the disappointing economic results of agricultural cooperatives and parastatals in the distributive sector. The reforms were in the nature of “perfection of control” rather than significant concessions to the market. Their significance lies in the dynamic they created for further reform. The most notable measures were the following. Inheritable use rights were granted on nationalized land, membership in producer cooperatives became voluntary (which led to their spontaneous dismantling by jubilant cooperators), many prices were decontrolled, and the draconian restrictions on private trade were grudgingly lifted.
The liberalization of the grain market, the most important market in Ethiopia, paved the way for a steady although still incomplete integration of inter-regional markets.

Most foreign owners of nationalized enterprises did, under pressure from the international financial institutions and bilateral donors, eventually receive compensation. Most citizens whose property was confiscated are still awaiting restitution. As we will see below, these issues keep coming up in the policy dialogue with multilateral donors and in the lingering complaints of the business community. The year 1991 was a watershed for reform: a coalition led by two liberation front’s ended the civil war victoriously. The province of Eritrea became an independent state in 1993 A transitional government of Ethiopia (TGE) was formed in Addis Ababa by a loosely affiliated assortment of liberation fronts known as the Ethiopian People’s Revolutionary Democratic Front (EPRDF). The Tigray People’s Liberation Front (TPLF), which serves as the vanguard of the coalition, accounts for most of the senior government leadership. This was a rather unusual conclusion for a civil war. Groups at the periphery in effect gained exclusive control of the state machinery. The country is still contending with all the contradictions entailed in such a dispensation for both victor and loser (Bevan 1994; Chole 1993). The large national army of 500,000 was disbanded and replaced by EPRDF’s own army (Dercon and Ayalew 1998).

The civil service was trimmed by about a quarter; many were fired for political reasons. Despite a secular decline in real wages and compression of the salary structure, the 300,000- strong civil service accounts for one-third of formal-sector employment in Ethiopia (IMF, 1999b). The TGE proceeded to decree a number of important institutional reforms in 1991–94, before the national election. The administrative structure of the country was revamped once again, this time into nine federal units (killils) and special administrations in the two richest cities (Addis Ababa and Dire Dawa). The regional states were further divided into 66 zones comprising 556 woredas or units of local government with about 100,000 people each. The 1994 Ethiopian Constitution enshrined an ethnic-based federalism. After the 1995 “administratively fair, yet uncompetitive” elections (World Bank 1998c), a bicameral parliament dominated by the EPRDF assumed power under the newly created Federal Democratic Republic of Ethiopia. The federal constitution is Soviet-like in granting to any ethnic group the right to self-determination “including and up to secession.” While the idea of a decentralized governmental structure finds broad support, the wisdom of gerrymandering districts to create ethnic fiefdoms remains a
highly contentious issue in Ethiopian politics. Ethiopia today employs an unusual form of fiscal federalism. The large vertical imbalance between the revenue-raising power of the federal government (which collects some 80 percent of revenues) and the responsibilities of the regions is bridged by unrestricted block grants. These subsidies are based on a formula that purports to reflect a region’s population, development level, and local revenue generation. The advantages of responsiveness to local needs which would normally result from decentralization are, therefore, diminished by the lack of performance-based reciprocity, inter-regional gaps in technocratic capacity, and the relative neglect of the special needs of municipalities. (World Bank, 1999)

The regime which was in power in Ethiopia from 1974 to 1991 exhibited many classic socialist features and principles. The regime known as the Derg (from the Amharic word for committee) came to power in 1974, arresting the elderly emperor, Haile Selassie, and putting an end to the imperial government. The Derg was dominated by military men who were driven by practical and political frustrations. Their coup took place in the context of wider societal anger and privation: there had been hunger and famine in 1972; the imperial government was considered by many to be outdated, corrupt and inefficient; the inequality in land holdings country-wide was leading to conflict and tension. Students and academics at Addis Ababa University were also highly critical of the imperial regime and were increasingly influenced by Marxist ideas and theories. Some were involved in a movement calling for countrywide land reform, under the slogan ‘land to the tiller’. This movement emerged first in the 1960s, and also played its part in ending the imperial government. Those who have written on the 1974 revolution (Ottaway and Ottaway 1978; Clapham 1992; Donham 1999) agree that the Derg was initially weak on ideology and political theory. The early part of their rule was characterized by internal power struggles that culminated in assassinations and later more widespread and violent suppression of what they viewed as political opposition. But the new regime had to develop a set of coherent ideas that could be translated into policies and practices on the ground. In this, according to Donham (1999), they adopted the ideas and practices of their main adversaries and rivals, the Addis Ababa University students and academics. Early in their time of office, the Derg leaders announced that they supported ‘hebretsebawinet’ - an Ethiopian socialism which means ‘equality;
self reliance; the dignity of labour; the supremacy of the common good; and the indivisibility of Ethiopian unity.' (Ottaway and Ottaway 1978: 63)

But in order to avoid giving strength to their opponents or giving weight to their ideas, the socialist policies that they adopted were more radical than those being advocated by those who were referred to as the ‘intellectuals’. In this way, the Derg attempted to eclipse their main rivals, and they came over time to espouse a form of Marxism-Leninism. (Clapham 1992, 115) The main policies that followed from these ideas can be summarized as follows: in 1974, all banks and major industries were nationalized. In 1975, a land reform programme was implemented that was both ‘thorough and radical’ (Dessalegn, Rahmato, 1984), all land was declared the property of the state; those cultivating the land only had usufruct rights; land holdings of more than ten hectares were outlawed; and leasing, borrowing or mortgaging land were forbidden. Many of those who had served in the previous regime as intermediaries between the central state and the grassroots had been powerful landlords. They were either members of the indigenous elite or people who received administrative posts and land in return for their support of the empire. As the Derg took power, these intermediaries were stripped of their land and their authority, and many were arrested and tried for having previously ‘exploited the people’. In their place, Peasant Associations were set up. These were committees elected from the residents of an 800-hectare area, who had responsibility for administering that area. The Peasant Associations were charged with implementing the land reform and developing communal activities such as collective farms. At the same time, ‘students’ – a category that included university and school teachers, university students and those in the last two years at school – were sent to the countryside to set up the Peasant Associations and to help administer the land reform. They also carried out literacy and basic development programmes, and taught the people the benefits of socialism. This programme, known as the Zemecha (‘Development through Co-operation’) programme, served the twin goals of filling the administrative vacuum in the countryside that had resulted from the arrest of the old landlords and administrators, and also dispersed the ‘intellectuals’ from the capital city, where they were seen as a threat. (Ottaway and Ottaway 1978; Donham 1999)

In 1978–9, agricultural production quotas were introduced. From 1985, a villageization programme was implemented with such rigour that observers commented that the new villages resembled, to an astonishing degree, those out of a
handbook. (Scott 1998; Clapham 2002; Tadesse Berisso 2002) Resettlement programmes were also implemented throughout the country, most notably the disastrous and controversial programme in 1984 that took several hundred thousand people from the famine-stricken north to the south and west of the country. (Pankhurst 1992, 2002) The period under the Derg was also one of significant military activity, and, with Soviet support from 1977, the Ethiopian army expanded until, by the late 1980s, it was the largest army in Africa outside South Africa. Wars were fought with Somalia in 1977–8, and against insurgent movements in the north (who ultimately defeated the Derg). In the 1980s, taxation was increased in a campaign of ‘Everything to the Warfront’, and forced conscription was commonplace, so that young men stopped going to the marketplaces in rural areas for fear that they would be rounded up and taken off to fight (Africa Watch, 1991). It was these latter experiences, and the failure of the Derg to realize its promises of development, that led many people to despise the regime and its dirigiste forms of government and administration. (Clapham, 1992: 114)

It is tempting to equate a socialist–postsocialist transition with the fall of the Derg and the beginning of the post-1991 regime under the Ethiopian People’s Revolutionary Democratic Front (EPRDF), dominated by the former northern insurgency group, the Tigray People’s Liberation Front (TPLF). But the history is not so straightforward: first, Mengistu Haile Mariam, the supreme leader of the Derg, brought in many reforms and announced the end of socialism in Ethiopia in 1990, prior to the overthrow of the Derg regime. The change in regime was radical and fast: ‘When in 1990 Mengistu announced the abandonment of socialism, the laboriously constructed co-operative farms disappeared virtually overnight’. The second reason why the neat shift from socialism to post-socialism is compromised is because of the legacy of the political ideology of the TPLF. When it was an insurgent movement based in the rocky mountain territories of the north, it also had a strong commitment to Marxism-Leninism, although its sympathies and inspirations lay more with the Albanian isolationist model of Marxism-Leninism. (Clapham, 1992: 115-116)

A few months after assuming state power, the EPRDF issued its first economic program (Ethiopia, 1991). The program proposed to deepen the price decontrol and domestic trade liberalization introduced by the previous government. It advocated continuation of state ownership and control of industry, finance, modern services, and land. The leadership’s vision of the post-socialist economy, though
amended after 1993, remains one of a "state-led market economy" with mixed ownership and active regulation to stem market failures. The first Policy Framework Paper (PFP), covering 1992–93, marked the formal start of an extensive stabilization and structural adjustment program for poverty reduction and transition to a market economy. Key elements of the various rounds of the first-stage reforms included.

- Prudent fiscal policies (mainly through retrenchment of the army and civil servants, tax reform, and lower defense spending) and monetary policies (limiting monetization of the fiscal deficit)
- A substantial correction of the overvalued nominal exchange rate.
- Decontrol of many prices.
- Liberalization of the foreign trade and foreign exchange regime.
- Autonomy of state-owned enterprises (SOEs) and privatization of small and medium enterprises.
- Financial market reform, including the licensing of six local private banks and seven insurance companies so far, and interest-rate (except for deposit rate) liberalization.
- A liberal investment code with an investment authority that is organized as a "one-stop shop." (World Bank 1998a: 46–47)

The last two PFPs have paid greater attention to agriculture and rural development, social sectors, infrastructure, energy, export and private sector development, and the financial sector. A civil service reform program is also underway. It encompasses the areas of financial management, judicial reform, human resource management, top management systems, human resource management, and service delivery. The government adopted a three-year adjustment program in mid-1996 under the IMF's Enhanced Structural Adjustment Facility (ESAF). In addition to the stabilization program, which was also supported by a Structural Adjustment Credit (SAC I) loan from IDA, it introduced structural reform measures aimed at liberalizing the economy. All retail prices, except petroleum, have been decontrolled. Export taxes were eliminated except on coffee, and in that case license fees for exporters were reduced. Measures to revive the private sector included allowing domestic private participation in freight forwarding and clearing, and in banking and insurance activities. The parasitical monopoly in coffee marketing was effectively abolished by allowing the private sector into coffee trading, marketing, and exports. Maximum
import duties were lowered from 230 percent to 40 percent, and to a weighted average of 21.5 percent by 1998. The negative list used to determine eligibility for imports through the foreign exchange auction has been reduced. Exporters of goods and services are now allowed to retain 10 percent of foreign exchange earnings. The government also issued a new labor code that incorporates much international practice in the areas of employment conditions and compensation; it eliminated the monopoly power of some official marketing and trade corporations, and completed the decontrol of agricultural prices. The investment code was revised four times in as many years and presently allows greater private sector participation, including in public utilities where the state enjoys a de facto monopoly. In addition, a number of modest measures have been taken to promote exports. Ethiopian public enterprises have historically been commercially (if not always economically) profitable, and their privatization does have important fiscal implications. For example, they accounted for 90 percent of federally collected revenues in 1996, with a full 40 percent coming from just 10 of the largest SOEs. (World Bank 1998a: 46–47)

Nonetheless, the Ethiopian Privatization Agency has recently stated that, during 1993–98, it undertook the divestiture of 176 firms (three-quarters of them retail shops and hotels) at a total price of 2.5 billion birr, or US$330 million. Financing and the inefficient land-lease policy are the major constraints on the planned case-by-case privatization of 120 large enterprises over the next three years. Some 16 of the enterprises were sold to foreign capital. The largest investor, the Saudi conglomerate of Midroc Ethiopia, which accounted for 64 percent of privatization receipts, paid US$172 million for the Lega Dembi Gold Mines and another US$90 million for ten agro-processing enterprises. It also owns the new Sheraton Addis and a network of construction, service, and financial establishments. (UNCTAD/ICC, 1999)

The birr has been allowed to float, as a result of which the ETB/US$ exchange rate rose from about 2 in mid-1992 to about 8 in mid-1999. This flexibility has resulted in the convergence of the official, auction, and parallel market exchange rates. The real exchange rate depreciated significantly as a result of the nominal devaluation and disinflation. The growth rate of the GDP deflator declined from 21 percent to 3 percent between 1991 and 1997. With additional support for improvements on the supply side, these reforms will result in a marked improvement in the competitiveness of Ethiopian exports. A number of tax policy reforms and other government revenue enhancement measures were also introduced. The number of
income tax brackets was reduced and the top marginal tax rate was lowered from 85 percent to 40 percent. Revenue mobilization, at less than 15 percent of GDP, remains inadequate. Tax arrears and corruption (notably in Customs, parts of Inland Revenue, and at the regional level) continue to be major problems, as is the 1960-vintage commercial code. (World Bank 1998a, 1998c)

Since it came to power, the regime, under the leadership of Prime Minister Meles Zenawi, has been highly pragmatic, and, like many other formerly socialist or socialist regimes, it has incorporated many dimensions of a global neo-liberal agenda: it has encouraged private investment and opened markets further. It has entered into debates and negotiations about development policies and reforms with Western governments, the IMF and the World Bank. It has met many reforms set out in the World Bank's Poverty Reduction Strategy Paper, known as the 'Sustainable Development and Poverty Reduction Strategy Paper' (SDPRSP) 'in deference to “local ownership” of the reforms. (EIU, 2003: 8) The regime has placed great emphasis on democratization and on the decentralization of governance: the rights of each ethnic group (or ‘nationality’) to have a say in its own governance and to promote its own history and culture have been enshrined in the Constitution. For the first time in Ethiopia, civil society organizations are emerging; and, although this process has not been without its problems, it is a beginning. When this government first came to power, there were fears that its abandonment of Albanian-style Marxism-Leninism was merely a ‘cosmetic concession adopted in deference to prevailing external conditions’. (Clapham 1992: 116)

More than ten years later, the number and extent of the reforms make it hard to call the abandonment ‘cosmetic’, but there are still areas where the old ideas endure. Most obviously, the government has resisted powerful external and internal pressure to privatize land. The leasing, lending and mortgaging of land are now permitted in an attempt to meet calls for more secure land holdings, but private ownership and buying and selling of land are still forbidden on the grounds that they would lead to the concentration of land in the hands of a few, and to the dispossession of the poorest who rely on it for their livelihoods. The policy of ethnic decentralization fits well with the rhetoric of ‘participation’ and ‘empowerment’ popular among development organizations and Western governments. But it has been argued that in Ethiopia its inspiration comes from a different source. (Watson 1998, 2003)
Clapham (1992, 2002) argues that its roots lie in Marxist-Leninist or, more particularly, a Stalinist theory of nationality in the Soviet Union. It is therefore not possible to think about the 1974–91 regime and the post-1991 regime as existing on a linear trajectory that shifts from socialism to post-socialism, as their different policies are not totally unconnected and often exhibit a shared heritage and set of influences. The continuities with the previous regime together with the new developments mean that the current regime is one of many contradictions that are continuing up to the time of writing. The decentralization of power to the regions and the grassroots, for example, is combined with a strong central state. It is therefore difficult at this stage to generalize about these processes. (Clapham, 1992: 116-117)

2.3. Impact of socialism on foreign relations

Under the socialist period, there was some villageization and some resettlement of people into the lowlands, but the majority of people were not relocated, as they already lived in concentrated settlements. Land was declared the property of the state; land holdings of more than ten hectares were outlawed; and those who cultivated a piece of land were given usufruct rights to it. In practice, there was no, or very little, reallocation of land. Large land holdings, even those of more than ten hectares, were not affected except in one way. Land-holding elites often lent a significant portion of their land to others as a form of assistance that was given in return for political and other forms of support; for example, labour. (Watson, Elizabeth E., 2006: 80-83)

Many lost claims to land that they had lent to others, as such arrangements were outlawed. In this way, the land-based power of some of these indigenous elites was undermined. The power of these land-based elites was also undermined in other ways. After the revolution, many of those who had served in the empire as intermediaries, especially the most important, were arrested and charged with having ‘exploited the people’. Many indigenous forms of institution were also seen as problematic, as they were considered to be mired in tradition and superstition, and thus the opposite of the society that the modernizing revolutionaries wished to engender. (Donham, 1999) No doubt many of these institutions were also seen as alternatives and therefore threats to the establishment of the regime’s new grassroots institutions, the Peasant Associations. For example, the apa timba and the apa baleta institutions were targeted and their signs of office (for example, the drums) captured and confiscated. As a result, many of these institutions ceased to function, or went
underground and continued to function only at reduced capacity. (Tadesse Wolde 2002: 50)

The generation-grade system (that organized society into groups classified by generation, each of which had particular responsibilities and status) was also halted: it was targeted partly as an alternative form of political organization, but mostly because this generation-grade system contained within it a control over the fertility of the youngest generation-grade, and this was considered backward and oppressive. The dissolution of the generation-grade is possibly one of the reasons for the high levels of population growth in recent decades. These changes brought pressures to bear on the ‘old order’, in which elites who controlled large amounts of land held social and political positions of authority. Agricultural livelihoods also started to come under pressure in general at this time as a result of population growth. As the Derg progressed, however, its power and influence waned. Many people had initially been convinced and excited by its promises that it would emancipate the people and deliver modernity and development. But over time these promises failed to materialize, and instead more young men were conscripted and sent to the war front, and serious resentment developed against the regime. In this context, some of the agricultural elites managed to reassert their claims to land that they had lent to others, and some of the indigenous institutions and authorities began to function again. All of these developments and practices took place ‘underground’, however, and this limited their strength and efficiency. Not a great deal is known about how the traders fared under the Derg. The student revolutionaries and the missionaries preached against all forms of discrimination and argued that the minority traders should be given equal status to the farmers. Despite this, difference and prejudice remained, although there was some intermarriage, mainly among those who had converted to Protestant Christianity. (Tadesse Wolde 2002: 50)

**Foreign Policy:** Ethiopia’s Foreign and National Security Policy and Strategy were issued in November 2002. The basic consideration of Ethiopia’s Foreign Policy is the protection of its national interest and to ensure its survival as a country. Its fundamental goal is democracy and development. The policy revolves around how to create enabling conditions so that people, step by step could benefit from rapid economic growth and democratization. It proceeds on the premise that promoting democracy and development will ensure survival and its national interest is to accelerate development and to establish a democratic order so that the people could
live in peace, free from poverty, ignorance, backwardness and disease. The external
environment is viewed from the prism of national situation and condition, that internal
problems and vulnerability have an impact on national security and survival. Its basic
thrust is therefore to bring about a fundamental change of attitude regarding the
essence of foreign relations and national security. The national security policy is to
ensure national existence and survival by protecting the population from strife, war
and disintegration. (www.moti@telecom.net.et, 2005)

The concept was embodied in slogans such as "self-reliance," "the dignity of
labor," and "the supremacy of the common good." These slogans were devised to
combat the widespread disdain of manual labor and a deeply rooted concern with
status. A central aspect of socialism was land reform. Although there was common
agreement on the need for land reform, the Derg found little agreement on its
application. Most proposals--even those proffered by socialist countries--counseled
moderation in order to maintain production. The Derg, however, adopted a radical
approach, with the Land Reform Proclamation of March 1975, which nationalized all
rural land, abolished tenancy, and put peasants in charge of enforcement. No family
was to have a plot larger than ten hectares, and no one could employ farm workers.
Farmers were expected to organize peasant associations, one for every 800 hectares,
which would be headed by executive committees responsible for enforcement of the
new order. Implementation of these measures caused considerable disruption of local
administration in rural areas. In July 1975, all urban land, rentable houses, and
apartments were also nationalized, with the 3 million urban residents organized into
urban dwellers' associations, or kebeles, analogous in function to the rural peasant
associations. (Erlich, Haggai., 1986)

Although the government took a radical approach to land reform, it exercised
some caution with respect to the industrial and commercial sectors. In January and
February 1975, the Derg nationalized all banks and insurance firms and seized control
of practically every important company in the country. However, retail trade and the
wholesale and export-import sectors remained in private hands. Although the Derg
ordered national collective ownership of land, the move was taken with little
preparation and met with opposition in some areas, especially Gojam, Welo, and
Tigray. The Derg also lost much support from the country's left wing, which had been
excluded from power and the decision-making process. Students and teachers were
alienated by the government's closure of the university in Addis Ababa and all
secondary schools in September 1975 in the face of threatened strikes, as well as the forced mobilization of students in the Development Through Cooperation Campaign (commonly referred to as zemecha) under conditions of military discipline. The elimination of the Confederation of Ethiopian Labor Unions (CELU) in favor of the government-controlled All-Ethiopia Trade Union (AETU) in December 1975 further disillusioned the revolution's early supporters. Numerous officials originally associated with the revolution fled the country. (Chege, M., 1979)

The foreign relations of the modern Ethiopian state were driven by the government's quest to establish this multiethnic polity as a viable nation-state and to maintain its territorial integrity. In many respects, then, the foreign policy pursued by the leaders of post revolutionary Ethiopia was consistent with the foreign policy of the old imperial regime. The aspect that changed from one era to the next was Ethiopia's ideological alignment. Whereas the regime of Emperor Haile Selassie had relied heavily on the patronage of the United States, that of President Mengistu Haile Mariam cast its fate with the Soviet Union. Both the pre- and post-1974 governments used economic and military aid from their respective superpower patrons to augment their own meager material resources, thus enhancing the ability of the regime to pursue not only certain foreign policy objectives but also specific domestic policies. Analysis of Ethiopia's foreign policy, both past and contemporary, suggests that, rather than serving as the pawns of one superpower or another, Ethiopia's leaders consistently placed their perceptions of what was best for Ethiopia before all else.

Although Addis Ababa quickly developed a close relationship with the communist world, the Soviet Union and its allies had consistent difficulties working with Mengistu and the Derg. These difficulties were largely the result of the Derg's preoccupation with internal matters and the promotion of Ethiopian variations on what Marxist-Leninist theoreticians regarded as preordained steps on the road to a socialist state. The Derg's status as a military government was another source of concern. Ethiopia's communist allies made an issue of the need to create a civilian "vanguard party" that would rule a people's republic. In a move geared to ensure continued communist support, the Derg formed the Commission to Organize the Party of the Workers of Ethiopia (COPWE) in December 1979, with Mengistu as its chairman. At COPWE's second congress, in January 1983, it was announced that COPWE would be replaced by a genuine communist party. Accordingly, the Workers'
Party of Ethiopia (WPE) was proclaimed on September 12, 1984. (Caraman, Philip., 1985)

About the same time, work continued on a new constitution for the planned People's Republic. On February 1, 1987, the proposed constitution, which had been submitted to the public for popular debate and changes the prior year, was finally put to a vote. Although the central government claimed an 81 percent approval of the new constitution (with modifications proposed by the public), the circumstances of its review and approval by the general population were called into question. The task of publicizing the document had been entrusted to the kebeles and the peasant associations—organizations that had a state security mission as well as local administrative duties. Observers noted that little commentary or dissent was possible under such circumstances. Additional criticism included the charge that the proposed constitution was not designed to address or even understand Ethiopian needs; in fact, many noted that the constitution was "almost an abridged translation of the Soviet Constitution of 1977". (Bahru Zewde., 1991) The transition from imperial to military rule was turbulent. In addition to increasing political discontent, which was particularly intense in the late 1970s, the Derg faced powerful insurgencies and natural calamities throughout the 1980s. Following the establishment of his supremacy through the elimination of Tafari Banti, Mengistu declared himself Derg chairman in February 1977 and set about consolidating his power. However, several internal and external threats prevented Mengistu from doing this. Various insurgent groups posed the most serious threat to the Derg. The EPRP challenged the Derg's control of the revolution itself by agitating for a broad-based democratic government run by civilians, not by the military. In February 1977, the EPRP initiated terrorist attacks—known as the White Terror—against Derg members and their supporters. This violence immediately claimed at least eight Derg members, plus numerous Derg supporters, and soon provoked a government counteraction—the Red Terror. During the Red Terror, which lasted until late 1978, government security forces systematically hunted down and killed suspected EPRP members and their supporters, especially students. Mengistu and the Derg eventually won this latest struggle for control of the Ethiopian revolution, at a cost to the EPRP of thousands of its members and supporters imprisoned, dead, or missing. (Bahru Zewde., 1991)

Also slated for destruction was MEISON, proscribed in mid1978. In coordination with the government, MEISON had organized the kebeles and the
peasant associations but had begun to act independently, thus threatening Derg dominance of local governments throughout the country. In response to the political vacuum that would be left as a result of the purging of MEISON, the Derg in 1978 promoted the union of several existing Marxist-Leninist organizations into a single umbrella group, the Union of Ethiopian Marxist-Leninist Organizations. The new organization's duty was similar to that of MEISON—promoting control of Ethiopian socialism and obtaining support for government policies through various political activities. The creation of EMALEDEH symbolized the victory of the Derg in finally consolidating power after having overcome these challenges to its control of the Ethiopian revolution. (Bahru Zewde, 1991)

2.4. The Post-Socialist Ethiopia and world order

In this post-1991 period, one of the major influences has been the emphasis on the individual's right to live as he or she chooses. The rhetoric of democratic rights and equality invoked by the people themselves, and words like 'democracy' have become commonplace in the local language (as 'democracy'). At the same time, many of the villages have attempted to reinstate the indigenous institutions and practices that 'went underground' in the socialist period. In some villages, for example, the drums have been taken out from their hiding places, and the institution of apa timba has begun to function again. The state still owns all land on behalf of the peoples of Ethiopia, but now leasing and mortgaging are permitted. In this new legal context, some clan leaders and other large land-holders have tried to reassert their claims to land that they had originally lent to others but subsequently lost through the land reform. Some have tried to use their moral authority as old political, ritual and clan leaders to get others to acknowledge that land they cultivate was originally lent to them by the clan leaders. These actions have led to struggles and tensions among farmers in which the lasting impact of the socialist regime weakened the moral authority of the clan leaders. The situation varies from village to village, and from leader to leader. But for example, in Gamole it is possible to see a pattern: those who have acceded to the clan leaders' claims to land either have little choice or can see advantages in cultivating links with someone they hope will prove an influential and generous patron in the future. At the same time, since 1991 there have been recurrent droughts. Agricultural livelihoods have become difficult, and food distributions have taken place frequently. The position of land-rich clan leaders, which has historically
been based on agricultural production, has therefore suffered. While agriculture has suffered, however, the fortunes of the traders have improved. The fuld'o network has strengthened post-1991 and has formed alliances with several powerful northern traders. The traders also buy products from the surrounding pastoralists, including livestock, hides and skins, butter and incense, and sell them at a profit to the north (Ayelew, Gebre, 1992: 9-11).

Other individuals simply carry a few goods by hand or balanced on their heads. Many of these imported goods also replace those that were traditionally produced by the artisanal traders themselves, and this increases the pressure for these artisans to develop their trading networks rather than relying on their craft-making skills. Land purchasing and selling is still forbidden under government policy, but this has not effectively prevented it from taking place in the past, and it continues today. Those in government offices appear to have little idea of who owns land, or where. Even if these people are local, there is no coherent collection of information on the matter. Land purchasing and selling is, therefore, commonplace and difficult to prevent. Those who have made good profits from trading have often invested in land, which they cultivate with their own household labour or with labour that they have hired. Pure agriculture-based livelihoods are therefore becoming more difficult, and traders' lives are becoming more successful and the traders are investing their profits in land. This final development has impressed many farmers and led them to take up the very trading activities that they used to eschew. (Watson, Elizabeth E., 2006: 80-83)

Ethiopia has marked with demographic and ecological diversity, an extremely high rate of absolute poverty and economic insecurity, a predominantly subsistence and coffee-based mono crop economy, and an old but resilient state plagued by autocratic rule and endemic social unrest. The country's 60 million people are highly diverse in ethnic, religious, and geographic terms. According to census figures (Ethiopia, 1998; b), there are more than 80 distinct ethnic groups. About 60 percent of Ethiopians are Christian, a third is Muslims, and the remainder adheres to various indigenous religions. In the urban areas there is distinct occupational specialization among the various ethnic groups. Ecological diversity is unusually high, with 18 agro-ecological zones, and there is marked contrast between the densely settled mixed farming regions of the temperate central highlands and the transhumant lowlands. Ethiopia is arguably the poorest country of its size in the world by almost all measures.
of poverty. Despite its good agricultural endowments, it has yet to achieve sustained food security. A 1981–82 survey found that nearly 90 percent of the population was below the poverty line of US$2 per day. In 1995–96, 43 percent of farm households were food insecure. Famines, regional and nationwide, occur with distressing frequency, thereby converting much of the transitory poverty into chronic poverty. (Ramachandran 1997; Clay, Molla, and Habtewold 1998)

The worst rural poverty is found in the famine-prone northern highlands, especially in parts of Tigray and Wollo, and in the lowlands along the country’s international borders, most notably, the Afar, Somali, Borana, Gedeo, and Omo areas. Interestingly, the rate of urban poverty may very well have approached the level of rural poverty in the 1990s. The country’s social indicators reflect its low per capita income. Half the population does not have access to health facilities within 10 kilometers. Life expectancy at less than 50 years is below the average for Sub-Saharan Africa, as are school enrollment ratios. Only 40 percent of primary school-age children are enrolled in primary schools and just 15 percent of eligible students attend secondary schools. Ethiopian economic data are generally incomplete or inconsistently reported, especially for periods longer than five years. I have constructed a number of economic series for the period under review, piecing together the more reliable birr-based series from disparate sources. (Abegaz, Berhanu, 1999: 170-171)

2.5. Historical facts of India- Ethiopia Relations.

Historical links between India and Ethiopia go back to almost two thousand years of recorded history. Trade between the two countries flourished during the ancient Axumite period. In the 6th Century A.D. Indian traders flocked the ancient port of Adulis trading in silk and spices for gold and ivory. The Hapshis were known to have arrived in India in the 13th Century. During the Portuguese exploits of the 17th Century, Indians came to Ethiopia from Goa and many merchants, workers and artisans came to Ethiopia in the 19th Century. The first time the Indian troops came to Ethiopia was in 1868 as soldiers of Robert Napier, the British Commander-in-Chief in Bombay and the second time was in 1935 when fascist Italy invaded the country. When India achieved its Independence in 1947, it sent a goodwill mission to Ethiopia led by Sardar Sant Singh. (Negash Kebret, 2001: 77)
India's relations with Ethiopia have been traditionally close and friendly and have not been affected by political changes in Ethiopia. Successive Ethiopian regimes have been appreciative of the fact that India has never been hostile to Ethiopia's interests. Ethiopia has been consistently supportive of India's position on various issues in the global arena. There is positive alignment in the views on cross-border terrorism as well as other issues sensitive to India such as expansion of UNSC, Kashmir issue etc. Ethiopia greatly appreciates India's understanding of the problems of the countries of Africa, its support to their economic development and sensitivity to their needs. Ethiopia admires India's economic, social, scientific and technological achievements. It has identified Indian Institutions for training of their nationals in the fields of agriculture, small industry, transportation, higher education, banking, health, engineering etc. (Negash Kebret, 2001: 77-89)

Emperor Haile Selassie visited India in 1956 and 1968. President Haile Mariam Mengistu visited India in 1983 to attend the NAM Summit and in 1985 for a state visit. Prime Minister Meles Zenawi visited India in 1997. Foreign Minister Seyoum Mesfin visited India in 1992, Dr. Teklechaimanot Haileslassie, Vice Minister of Education and Dr. Brouk Debebe vice Minister of Trade and Industry visited India in 2001, Dr. Kebede Tadesse, Minister of Health visited India in 2002. The Chief Economic Adviser to the Prime Minister visited India in January 2003 to establish institutional linkage with Indian universities/institutions. Speaker of the Ethiopian House of Federation, Dr. Mulatu Teshom along with the Presidents (Chief Ministers) of Two Federal States of Ethiopia, Amhara and Tigray, visited India from October 25 to November 3, 2004. (www.rajdut@telecom.net.et, 2005)

The UNDP, Ethiopia also organized a study tour of 15-member delegation to Rajasthan in September 2004. The delegation also comprised President (Chief Ministers) of three Federal States of Ethiopia, Benishangul-Gomuz, Afar and Gambella. Two vice Ministers of Education, accompanied by a few academicians visited India in December, 2004 to study the organizational set up functioning, course contents etc of higher education and IITS of India. President V.V.Giri visited Ethiopia in 1972. Smt. Indira Gandhi visited Ethiopia in 1964 as Minister of Information and Broadcasting, Minister of State for External Affairs Shri. S. Kundu visited Ethiopia in 1979 and Minister of State for External Affairs Shri. Eduardo Faleiro visited Ethiopia in 1993. Other Indian Ministers like Shri Shivraj Patil and Smt. Sheila Kaul visited Ethiopia in the 1980s. Shri. Rajiv Pratap Rudy, Minister of State for Commerce and
Industry visited Ethiopia in 2002 to attend the JTC meeting. Shri Rajiv Sikri, Special Secretary (ER) led a delegation to the 5th Ordinary Session of the African Union (AU) Executive Council and the 3rd African Union (AU) Summit of the Heads of State and Government held in Addis Ababa in July 2004. Most recently, Shri V.K. Grover, Special Envoy of India visited from 26 to 27 April 2005 to promote India’s candidature for a permanent seat in UNSC. His visit was followed by a visit of a 7 member high level delegation led by Secretary (West), Mrs. Sashi U. Tripathi from May 9-11, 2005 in connection with Pan-African satellite connectivity offered by our President during his address to the 2nd session of Pan-African Parliament held in Midrand, South Africa in September, 2004. (www.rajdut@telecom.net.et, 2005)

2.6. Establishment of Diplomatic and Political Relations

India shortly after achieving its independence dispatched a good will mission to Ethiopia to maintain and further consolidate the long standing ties between them. Before the arrival of this good will mission Ethiopia however had already taken a decision to establish diplomatic relations with India at the legation level in July 1948. Four months later and three years after India become free the emperor of Ethiopia in his coronation speech announced that diplomatic relations with India would be established soon. Accordingly, in 1950 full diplomatic relations were established to formally develop and maintain close cordial ties between them. The leader of the Indian good will mission Mr. sardar sant singh was appointed by the government of India as the first Indian ambassador to Ethiopia. (Negash Kebret., 2001)

The relations between India and Ethiopia are warm and friendly based on mutual respect, admiration and cooperation. We are both members of the UN and NAM and share similar perception on issues of common concern and those that affect developing countries. Our bilateral cooperation is multi-faceted and is being enhanced and reinvigorated through regular contacts and visits. (www.mfa.gov.et., 2005) AU: The Headquarter of the African Union (AU) is in Addis Ababa. The Commission of the AU is headed by H.E. Mr. Alpha Oumar Konare, Chairperson of the Commission of the African Union. He is assisted by the Deputy Chairperson and eight Commissioners in charge of Peace and Security, Political Affairs, Infrastructure and Energy, Social Affairs, Trade and Industry, Rural Economy and Agriculture, Human Resources, Science & Technology and Economic Affairs. President Joaquim Chissano is the current President of the AU. The 3rd AU Summit will be held in
Addis Ababa in July 2004. India has participated in the last seven OAU/AU Summits as invited guest. Also as a significant development Ambassador of India to Ethiopia, H.E. Mrs. Jordana Diengdoh-Pavel was accredited as India’s Representative to the African Union (AU) on 8th March, 2004 in an impressive ceremony held at the AU headquarters in Addis Ababa along with the Ambassadors and Heads of Missions of 23 other countries. (www.africa-union.com, 2005) UNECA: The Headquarter of the UN Economic Commission for Africa (UNECA) is located in Addis Ababa. It is headed by H.E. Mr. K.Y. Amoako, United Nations Under-Secretary-General. India has been cooperating with UNECA under India’s Basic Cooperation Agreement by making available funds in trust to UNECA to finance projects for Africa development. (www.uneca.com, 2005)

2.6.1. India-Ethiopia Bilateral relations

Ancient links between India and Ethiopia have existed even before history was recorded during the Auximite period (2nd to 9th Century A.D.) According to famous historian Dr. Richard Pankhurst, “contacts between the land which came to be known as Ethiopia and India date back to the dawn of history.” Trade between India and the Axumite Kingdom flourished in the 6th century A.D. The ancient port of Adulis served as an entrée-pot and the hub of maritime trade where Indian traders flocked to trade in spices and silk for ivory and gold. In later periods, the arrival of Indians in the 17th Century with the support of the Portuguese, the Indian troops in 1868 brought by Robert Napier who was then the Commander-in-Chief of the British Army in Bombay and in 1935 when fascist Italy invaded Ethiopia were important events. Indian artisans and workers played an important role in the development of the famous city of Gondar and the Palace of Emperor Fasilidas. The Hapshis were known to have arrived in India in the 13th Century. They are now known as Sidis and are reported to be around 15,000 in number and inhabit the area around the Gir forest in mainly the villages of Srivan and Jambur. (www.mfa.gov.et., 2005) (Appendix: III)

2.6.2. Bilateral visits from Ethiopia to India

- President Haile Mariam Mengistu visited India in 1983 to attend the NAM Summit and in 1985 for a state visit.
- Dr. Teklehaimanot Haile Sellassie, Vice Minister of Education and Dr. Brouk Debebe Vice Minister of Trade and Industry visited India in 2001.
• The Chief Economic Adviser to the Prime Minister visited India in January 2003 to establish institutional linkage with Indian universities/institutions.

• H.E. Mr. Sufian Ahmed, Minister of Finance and Economic Development visited India on 15-19 January 2006 and met MOS (RIS) and MOS (Finance) in connection with infrastructural development, ICT and tertiary education. The Minister also secured Lines of Credit amounting to US$ 65 million for a rural electrification project and support to small industries.

• H.E. Mr. Adugna Jebessa, State Minister of Water Resources of Ethiopia visited India from 31 January to 5 February 2006 to participate in the Delhi Sustainable Development Summit 2006 held in New Delhi.

• The Ethiopian Deputy Prime Minister and Minister of Agriculture, Mr. Addisu Legesse, accompanied by Mr. Neway Gebre-AB, Chief Economic Advisor to PM, visited India from 15-19 May 2006 and had discussions with Shri Sharad Pawar, Minister of Agriculture and Consumer Affairs, Food & Public Distribution in Mumbai with regard to cooperation in the field of agriculture.

• H.E Mr. Ahmed Tusa, Minister of Trade and Industry, visited India in June 2006 in connection with the 4th Joint Trade Committee and met Shri Jairam Ramesh, Minister of Commerce.

• H.E. Mr. Tadesse Haile, State Minister of Trade & Industry led a six-member delegation to participate in the CII Conclave on India-Africa Project Partnership' held in New Delhi from 9-11 October 2006.

• H.E. Mr. Girma Birru, Minister of Trade and Industry visited India from 17-22 October, 2006. During the visit, he met the Minister of Commerce and Industry, Minister of Finance, Minister of State for External Affairs, prominent Indian companies and Indian business organizations.

• H.E. Dr. Abera Deresa, State Minister of Agriculture and Rural Development led a eight-member delegation to India from 15-18 October for a study visit. The delegation met the Minister of State for Agriculture and senior officers in the Ministry of Agriculture and officials of NAFED and APEDA.
• Ethiopian Energy Minister, Mr. Alemayehu Tegenu and Mr. Bernard Zoba, AU Commissioner for Infrastructure & Energy visited New Delhi on 6-8 November, 2007 in connection with India-Africa Hydro-Carbon Conference set to bring about 25 African States closer to India in the oil and gas sector. Mr. Girma Birru, Minister of Trade and Industry, Government of Ethiopia, visited India to attend the 14th Partnership Summit 2008 organized by the CII in New Delhi on 16 – 18 January, 2008. During the Summit, Ato Girma Birru promoted a wide range of opportunities for trade and investment in Ethiopia.

• Mr. Tadasse Haile, State Minister of Trade and Industry attended the 4th CII-Exim Bank meeting at New Delhi on 19-22 March, 2008.

• Mr. Meles Zenawi, Ethiopian PM, accompanied by spouse Mrs. Asef Mesfin attended the India-Africa Forum Summit at New Delhi on 8-9 April, 2008. Mr. Seyoum Mesfin, Foreign Minister also attended the Ministerial meeting of the Summit on 7th April, 2008.


2.6.3. Bilateral visits from India to Ethiopia

• Shri. Rajiv Pratap Rudy, Minister of State for Commerce and Industry visited Ethiopia in 2002 to attend the JTC meeting.

• Shri V.K. Grover, Special Envoy of the Government of India, visited Ethiopia from 26-28 April 2005, and he called on H.E. Mr. Meles Zenawi, Prime Minister of Ethiopia and H.E. Dr. Tekeda Alemu, State Minister of Foreign Affairs of Ethiopia to discuss matters relating to UNSC reforms.

• A 7-member Indian delegation led by Smt. Shashi U. Tripathi, Secretary (West), MEA, visited Ethiopia from 9-11 May 2005 in connection with presentation of Pan-African Satellite Connectivity Project offered by the President of India during his address at the Second Session of the Pan-African Parliament in South Africa in September 2004. The delegation
met Chairperson of the Commission of the African Union and Dr. Tekeda Alemu, State Minister for Foreign Affairs.

- A 7-member Indian expert team led by Joint Secretary (WA), Mr. Navdeep Suri, visited Ethiopia from 20-22 July 2005 in connection with the Pan-African network project.


- H.E. Mr. Kanti Lal Bhuria, Minister of State for Agriculture, visited Addis Ababa on 6th-7th November, 2006. He called on H.E. the President of Ethiopia and had meetings with H.E. Mr. Addisu Legesse, Deputy PM and the Minister of Agriculture and Rural Development, and H.E. Dr. Aberra Deresa, State Minister of Agriculture and Rural Development.

- Mr. Nalin Surie, Secretary(West) along with Mr. Dinkar Khullar, Joint Secretary(WA), visited Addis Ababa from 28th-31st January, 2007, to attend the AU Summit. During the visit, Secretary (West) met Dr. Sintayehu Wolde-Michael, Minister of Education, Dr. Tekeda Alemu, State Minister for Foreign Affairs & Mr. Tadasse Haile, State Minister for Trade & Industry and Dr. Aberra Deressa, State Minister for Agriculture.

- EAM also met Ambassador Tashome Toga, Speaker of Lower House of Ethiopian Parliament and addressed the Standing Committee on Foreign, Defence and Security Affairs and the Ethio-India Friendship Forum of the Ethiopian Parliament. During the bilateral meeting with H.E. Mr. Seyoum Mesfin, Foreign Minister, EAM signed 5 agreements and also announced a Line of Credit of US$ 640 million for development of sugar industry in Ethiopia. Training slots under ITEC were also increased from 30 to 50. EAM also announced donation of a CT scan machine for Black Lion Hospital. He also met Prof. Alpha Oumar Konare, Chairperson of the African Union Commission and discussed India-Africa partnership.

- H.E. Mr. Anand Sharma, MOS, accompanied by Mrs. Narinder Chauhan, JS (E&SA), visited Ethiopia on 27-31 January, 2008, in connection with the 10th AU Summit. During the visit, MOS (AS) called on Ethiopian PM
Meles Zenawi, FM Seyoum Mesfin and Chairperson of AU Commission Prof. Alpha Oumar Konare. Besides, MOS (AS) also met HOS/G of Ghana, Egypt and Zambia and Foreign Ministers of several African countries. MOS (AS) also spoke in the Executive Council of AU on 29.1.08 regarding the India-Africa Forum Summit held at New Delhi in April 2008.

- Mr. H.S. Anand, Secretary in the Ministry of Housing and Urban Poverty Alleviation, led an 8-member delegation on 15-16 April, 2008, to Addis Ababa in connection with a seminar-cum-exhibition on Innovative Building Materials and Construction Technology for Sustainable Housing organized by the Mission along with BMTPC and HUDCO. The exhibition was inaugurated by H.E. Mr. Kassu Illala, Minister of Works and Urban Development of Ethiopia and the keynote address in the Symposium was delivered by Mr. Arkebe Iqubai, State Minister of Works and Urban Development. (The Government of India: Report on Bilateral Relations, 2008)

It is significant to mention that India has contributed the largest number of troops to the United Nations Mission in Ethiopia and Eritrea (UNMEE) for manning the Temporary Security Zone (TSZ) between Ethiopia and Eritrea. UNMEE has since been terminated through a Security Council Resolution No.1827 (2008) on 30th July, 2008.

Bilateral Treaties and Agreements have been entered into between two countries:


5. Air Service Agreement signed on 3rd August, 1967. In pursuance of the agreement, MOUs were signed on 27th October 1972, 14th October 1993 and 29th January 2004.


7. MOU for curriculum development of Ethiopian Police College signed between The Guru Nanak Dev University (GNDU) and Federal Police Commissioner of Ethiopia on 27 December 2005.

8. MOU signed between Telecommunications Consultants (India) Limited, India and Ethiopian Information and Communication Technology Development Agency (EICTDA) on 12 January 2006 for implementing the pilot project for tele-education and tele-medicine.

9. MOU signed between EAM of India and Foreign Minister of Ethiopia on 5th July, 2007 for Establishment of Joint Ministerial Commission.

10. MOU signed between EAM of India and Foreign Minister of Ethiopia on 5th July, 2007 for Bilateral Investments Promotion and Protection Agreement.

11. MOU signed between EAM of India and Foreign Minister of Ethiopia on 5th July, 2007 for Cooperation in the field of Science and Technology.

12. MOU signed between EAM of India and Foreign Minister of Ethiopia on 5th July, 2007 for Protocol on Foreign Office Consultations.

13. MOU signed between EAM of India and Foreign Minister of Ethiopia on 5th July, 2007 for Educational Exchange Programme. (Government Report of Ethiopia and India on Bilateral Treaties, 2008)

2.7. Indo-Ethiopia cultural Relations

India and Ethiopia signed a Cultural Agreement in 1983 which envisages cooperation in arts and culture, education, archaeology, sports, public health, films, television, radio, press etc. A three year Cultural Exchange Programme for 1998-2000 continues in operation till the signing of the new CEP. Under the CEP, ICCR sponsored an 8-member composite troupe on Kuchipudi dance and Hindustani violin in 1998. Two art publications and 20 colour reproduction of masterpieces of Indian art were also sponsored by ICCR in 1999. An Indian Film Festival was organized in Addis Ababa.
in 2000 and another Film Festival was organized in March 2003. An exhibition of contemporary graphic prints of Indian artists was held in Addis Ababa in 2002. The noted Odissi dancer Sonal Man Singh performed in Addis Ababa in April 2003. A Rajasthani dance troupe performed in Addis Ababa, Mekelle and Adigrat in November 2003. From the Ethiopian side a 10-member folklore dance troupe performed in various Indian cities in 2001. (www.indembassy@telecom.net.et, 2005)

Actually, India is assisting Ethiopia through scholarships and undertake via the general scholarship schemes and cultural exchange program. Good number of Ethiopian students studying in India for B.A., MA/MSc degrees. Ministry of Education, Ethiopia is also hiring a number of professors, associate professors, and teachers from India to teach at the universities. It is observed that about 400 teachers are teaching at various colleges, universities and vocational training centers in Ethiopia. For example, there are around 95 Indian professors and assistant professors in the Addis Ababa University, about 35 professors in Defence University College, Arbaminch University, Mekele University, Gondar University, Alamaya University and others. One feels that this helps a lot in human resource development of Ethiopia. And, of course, many Indian teachers have been involved in Ethiopia since the 1960s. Indian teachers have educated many leaders here. The education sector of Ethiopia has an excellent relation. India has been focusing on human resource development since independence. That is one of the main strengths of India, which, one hope would be rubbed off to Ethiopia through this collaboration. Under the General Cultural Scholarship Scheme and the Indo-Ethiopian Cultural Exchange Programme, the Government of India awards 20 scholarships every year to the nominees of the Government of Ethiopia for under-graduate studies in the fields of humanities and for postgraduate studies for M.D, M.E. M.Sc., Research etc. (www.indembassy@telecom.net.et, 2005)

A prominent hospital in the Centre of Addis Ababa city has been named after Mahatma Gandhi, “The Gandhi Memorial Hospital”. It was constructed in the early sixties by the Indian community with the Indian legation and dedicated to the local Government. The Birla Brothers also donated equipment and medicines and constructed a maternity ward at this Hospital. Similarly, a branch of Commercial Bank of Ethiopia has been named after Mahatma Gandhi as “Commercial Bank of Ethiopia - Mahatma Gandhi branch” Piassa and a street stretching from this branch,
measuring about ½ km to Mohammed Music Shop of Piassa has been named as "Mahatma Gandhi Street". (www.indembassy@telecom.net.et, 2005)

Ethiopia issues entry visas for all categories of visitors. The entry visa can be secured from Ethiopian diplomatic and consular missions abroad or upon arrival at Bole International Airport in Addis Ababa. Visas are renewed for three months. Visitors who stay more than 30 days must report to immigration authorities and secure an Identity Card. Visas are not required for transit passengers. This stands for 72 hours which may be extended for 7 days. Ethiopia also issues business visas for a month and it is renewable if arranged by local organizations. (www.addischamber.com, 2005) Ethiopian Airlines operate four flights in a week to and from Mumbai and two flights to Delhi. The convenient travel routes from Addis Ababa to India and back are: Addis Ababa- Mumbai-Addis Ababa and Addis-Ababa-Dubai-Delhi-Dubai-Addis Ababa.

2.7.1. Indian Diaspora as a factor in Indo-Ethiopia Relations
The Diaspora can do for Ethiopia what the Indian Diaspora has managed to accomplish for the Indian economy. However, that cannot be accomplished without creating organic relationship between Ethiopia and its Diaspora investors. The mass dispersion of peoples of a common culture or national origin is commonly referred to as a Diaspora. Historically, these movements tend to be forced or involuntary. They may be the result military occupation, systematic persecution, servitude, enslavement, or laws by which the dominant society defines an ethnic group as marginal, undesirable, or subordinate. These movements also tend to reflect pervasive regional or global forces that separate peoples of common origin form their homeland (real or imagined), leaving them to think of themselves as exiles. Such is the case of the African Diaspora which began in the early 16th century and displaced tens of millions of Africans from their ancestral continent to various sites in the New World. At one time there were more than 9000 families in Ethiopia. By the mid-80s their number had come down to 8000. The Indian community comprises mainly of business persons, Indian teachers in Universities, Colleges and Technical Institutions and professionals working in UNCA, World Bank, UNDP and other international organizations. Following the revolution and the establishment of the Derg regime, a large number of businessmen left Ethiopia for want of business opportunities. A number of professionals and technical persons were, however, hired by the Derg
regime. Presently, the Indian community numbers approximately 1500 nationals plus an approx. number of 400 teaching staff on contractual assignment. There are three associations, the Indian Association set up in 1937, the Hindu Mahajan and the Malyalam Association. There is also an Indian National School which is an autonomous institution set up in 1947 under the auspices of the Indian Association. (www.addischamber.com, 2005)

2.8. India Ethiopia and the NAM
The Non-aligned Movement is product of Bandung Conference in 1955. The purpose of the organisation as stated in the Havana Declaration of 1979 is to ensure "the national independence, sovereignty, territorial integrity and security of non-aligned countries" in their "struggle against imperialism, colonialism, neocolonialism, racism, and all forms of foreign aggression, occupation, domination, interference or hegemony as well as against great power and bloc politics." They represent nearly two-thirds of the United Nations' members and 55 percent of the world population, particularly countries considered to be developing or part of the third world. As for as role of India and Ethiopia are concerned in the NAM, both the sovereign countries are founder members of the Non-aligned Movement and participated in the Bandung conference in 1955. India and Ethiopia played active part to promote the objectives of NAM among member's countries and other part of the world. Both the countries played major role during the cold war era. India and Ethiopia gives emphasis to the efforts of giving renewed impetus to the priority of development cooperation and equitable international economic relations. They had opposed the intervention imperialist power in Africa. India and Ethiopia have supported the national movements in African countries. It was India who had raised the question of Namibia's independence in various summits of the NAM. The Ethiopian government had also supported the policy of India. The Indian government also raised the question of racial/apartheid policy of white government of South Africa. At the Asian-African Nations Conference held from 18 to 24 April 1955, often called the Bandung Conference after its location, the obnoxious racial policies of South Africa came in for strong condemnation. The Conference was organized on the initiative of Indonesia and supported by Burma, Sri Lanka, India and Pakistan. It was attended by 24 other Asian and African countries including Ethiopia. The Conference reflected the dissatisfaction of the sponsors with what they regarded as a reluctance of
the Western Powers to consult them on matters concerning Asia and Africa. The purpose of the Conference was also to mobilize the forces of Asia and Africa to promote peace and freedom. Now Namibia and South Africa got their independence. (Suvedi, Suryaprasada. 1996)

The NAM's relevance since the collapse of the Soviet Union has been questioned, with some commentators saying the organisation has outlived its usefulness. For Since the end of the Cold War and the formal end of colonialism, the Non-aligned movement has been forced to redefine itself and reinvent its purpose in the current world system. A major question has been whether many of its foundational ideologies, principally national independence, territorial integrity, and the struggle against colonialism and imperialism, can be applied to contemporary issues. The movement has emphasised its principles of multilateralism, equality, and mutual non-aggression in attempting to become a stronger voice for the global South, and an instrument that can be utilised to promote the needs of member nations at the international level and strengthen their political leverage when negotiating with developed nations. In its efforts to advance Southern interests, the movement has stressed the importance of cooperation and unity amongst member states, but as in the past, cohesion remains a problem since the size of the organisation and the divergence of agendas and allegiances present the ongoing potential for fragmentation. While agreement on basic principles has been smooth, taking definitive action vis-à-vis particular international issues has been rare, with the movement preferring to assert its criticism or support rather than pass hard-line resolutions. The movement continues to see a role for itself, as in its view, the world's poorest nations remain exploited and marginalised, no longer by opposing superpowers, but rather in a uni-polar world, and it is Western hegemony and neo-colonialism that that the movement has really re-aligned itself against. It opposes foreign occupation, interference in internal affairs, and aggressive unilateral measures, but it has also shifted to focus on the socio-economic challenges facing member states, especially the inequalities manifested by globalisation and the implications of neo-liberal policies. The non-aligned movement has identified economic underdevelopment, poverty, and social injustices as growing threats to peace and security in the post cold war era. Ethiopia and the Non-Aligned Movement has an interest to see NAM play a greater role in strengthening the South-South cooperation Strives to get the support of the movement for the initiatives of Intergovernmental Authority on Development (IGAD) in conflict management of the
2.9. Regional Political organisation and Indo-Ethiopia Relations

Ethiopia is a member of the UN, NAM, AU, NEPAD, IGAD, COMESA, EU-ACP, ADB and others. AU: The Headquarter of the African Union (AU) is in Addis Ababa. The Commission of the AU is headed by H.E. Mr. Alpha Oumar Konare, Chairperson of the Commission of the African Union. He is assisted by the Deputy Chairperson and eight Commissioners in charge of Peace and Security, Political Affairs, Infrastructure and Energy, Social Affairs, Trade and Industry, Rural Economy and Agriculture, Human Resources, Science & Technology and Economic Affairs. President Joaquim Chissano is the current President of the AU. The 3rd AU Summit will be held in Addis Ababa in July 2004. India has participated in the last seven OAU/AU Summits as invited guest. Also as a significant development, Ambassador of India to Ethiopia, H.E. Mrs. Jordana Diengdoh-Pavel was accredited as India’s Representative to the African Union (AU) on 8th March, 2004 in an impressive ceremony held at the AU headquarters in Addis Ababa along with the Ambassadors and Heads of Missions of 23 other countries. (www.africa-union.com, 2005)

UNECA: The Headquarter of the UN Economic Commission for Africa (UNECA) is located in Addis Ababa. It is headed by H.E. Mr. K.Y. Amoako, United Nations Under-Secretary-General. India has been cooperating with UNECA under India’s Basic Cooperation Agreement by making available funds in trust to UNECA to finance projects for Africa development. (www.uneca.com, 2005)

2.10. Indo-Ethiopia Relations under globalisation

The term “globalisation” came into general use from the middle of the 1980s, primarily in the field of economics, but also in a broader political and cultural sense. This phase of globalisation in Africa can be said to date back to the debt negotiations with the IMF and the World Bank. What positive effects did this have for African countries? The most important were the financial reforms: reasonable macroeconomic order was imposed through devaluation (up to 70–80 per cent in many countries) and deep cuts in public budgets. However, as government leaders safeguarded their position and interests through the budget allocations for so-called sovereignty expenses (the military, the diplomatic service, the apparatus supporting the president’s
office, etc.), the cuts primarily affected the general public in the form of reductions in food subsidies and in government spending on schools, health care and other public services. The IMF, the World Bank and Western aid agencies can be criticised for not injecting new funds to alleviate these cuts in social services. There was, in fact, a general reduction in development assistance following the recession that hit the Western economies at the end of the 1980s. The IMF and the World Bank later admitted that their policy had been too rigid. The recipe used after 1990 was to promote a lean, but effective state that could play an active role in development and provide the right conditions for private sector development, along similar lines to Asia. (Muhammad Yunus, 2007)

In the post-Cold War era, with the emergence of an independent Namibia and a democratic South-Africa, the main agenda that had brought India and Africa together the fight against colonialism and institutionalised racialism—has disappeared. India's Africa policy indicates a slight change as also some consistency in the post-Cold War era. It appears to be composed of five mantras: promoting economic cooperation, engaging the people of Indian origin, preventing and combating terrorism, preserving peace and assisting the African defence forces. There exists enormous goodwill for India in Africa and India should take advantage of it to further strengthen ties through a new partnership. (Ruchita Beri, 2003)

Another element in the economic reforms was the lowering of tariff barriers and privatisation of state companies. As early as the 1960s, Raul Prebisch, then Secretary-General of UNCTAD, concluded that the policy of import substituting industrialisation (ISI) i.e. industrialisation behind tariff walls—had its limitations, and that allowing foreign competition could enhance productivity and international competitiveness. But the radical demands imposed by the IMF and the World Bank immediately created new problems for African manufacturers, even though these demands were only partially met in practice. Indeed African economies are still less open than economies in other regions. The closure or privatisation of most state-owned companies would have become necessary in any case. They were hampered by the same problems as African societies in general: corruption, lack of technical expertise and little institutional loyalty. Norwegian experts observed this first hand in Ghana, where the State Fishing Corporation went from bankruptcy to bankruptcy, and in Tanzania, where industry was extensively nationalised and came to a practical standstill in the 1980s. However, the subsequent takeover of state-owned enterprises
by foreign companies led not only to an injection of new capital and expertise, but also to new forms of exploitation in countries with a weak state and poor negotiating and monitoring capacity. (Rederick Cooper., 2002)

The political effects of the new globalisation from the 1980s were dramatic. In 1989, most African countries were one-party states or military dictatorships; three years later, most had governments that had come into power through multi-party elections, and constitutions that – at least in principle – recognised individual political rights. The World Bank and the Western aid agencies had set political reform as a condition for debt arrangements throughout the 1980s. Broad popular opposition to authoritarian regimes was triggered by the global wave of democracy that swept in with the fall of communism and the end of the Cold War. However, the new political unrest also gave rise to an increase in violent internal conflicts, largely, but not solely along ethnic lines. The new-found strength of ethnic feeling was a global phenomenon, and is not easy to explain; in Africa it was clearly strengthened by a combination of economic crises, social frustrations and weak governance. The growing international engagement in peace processes in the 1990s must be seen as a positive consequence of globalisation. The African Union has a long tradition of mediation, which reflects the traditional African political culture of consensus. The G8 countries have stipulated that African leaders must monitor each other’s human rights performance in order to qualify for increased development funding, and initiatives such as the New Economic Partnership for African Development (NEPAD) have been established with this in view. However, as we have seen in Zimbabwe, this is no easy matter. The UN failed in Rwanda, as it did in the Balkans, and so far it has achieved far too little in Darfur. But the UN has also played a key role in a number of peace agreements. It has mobilised emergency relief on a huge scale. And its largest ever peacekeeping force is currently deployed in the Democratic Republic of Congo. (Rederick Cooper., 2002)

2.11. Recent initiatives between India and Ethiopia

Recently, in a function organized in 2008, Ambassador gave lecture on ‘India and Ethiopia Cooperation in Human Resource Development and Capacity Building’ to mark the 60th anniversary of India-Ethiopia bilateral relations. In the speech, Ambassador highlighted the close cooperation in the political as well as economic sectors with Ethiopia and the Tigray Region. (Reports on Bilateral Relations between
India and Ethiopia, 2008) The Embassy and the Ministry of Foreign Affairs jointly organized a one day symposium “Ethio-India: 60 Years of Friendship” to mark the 60 years of establishment of diplomatic relations between the two countries. The inaugural session was addressed by the Ambassador and the Foreign Minister who, while giving the keynote address, stated that Ethiopia fully supported India's place in the UN Security Council on permanent basis in view of India’s contribution to peace, stability and mutual understanding in the world. (Reports on Bilateral Relations between India and Ethiopia, 2008)

Indian fellowships and teachers are playing a major role in spreading education in Africa's second most populous nation. With fellowships under the Indian Technical and Economic Cooperation Programme, popularly known as ITEC, "steadily increasing", a record number of 90 fellowships were given to Ethiopians last year. The 45th anniversary of the programme was celebrated here with Ethiopian beneficiaries in attendance. India spends over $11.4 million annually on ITEC in 156 countries, with the east African nation with which India has ancient links being one of the main recipients. Under the programme, around 3,000 foreign candidates are given short-term training in India every year in a number of technical fields. About 500 Ethiopians travel to India every year for higher education and out of these an average 40 travel with scholarships offered by the Indian government. (www.uneca.com, 2005)

Hundreds of Ethiopian students are currently studying in India, a majority of them on self-financing basis. The new India ambassador to Ethiopia, Bhagwant Singh Bishnoi, said the ITEC, started by India in 1964, was mainly devoted to capacity building through short and medium-term training courses in India. The ITEC has been useful in the deputation of Indian experts as it is one of the important pillars of South-South Cooperation, the ambassador said, adding ITEC fellowships to Ethiopians were steadily increasing. The number of fellowships allocated to Ethiopia in 2007 was 35, but it has now registered about 150 percent increase and has gone up to 90, making Ethiopia the third highest beneficiary in Africa. The ambassador expressed hope that during his tenure he would endeavor to bring Ethiopia to the number one position. While speaking at the Ethio-India Graduates Forum over the weekend, Bishnoi spoke of India’s continued efforts in capacity building of Ethiopia that started years ago with the arrival of Indian teachers. Since then, the Indian government had doubled the scholarships offered under the cultural exchange programme, under which Ethiopian
scholars pursue under-graduate, post-graduate, master’s and doctorate degrees from reputed Indian institutions. (www.uneca.com, 2005)

As a result of these scholarships, he said, there has been a surge in Ethiopian nationals thronging India for pursuing higher studies. Efforts are on between some prominent universities and institutions in India and the Ethiopian education ministry to form partnership and collaborate in various fields. Ethiopia’s State Minister of Education Adhana Haile expressed his country’s appreciation to the support, especially the efforts of Indian teachers currently working in various universities of Ethiopia in spreading education in the country. He said Ethiopia considered India as a role model for overall development of the country and hoped that these efforts would contribute to greater sharing of ideas and experiences between the two nations. (www.uneca.com, 2008)

Mr. Pranab Mukherjee, Minister for External Affairs of India, visited Addis Ababa along with a high level delegation consisting of Mr. Nalin Surie, Vice Minister, DG (Africa), DG (African Union) and others from the Ministry of External Affairs, New Delhi, from July 3-6, 2007. During his visit, EAM called on H.E. Mr. Girma Wolde Giorgis, President of the Federal Democratic Republic of Ethiopia, H.E. Mr. Meles Zenawi, Prime Minister, Ambassador Teshome Toga, Speaker of the House of Peoples’ Representatives and H.E. Mr. Seyoum Mesfin, Foreign Minister of the Federal Democratic Republic of Ethiopia. Following the detailed talks between the Foreign Ministers, they signed five bilateral agreements on the establishment of a Joint Ministerial Commission, on enhancing consultations between the Foreign Office establishments, on Protection and Promotion of Bilateral Investment, on Cooperation in the field of Science and Technology and a Programme for Educational Exchanges. (Rederick Cooper, 2002)

During the visit, Minister for External Affairs of India, was hosted to lunch by H.E. Mr. Girma Birru, Minister of Trade and Industry, where he had intensive discussions on enhancing bilateral economic cooperation with his host and H.E. Mr. Sufian Ahmad, Minister of Finance, H.E. Mr. Alemayehu Tegenu, Minister of Mines and Energy and H.E. Mr. Junedi Sado, Minister of Transport and Communication. During the visit, the Minister for External Affairs, along with H.E Mr. Tefera Walwa, Minister of Capacity Building, inaugurated the Tele-education facility under the Pan-African e-Network Project at the Addis Ababa University and the Tele-medicine facility at the Black Lion Hospital. During this and the subsequent lunch hosted by
Minister for Capacity Building, he met the Ministers for Education and Health. (www.ethiopia.gov.) During the visit, the Minister for External Affairs addressed the Standing Committee on Foreign, Defense and Security Affairs and the Ethio-India Parliamentary Friendship Group and also had a meeting with the Indian community. Among the salient features of the visit was the extension of the first tranche of a line of credit to support the sugar industry of Ethiopia of US$ 122 million out a total of US$ 640 million, which will be provided over 5 years. The Hon’ble Minister also announced doubling of ITEC training slots for Ethiopia from 25 to 50 in a five year time frame. This was the first visit by a Minister of External Affairs of India to Ethiopia and the first visit to Sub-Saharan Africa by Mr. Pranab Mukherjee, Minister for External Affairs of India. Towards the conclusion of the visit, EAM called on H.E. Mr. Alpha Oumar Konare, Chairperson of the African Union Commission. (www.uneca.com, 2005)

The Foreign Ministers of India and Ethiopia signed the following five agreements on in July 2007 during the visit of Mr. Pranab Mukherjee, External Affairs Minister, to Addis Ababa.

1. Establishment of a Joint Ministerial Commission
2. Bilateral Investment Promotion & Protection Agreement (BIPPA)
3. Cooperation in the field of Science & Technology
4. Educational Exchange Programme
5. Protocol on Foreign Office Consultations

Bilateral trade between the two countries has steadily been increasing and is heavily in India’s Favor. India’s annual imports from Ethiopia had been averaging around US$ 1 million till 1999-2000. According to the Ethiopian Customs Authority, India’s exports to Ethiopia in 2008-09 are worth $ 450 million while imports are to the tune of $ 12 million. India mainly exports to Ethiopia primary and semi-finished iron and steel products, machinery and instruments, drugs and pharmaceuticals, plastic and linoleum products, paper and paper products, rubber manufactured items, yarns and textiles, machine tools, glass/glassware, cosmetics and electronic goods. India imports from Ethiopia semi-furnished and finished raw cotton pulses and spices. Indian investments in Ethiopia have crossed $ 4.15 billion in 2009 and India is now the single largest investor in Ethiopia. (www.uneca.com, 2005) (Appendix: IV)

Pan-African e-Network Project: The Government of India has allocated an amount of US$2.1 million to set up a pilot project for tale-medicine and tale-
education in Ethiopia under the Pan-African e-Network Project. The pilot project was inaugurated by EAM in July 2007 and on its completion the project was inaugurated by EAM on February 26, 2009 by interacting live with Ministers of 11 countries including Ethiopia. 47 African countries are currently members of the project. (www.uneca.com, 2005)

ITEC Assistance and Education: The ITEC programme for Ethiopia was started in 1969 and has been fruitfully utilized by Ethiopia for the year 2009-10, 90 slots were utilized. ICCR offers 40 scholarships per year to meritorious students under CEP and GCSS and all have been utilized. The Ethiopian Government has established ties with Delhi University, IIT, Delhi and other educational institutions for cooperation. 58 officers from the Defense Engineering College are studying at Defense Institute of Advanced Technology (DIAT), Pune to complete their M-Tech Degree. 4 are studying in IIT, Kanpur and 2 are studying in IIT, Delhi, on self-financing basis. (www.India.gov.com)

2.12. India Ethiopia and south-south co-operation

The concept of South-South cooperation is in the process of transformation. It is no longer limited to the government driven model of collaboration among the countries of the South to influence collectively the global, political and economic scenario. It has become broad based and includes not only the government but the private sector, educational, research institutions and civil society organizations as well. Today South-South cooperation is not an option but an imperative for the developing countries to meet their common challenges.

Linked by commonalities of history, socio-economic and political challenges, the countries of the South can share their issues of common concern, diversify and expand their sources of support and restructure global institutions and develop equitable forms of global interdependence. Areas of collaboration include, inter-alia: technical, trade investments, human resource development, institution building, knowledge sharing on science, technology and health, democracy, good governance, human rights, environment, climate change, anti-terrorism, prevention of conflicts, promotion of gender equality, etc. Mutual aid among countries of the South can be at three levels: bilateral, regional and global. The collaboration could further amplify the voice of the South on issues of importance to developing countries such as; reform of global governance institutions to create a more equitable world order, the
achievements of the Millennium Development Goals, poverty, food security, energy security, climate change, and sustainable development to which the countries of the South have committed themselves to and hope to achieve through the advantages that globalization offers. (www.uneca.com, 2005)

Africa is rapidly shedding its reputation as a conflict and poverty ridden ‘dark’ continent and emerging as a large market with vast untapped natural resources. This new profile has reinforced interest in the continent globally and specifically among the Asian drivers, mainly India and China. The China-Africa summit (2006) and India-Africa Summit (2008) bear testimony to the ascendant significance of Africa. Chinese and Indian engagement on the African continent is also seen as an alternative to Africa’s earlier engagement with the West that is largely perceived as discriminatory and exploitative. In addition to the Asian presence, the involvement of the Latin American countries in Africa can facilitate the redefinition of the South-South cooperation wherein Africa can emerge on the centre stage through cooperation at bilateral levels that can radiate to regional and eventually global issues of common concern such as the millennium development goals. A parallel discourse that is in currency and has been the cause of much debate, reflection, and concern, more so in the context of China’s African safari is that South-South co-operation presages a new ‘resource imperialism’ with complete disregard for accountable governance and human rights that will result in the rise of new hegemony. This pro-growth strategy, at the social, economic and environmental cost for the common man has little relevance. Central to the debate is if this new axis of South-South initiatives will lead to pro-people development with equity outcomes that will trickle down to the disadvantaged or will these convergent interests help Africa break away from its dependence on the north? The nascent engagement with Africa is however fraught with multiple challenges. However, some sections in the academia and civil society feel that with adequate legal and social safeguards mechanisms devised at the level of the Africa Union and the state and proper management by the Africans, the collaboration will greatly benefit the stakeholders in particular and the countries of the global South in general. (www.uneca.com, 2005)
By definition, South-south Cooperation is described as the countries of the South are in various stages of development and they cannot liberate themselves from underdevelopment through a single formula or a single development route. Precisely, they are at various stages of development, they have different resources of expertise, capital or markets. They could therefore go into joint endeavours to use to the maximum these different resources. By taking advantage of the economies of aggregation and exploiting new openings for cooperation among themselves, developing countries felt that they would also come to a stronger negotiating position vis-a-vis the North. In all, it is, therefore, concluded that the process of decolonization during the present century had a profound political, economic and psychological impact and acted as a strong stimulus to South-South Cooperation. Anti Colonial movements supported one another. With the achievement of independence was born a sense of national dignity and mutual partnership. Issue of national development came to the fore. Many developing countries found themselves short of trained professionals, experienced administrators, skilled technicians and financial resources. Experience showed that the technology offered by developed countries was often not appropriate to the circumstances in developing countries. There was general recognition of the need to make the fullest use of the capacities, indigenous skills and resources of developing countries. South-South cooperation was seen as an effective instrument for national capacity-building. It should be noted that developing countries will be able to derive the full benefits of South-South Cooperation without assistance from international community. South South cooperation complements North-South Cooperation. Technical Cooperation among Developing Countries has received universal approval. (www.uneca.com, 2005)

Also being implemented within the framework of South-South Cooperation is the NAM initiative on the issue of population. A group of experts has likewise been put to work making in depth studies on this issue and their recommendations have been submitted. One of the results of this effort is a report titled "NAM Support for South-South collaboration in the field of Population and Family Planning which is based on Indonesia's Experience". The NAM also addressed the problem of hunger through an Ad Hoc Advisory Group of Experts which has submitted a proposed Action Programme. This programme subsequently was adopted by the Conference of the Minister of Food and Agriculture of the Non-Aligned Movement and other Developing Countries held in Bali in October 1994. Equally important, another
action-oriented strategy that has been adopted by the Movement is Self-Propelling Growth. It has been found effective and appropriate for pursuing South South Cooperation and for achieving sustainable development. This strategy promotes community-based economic growth as well as the right of the poor to participate in and benefit from development. To further propagate this grass roots approach, Indonesia in June 1995 hosted the Open-Ended joint Meeting of Experts and Decision Makers of Developing Countries on Development Schemes. It is important to note that the Self-Propelling Growth Scheme was first endorsed by the Standing Ministerial Committee for Economic Cooperation of the NAM in Bali in May 1993. In accordance with a decision of that meeting, the Experts Group Meeting on the Promotion and Enhancement of the Self Propelling Growth Strategy within the framework of South-South International Development Cooperation was convened in Jakarta in September 1993. The 1994 NAM Ministerial Meeting in Cairo reaffirmed the recommendation of Standing Ministerial Committee that a Joint Meeting of Experts and Decision-Makers should be convened in order to develop and formulate an action-oriented programme for fostering self reliance and sustainable development.

At any stage in the development of the Self-Propelling Growth Strategy within Non-Aligned Movement, it will always find a staunch supporter and advocate. Self-Reliance itself is Indonesian philosophy of development as enunciated by President Soeharto at the Tenth Summit of Non-Aligned Movement in Jakarta in September 1992 and in various other international forums after that. Regarding that Indonesian philosophy, "Development" may prove to be elusive if it is not pursued simultaneously with other goals: "Equity" in the sharing of the benefits of and responsibility for development, and "Stability" so that the activities necessary for development may be carried out expeditiously without the debilitating effects of human conflict and social turmoil. (www.uneca.com, 2005)

At the Eleventh NAM Summit in Colombia in October 1995 Indonesia turned over to Colombia the chairmanship of the Non-Aligned Movement. The new NAM 4 chairman, President Ernesto Samper Pizano of Colombia, cited President Soeharto's Statement during the Jakarta Summit that "National development must be focused on the people, must be of the people, by the people and for the people". The Movement called to become intensively people oriented. At the global level, the beneficiaries of development are all people, the entire humankind, but the lamentable facts is that until today a few nations are making the decisions that affect all of humankind. Because
the economic policies of the countries of the North have a profound impact on the economic plight of developing countries of the South. Parallel with intensively people oriented, the Heads of State or Government of the NAM stated that they are committed to waging war on poverty, illiteracy, and under development. More over they called for the accelerated development of developing countries based on equitable distribution growth, and stability. The NAM should seek to advance broad based people-centered development, including the development of human capital. In this respect, the NAM reinvigorate the North-south dialogue and to engage the countries of the North in a global partnership for development; a more equitable sharing of the fruits and responsibilities for development so that sustainable global economic growth may take place in an atmosphere of peace and stability. Meanwhile, the determining efforts to intensify South-South Cooperation on the basis collective Self-reliance is likely imperative. A more effective mean of pooling the resources, expertise and experiences internal to the South should be developed. Member of the NAM also called upon developing countries to initiate concrete and practicable forms of cooperation and to devise realistic modalities for the implementation of cooperation. Dealing with this the concept of collective self-reliance could be translated into reality. For this, TCDC is deemed as an essential means for further strengthening the national and collective self-reliance of developing countries. It enables them to use their own capacities creatively to solve prising development problems. (www.uneca.com, 2005)

However, it is a fact that the current level of TCDC is "much smaller' both in terms of value and volume, than technical cooperation between developed and developing countries. This is due to factors such as the scarcity of financial resources, and the lack of relevant information on capacities and capabilities of developing countries. The most crucial thing is a lack of appreciation on the part of developing countries themselves for the existing TCDC programmes. It is, therefore, to strengthen TCDC itself; there should be an increased focus within South-South Technical Cooperation programmes upon improving the capabilities of developing countries to address their most common critical needs and problems through appropriate and effective efforts. As mentioned earlier, South-South Technical Cooperation programmes should pay more attention to enhancing cooperation on development schemes in strategic fields of people-centred and integrated community development that have proven to be successful in, generating Self-Propelling Growth
and capitalising upon local resources. To meet the above mentioned cooperation, the development experiences should be shared among developing countries. The sharing of such experiences could be enhanced through Expert Exchanges, technical information sharing, facility sharing, focused workshop and seminars, network arrangements, trainings, and apprenticeship. The possibility of replicating such development scheme might be explored through tripartite and multipartite arrangements between developing countries developed countries and multilateral as well as international organizations. It is also necessary to tap national as well as international systems to develop information network on the strategic capacities and capabilities of developing countries. Considering the fact of the existing cooperation, the efforts done should be inter-related and be continuously developed and enhanced.

Developing countries should have a more concerted effort in promoting and enhancing technical cooperation either in the framework, of TCDC or South-South Cooperation through concrete and action oriented programmes. It is, therefore, important to say that an appropriate institutional focus and support is required. In the above connection, in the Ministerial Meeting of the Coordinating Bureau of Non Aligned Countries held on 25-27 April 1995 in Bandung, Indonesia, Government of Indonesia proposed the idea of establishing a centre for South-South Technical Cooperation (Here in after referred to as the Centre). The Ministers expressed a positive response and took with interest the proposed idea and requested the Government of Indonesia to elaborate the proposal for the establishment of the Centre. In the preparation for the establishment of the Centre for South-south Technical Cooperation, the Bureau for Technical Cooperation of the Cabinet Secretariat of the Republic of Indonesia, which is the Agency responsible for coordinating of all technical cooperation between Indonesia with other countries and International Organizations, was assigned to prepare the document of the proposed Centre to be submitted to the Eleventh Non-Aligned Summit held in Cartagena, Colombia in 1995. The Bureau is also responsible in preparing the programs activities of the centre and in coordinating the set up of information networking of the centre. In the Eleventh Conference of heads of State of Government of Non-Aligned Countries held in Cartagena, Colombia, 14 to 20 October 1995, the Heads of States of Government then have endorsed the establishment of the Centre for South-South Technical Cooperation (CSSTC) in Indonesia as one of the vital and effective means
for promotion and accelerating development in developing countries. (Brown, Mark Mallach., 2001)

Thus, co-operation between India and Ethiopia are going on to strengthen the objectives of south south co-operation. India and Ethiopia are exchanging their technical skill through South- South cooperation. Today South-South cooperation is not an option but an imperative for the developing countries especially India and Ethiopia to meet their common challenges. Linked by commonalities of history, socio- economic and political challenges, the countries of the South particularly India and Ethiopia can share their issues of common concern, diversify and expand their sources of support and restructure global institutions and develop equitable forms of global interdependence. South-South cooperation was seen as an effective instrument for national capacity-building between India and Ethiopia. Both the countries could therefore go into joint endeavours to use to the maximum different resources to fulfill their requirement in the era of south- south cooperation. In the post cold phase, political and diplomatic relation between Ethiopia and India has grown steadily. Their cooperative relationship, which is based on mutual respect for each other, is classic example of genuine South- South cooperation.

2.13. Conclusion

Today, India and Ethiopia enjoy strong friendly relations and bonds of friendship underpinned by their by their long standing political relations. Both the countries have always attached the highest importance to their centuries old ties and are committed to further strengthen and deepen the already existing excellent bilateral relations. There have also been a number of high level official and unofficial visits between the two countries. India's relations with Ethiopia have been traditionally close and friendly and have not been affected by political changes in Ethiopia. Successive Ethiopian regimes have been appreciative of the fact that India has never been hostile to Ethiopia's interests. Ethiopia has been consistently supportive of India's position on various issues in the global arena. Both the sovereign states cooperating each other in the field of culture such as arts, education, archeology, sports, public health, television, radio, press, etc. Within the NAM, Ethiopia and India always supported each other on policies and postures on disarmament North south dialogue, south-south Cooperation, the Indian Ocean and various other issues.