

TECHNICAL ASSISTANCE IN ETHIOPIA
WITH SPECIFIC REFERENCE TO
UNDP'S COUNTRY PROGRAMME TECHNICAL ASSISTANCE

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TABLE OF CONTENTS

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	<u>Page</u>
I. INTRODUCTION	1
II. UNDERDEVELOPED COUNTRIES AND TECHNICAL ASSISTANCE	4
1. Historical Background of External Assistance	4
2. The Consistent Need for Technical Assistance by Least Developed Countries.....	5
3. Technical Assistance and Its Implication.....	8
4. The United Nations and Its Technical Assistance...	11
4.1 New Programme for LDC's (1982-1986).....	14
III. TECHNICAL ASSISTANCE IN ETHIOPIA.....	18
1. Resource and Development Potential.....	19
1.1 Ethiopia - Social Indicators Data Sheet.....	21
2. Development Efforts During the Pre-Revolution Period.....	27
3. Development Efforts Since 1974.....	28
4. The Ten-Year Development Plan (1980/81-1989/90)...	30
4.1 Fixed Investment.....	31
4.2 Domestic Saving and Need for External Assistance.....	31
IV. THE UNDP PROGRAMME IN ETHIOPIA.....	37
1. UNDP Technical Assistance	37
1.1 UNDP Technical Assistance in Ethiopia.....	39
1.11 Forms of Assistance.....	40
1.12 Participation and Contribution of the Ethiopian Government.....	43
1.2 Technical Assistance Since 1966.....	44
1.21 Ethiopia Country Programme.....	46
2. General Assessment of UNDP's Experience.....	48
2.1 Implementation of Technical Assistance from UNDP.....	55

	<u>Page</u>
V. IMPACT OF TECHNICAL ASSISTANCE ON ETHIOPIAN ECONOMY	58
1. The Volume of Assistance.....	59
2. Technical Assistance on a Sectoral Basis.....	60
3. The Impact of Technical Assistance on the Economy	63
VI. THE MALIGNANT ASPECT OF TECHNICAL ASSISTANCE.....	70
1. Technical Assistance and International Development	70
1.1 Monopolization of Material Resources, Techniques and Delivery Systems.....	74
1.2 Manpower.....	76
1.3 Worldview and Value Hierarchy.....	76
2. Technical Assistance and African Development..	77
VII. THE NEW INTERNATIONAL ECONOMIC ORDER AND ITS REALITY IN ENHANCING AFRICAN DEVELOPMENT	91
VIII. CONCLUSION.....	99

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CHAPTER I - INTRODUCTION

Despite a quarter of a century of experience and billions of dollars invested, we have very little hard information as to what works and what does not in the field of technical assistance.

Every year UN agencies and other aid donors invest several hundred million dollars in technical assistance projects in developing countries. These activities can be grouped into two categories: those that are designed to improve the performance of public agencies in providing basic services (education, administration, planning) and those that are aimed more directly at increasing national output and creating new employment (agricultural extension, vocational training, productivity centres, public works). Despite the fact that the latter account for more than half the resources invested in technical assistance, very little is known about how successful these projects have been in achieving their objectives.

There would appear to be two factors which have produced this state of affairs. The first is technical: while it is very easy to measure the number of demonstrations given, trainees graduated, firms serviced, and so on, it is very difficult to measure the actual contribution of a particular project in terms of employment and value added that would not otherwise exist.

Working in conjunction with these technical impediments are a cluster of motivational concerns. While both the UNDP and the technical organizations are officially committed to the principle of project evaluation, at the operational level it is in the interest of all parties to conclude that, save for the most visible failures,

every project is said to attain an acceptable level of success. For the staff of UNDP, prospects for individual advancement at virtually every echelon are tied to a growing number of projects and a rising level of funding. This seems the same with other donors. In the case of the executing experts, a candid assessment of shortcomings and ultimate project impact or lack thereof could occasionally raise questions of professional competence and, of even more vital concern, diminish prospects of re-employment in a future project.

The final participant of this community of interest is the counterpart ministry in the aid receiving country. While recognizing at a general level the need for more effective technical assistance, individual directly involved share the risk-averting preference of their expatriate colleagues with respect to being implicated in an unsuccessful venture; at a higher ministerial level authorities are inclined to avoid any action that might result in a slow-down of the inflow of aid. This is so because developing countries are mostly dependent on external assistance and the economy will collapse without it!

Has technical assistance any impact on the growth of developing countries say for example Ethiopia? Can the economy of Ethiopia do without any technical assistance, if technical assistance has a negative impact? If not, and if developing countries' economy can't stand without it, why can't the economy show a sustained growth after such a flow of technical assistance? How can our country take advantage of the technical assistance given to her?

Ethiopia is one of the developing countries that is to a larger extent dependent on technical assistance, and will still remain dependent in the future.

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In his statement at the Review Meetings of Eastern African Least Developed Countries held in Addis Ababa from 4 - 15 May 1981, the Ethiopian Delegate, Comrade Hailu Yimenu, Senior Minister and Secretary-General of the National Revolutionary Development Campaign and Central Planning Supreme Council sanctioned the grave economic situation of the country and its inability to have a self-sustained economy even with the efforts to be made in mobilizing domestic savings, entailing a need for external support to finance the local costs in the various sectors of the Investment Programme.

If there is a consistent need of external assistance which comprises technical assistance also, we should analyse the economic significance of technical assistance, which is the objective of this paper. In my subsequent chapters, I will deal with technical assistance to developing countries in general and to Ethiopia in particular showing the merits (economic) and the impediments towards sustained economic growth.

My first chapter will deal with the general role of technical assistance in developing countries and the consistent need for technical assistance. The second chapter will specifically deal with technical assistance in Ethiopia giving its historical background and its prospects. The consequent chapter will deal with the UNDP mandate and UNDP's role in Ethiopia hinting some of the problems encountered in the implementation of the programmes. The impact of UNDP's and other technical assistance programmes in Ethiopian economy will then be dealt with. My last two chapters will deal with general phenomenon, a gist of the malignant aspects of technical assistance and its impediments in generating economic growth and development in Least Developed Countries; and the International Economic Order and its reality - the New Economic Order now counted to be the last resort for development in the Third World.

CHAPTER II - DEVELOPING COUNTRIES AND TECHNICAL ASSISTANCE

1. Historical Background

External assistance in developing and now developed countries has a long history which primarily evolved from humanitarian responses to successive problems and challenges in European countries.

The immediate and urgent need for the post war periods were relief and rehabilitation, but continued dislocation and the growing strength of some powerful countries during the first and the Second World War, a massive reconstruction programme was essential for which the rich countries provided external financial and technical support for recovery, eventually external assistance tended to shift from recovery to containment and security in European countries.

In Africa bilateral external assistance at initial period was a means of colonization, though the concept of foreign assistance today seems to be a different one. Even after independence Africa and other Least Developed Latin American countries are still under the rescue of external assistance for their economic independence, for their burning need and desire to develop - economic and social progress to relieve appalling poverty and to convert nominal nationhood into the substance of economic and self-reliance.

Foreign assistance has come into this world with the appeal of both national and trans-national interests, for the latter being a surplus commodity disposal. It can serve as a political (influence of the recipient country), economical (expand market for the rich countries), instrument or it can be humanitarian - because of moral obligation (normally given by missionaries and religious institutions).

The concept of foreign assistance today is a different one from that of those days of colonization. It is the transfer of resources from the richer countries to the relatively poorer countries in the course of development. It is not the same as the "Marshall Aid" of the Second World War which was a disaster aid nor is it the same as the transfer of resources which occurred usually on a commercial basis of investment in colonial days. The objective now is not relief but a programme of social and economic development.

2. The Consistent Need for Technical Assistance by the Least Developed Countries Especially African Least Developed Countries

The contribution that the Least Developed countries can potentially make to the future development of our continent, is enormous. It should therefore be the duty of all other African countries and other LDCs and of the international community as a whole, to help them play their full role as soon as possible. Assistance to these countries is not therefore a matter of charity but a matter of foresight and a good investment.

It is obvious that to enable the LDCs to improve the performance of their economies, more assistance should be given to those countries and, preferably, on concessionary terms. It is therefore important that appropriate measures be taken to ensure a substantial increase of assistance to LDCs on a predictable basis and, as much as possible, on a grant basis as well.

It is apparent that whatever the volume, assistance in itself would not be sufficient. The resources which the LDCs earn from the export of their goods and commodities should also be predictable and adequate. This implies a firm international agreement on the evolution of the prices of the commodities and

goods produced by the LDCs. We have noted recently, for example, that despite an increase in the quantity of coffee produced by some LDCs, like Ethiopia, the export earnings of these coffee-producing LDCs had decreased due to the fall of coffee prices on the world market.

The special situations being faced by individual Least Developed Countries shall be taken into account in defining the measures to be implemented in favour of those countries. As we are all aware, out of the 21 African LDCs, half (exactly eleven) are land-locked, and two others are made up of several islands, facing severe living conditions. Besides, about half of African LDCs have been drought stricken and their economies have yet to recover from that plight. Among other problems to be solved by those countries the attainment of self-sufficiency in food is a major issue. More generally, many African LDCs had been neglected before their independence or for other historical and geographical reasons by donor countries which aggravated their present need for external assistance. As a result, the infrastructure of those countries needs to be developed and strengthened (a key for economic development). The constraints being faced by African LDCs and other Latin American and Asian developing countries cannot be overlooked, they ought to be properly identified and solutions to overcome them proposed and implemented by the International Community.

Over and above the problems sited above, the African LDCs and others have experienced the impact of the energy crisis. While there are reasonably good prospects for a number of those countries to become oil and/or gas producing countries in the future, this potential is currently far from being realized.

Each African LDC should articulate clearly its national energy policy, and where such a policy does not exist at all, formulate an appropriate one. The international community should be mobilized to help in the speedy implementation of such policies.

Bearing in mind the economic crisis the Least Developing Countries presently face and their failure in their efforts towards development, it seems that there should be a consistent development assistance from the international community.

In the underdeveloped countries the scale of development investment in general to-date has been too low to promote vigorous economic growth. It is doubtful whether many of them can raise the additional capital resources they need without some external assistance. Even if they could, as total outlays for development are increased, foreign exchange requirements will also rise. More modest projects will also need some imported materials and it will take ages before all UDCs can hope to be self-sufficient and self-reliant. Even a development programme concentrating in its first phase on agricultural improvement (which is the dominant sector in generating surplus for UDCs) will impose some additional burdens on supplies of foreign exchange. A substantial proportion of government expenditure is made in foreign exchange. Thus even countries fortunate enough to be able to meet capital requirements from domestic taxes and savings may nevertheless face a foreign exchange problem.

The problem confronting UDCs being the gap between their own capacity for financing development and their capital requirements, it is this gap which must be filled by external assistance, and this gap may be greater or less than the foreign exchange component of the development programme, hence requirements are

flexible, determined in the light of the country's overall economic situation, and in relation to its development programme as a whole. What is important to note in this respect is that any external assistance (technical) is only used to raise the total output in the recipient country.

3. Technical Assistance and Its Implication

Technical assistance is an important area of international development policy. If foreign capital is actually to be incorporated into new patterns of activity, there must be education investment in individuals as well as investment in plan and equipment. For, as Marshall said "Ideas, whether those of art and science or those embodied in practical appliances, are the most real of the gifts that each generation receives from its predecessors. The world's material wealth would quickly be replaced, if it were destroyed but the ideas by which it was made were retained. If however, the ideas were lost, but not the material wealth, then that would dwindle and the world would go back to poverty".^{1/}

Beyond providing capital, the rich countries must also make available to the peoples of the poor countries the knowledge and technical experiences which they have accumulated. The flow of capital during the 19th century was accompanied by parallel migrations of people and technology. Although the migration of labour is insufficient today, the transfer of technical knowledge can be highly important if efficiently utilized. To transfer technical knowledge and help overcome the shortage of skills and organizational abilities in the poor areas several technical

^{1/} Alfred Marshall, Principles of Economics, Macmilan and Co. Ltd., London, 1930, p. 780.

assistance programmes are in operation. Some of these programmes are organized bilaterally between countries while others are internationally organized.

The assistance is spread in all sectors taking different forms:

1. Transfers of skills and know-how of expertise to advise on policies and programmes in their fields of specialization and to train host country counterparts ultimately to take over the job;
2. Fellowship and training facilities for the host country;
3. Equipment and supplies provision;
4. Any other form of assistance like grants, etc., which involve transference of resources without any return.

Technical assistance is distinct from foreign aid since the latter comprises of foreign loans while the former is just a transference of resources from richer countries to the poorer countries without any return.

Although the experience with technical assistance is widespread now some questions can be raised regarding how to derive the maximum advantage from a continuing programme of technical aid. There are however certain advantages to having technical assistance administered under international auspices than deriving it from a bilateral source. First, it may be politically more acceptable since receiving countries do not wish to be tied too closely to the grantor nation and may wish to prefer to receive help from a multi-lateral organization

to which they belong. In many countries the exploitation and abuses often associated with development in the past have left a legacy of distrust, which in some cases hampers the introduction of new techniques into the less advanced countries... Their confidence and cooperation is likely to be given most freely to a programme under international auspices, in the direction of which the underdeveloped countries can take as full a part as the economically advanced countries. Second, the contribution of one country to the international agency may set an example for other countries, thereby stimulating the contributions of funds and making more available than would otherwise be forthcoming under bilateral programmes. A third advantage of the multilateral approach is that it generates a spirit of mutuality and cooperation which allows experts to be drawn from many countries, regardless of their country of origin. Fourth, the international approach avoids the limitations of tied aids which make technical assistance conditional upon purchases from the grantor nation. Fifth, it is likely to provide greater continuity in aid in so far as the necessity of receiving annual approval of a national legislature is avoided. Finally, the nature of many of the problems requires international action: transportation, communication and health programmes frequently transcend national borders.

The world is divided into north and south; a predominantly industrialized and wealthy north and south of the mediterranean line, poor largely peasant world in Africa, Asia and Latin America. There is a wide gap between the north and the south which needs to be narrowed.

The great task of technical assistance now is to lessen the abyss that divides these two halves of the world by helping the poorer countries to make themselves richer by developing their resources of human skills, agricultural land, mineral deposits and industrial capacity.

When we talk of technical assistance as a measure of transference of resource from the rich country to the poor, it does not mean that the campaign is to equalize world incomes, it is to ensure that everyone has enough to eat, a place to live, cloth to wear. This is the third of Roosevelt's four freedoms which he gave as one of the aims of World War II; Freedom from Want, Twenty years later Freedom from Want had been virtually achieved in the Atlantic Community; now it is spreading to the poorer nations of Africa, Asia and Latin America.

4. The United Nations and Its Technical Assistance

The term United Nations was used in the Declaration by the United Nations on 1 January 1942, when 24 nations pledged their determination to continue fighting together against the Axis powers in the Second World War. In the aftermath of the war a Charter was drawn up defining the purpose of a new association of sovereign states throughout the world, to be known as the United Nations, which came into being on 24 October 1945.

The preamble to the UN Charter beginning:

"We the peoples of the United Nations determined:
TO SAVE succeeding generations from the scourage
of war, which twice in our lifetime has brought
untold sorrow to mankind, and

TO REAFFIRM faith in fundamental human rights,
in the dignity and works of the human person, in
the equal rights of men and women and of nations
large and small and;

TO ESTABLISH conditions under which justice and
respect for the obligations arising from treaties
and other sources of international law can be
maintained and;

TO PROMOTE social progress and better standards
of life in larger freedom,..."

The UN has accordingly set up a number of organizations
to carry out humanitarian, economic and social activities known
as special bodies of the United Nations. Of these special
bodies this paper will in a later chapter deal with the United
Nations Development Programme.

Recognizing the importance of economic and social
development, the United Nations considered the period 1961-1970
as a "Development Decade" which was a global adventure, unpre-
cedented in history. It was inspired by the realization that
a great and growing economic gulf exists between the wealthy,
industrialized countries on the one hand and, on the other,
the countries struggling to achieve a reasonable standard of
economic and social progress.

Thus the targets of the United Nations Development Decade
were modest ones but the concept of the Decade was essentially
one of a focus for action, action to lessen the gap, to spread
up the process of modernization, to release the majority of
mankind from crippling poverty, to mitigate the tensions and
hostilities which must flow from the world's vast inequalities in

wealth and to restore solidarity and hope. The UN General Assembly Resolution in itself constituted an agreement between nations that continual growth and progress should be an objective in all parts of the world, while the adoption of a target for the transfer of financial resources to the developing countries indicates universal acknowledgement of the concept of supranational responsibility for the poverty which was widespread.

Each member state had bound itself to assist in achieving the targets both individually and collectively. Individual responsibility consisted, in the case of the developing countries of doing everything possible to attain the 5% growth rate at home (which is not even attained presently) and that of developed countries, of assisting less fortunate countries both through bilateral programmes of assistance and by collective action, undertaken through the various UN programme for technical cooperation, which are described in the later chapter under "UNDP Assistance".

Nonetheless, the basic facts remained as harsh as ever. Many of the poorest economies continue to grow more slowly. The annual growth rate of developing countries as a whole slowed down while that in the industrialized economies accelerated over the same period, thus causing a widening gap between the per capita incomes in each group of countries.

Since the Decade Programme a Country Programme has been established whereby each individual country submits a plan explicitly showing its priority areas and assistance is given to this effect.

The UN is presently the most important donor of technical assistance in the Developing World through its Special Bodies that specialize in development assistance tasks relating to different sectoral assistance.

We should not forget that technical assistance in the developing countries flows also not only from the UN and bilateral sources but from other International Organizations like the EEC, IBRD, ILCA etc.,.

Per Capita External Assistance to LDCs,^{2/}
1973-1978, in US\$

<u>Year</u>	<u>Concessional</u>		<u>Non-Concessional</u>		<u>Total</u>	
	<u>Ethiopia</u>	<u>LDCs</u>	<u>Ethiopia</u>	<u>LDCs</u>	<u>Ethiopia</u>	<u>LDCs</u>
1973	4.6	12.2	-0.3	1.8	4.3	14.0
1974	5.8	12.9	-0.5	2.4	5.3	15.3
1975	5.8	18.0	-0.1	3.2	5.7	21.2
1976	5.9	15.0	-0.2	2.1	5.7	17.1
1977	4.3	15.0	-0.3	1.8	4.0	16.8
1978	5.1	15.7	-0.3	1.2	4.8	16.9

4.1 New Programme for LDCs (1982-1986)

A "Substantial New Programme of Action" to increase aid flows to the world's 31 poorest countries (The 31 countries which the General Assembly has designated "Least Developed and for which special aid was requested are: Afghanistan, Bangladesh Benin, Bhutan, Botswana, Burundi, Cape Verde, Central African Republic, Chad, Comoros, Democratic Yemen, Ethiopia, Gambia,

^{2/} United Nations Conference on the LDCs, Country Review Meetings Country Presentation, Ethiopia, 1981, pp. 60.

Guinea, Guinea-Bissau, Haiti, Lao People's Democratic Republic, Lesotho, Malawi, Maldives, Mali, Nepal, Niger, Rwanda, Samoa, Somalia, Sudan, Uganda, Tanzania, Upper Volta, and Yemen) was approved in Paris last September by the United Nations Conference on the Least Developed Countries (LDCs).

The new Action Programme calls for sustained self-development by the LDCs in such areas as food and agriculture, health, housing, education and employment. It urges the 31 countries to make full use of existing international mechanisms, particularly the United Nations Development system, in pursuing that drive.

At the global level, UNCTAD is to play the focal role in arranging implementation, coordination and monitoring of the New Programme. UNDP and the system of Resident Co-ordinators will play a major supporting role at the national level.

Chief among the international measures is a provision -- adopted by consensus at the Paris Conference -- that donor countries make special efforts to increase their Official Development Assistance (ODA) to the LDCs. In keeping with this undertaking, a doubling of ODA -- compared with aid transfers to the LDCs in the last five years -- is envisaged by 1985.

In addition to the consensus on increased ODA, the Substantial New Programme of Action reflects agreement on a number of support measures covering aid modalities, technical assistance, commercial policy and transfer of technology to the LDCs.

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required, these mechanisms can be broadened to allow participation by new or potential donors and other aid partners.

UNCTAD, which is responsible for monitoring the Programme's global impact, will review progress at its sixth session in 1983. Also a mid-decade review by an Intergovernmental Group on the Least Developed Countries is scheduled for 1985.

This is just a plan and one can't determine the fruits. Let us hope it will materialize.

CHAPTER II - TECHNICAL ASSISTANCE IN ETHIOPIA

Technical assistance in Ethiopia has a long history, though the exact period of its inception is not known, from some Ethiopian history literatures and chronicles, it is clear that the Kings used foreign advisory services.

Technical assistance in the olden times used to come from bilateral sources, namely, Persia, Egypt, the Byzantine Empire and other countries with the objective of controlling the trade route areas.

In the 1800's external assistance was also given to Kings of the country from many powerful countries of the period like France, Britain, and Italy, with an ultimate aim of controlling the country. To this effect many attempts had been undertaken but in vain.

In the 1900's Ethiopia not only benefits from bilateral and religious organizations' technical assistance but also from multilateral sources. Being indifferent from the rest of the underdeveloped countries still gets technical assistance from different sources to bridge up the gap of the unlimited wants and the domestically available resources in almost all sectors. Ethiopia hence is dependent on the developed countries for her development.

The country is a member country of the United Nations since its inception and is benefitting from the assistance extended through its various special bodies.

Bilateral technical assistance to-date is derived from different developed countries. Assistance is also received from religious organizations such as the Ethiopian Catholic Secretariat, Bread for the World (Orthodox Church), Society of

International Missionaries (S.I.M.), Lutheran World Federation and others...

With regards to non-governmental and religious organizations, the International Organizations have been of an eye-catching importance to the Ethiopian economy.

1. Resources and Development Potential

Ethiopia is a predominantly agricultural economy country. 85% of its population estimated at 31 million (according to 1980 sample survey) and growing at 2.5% per annum, deriving their livelihood from agricultural and related services. The country has vast and fertile tracts of land, varied elevations and climatic condition suitable for the cultivation of a large variety of food crops. At present only 14% of the estimated 84 million hectares of arable land is under cultivation. The country is endowed with rich livestock resources. With vast potential of fishing ground on the Red Sea Coast and in the many lakes as well as a network of rivers, the potential annual yield of different types of fish is estimated at over 90,000 metric tons.

The country has a network of rivers and a number of lakes which provide an enormous water resources potential capable of irrigating over three million hectares of land. Furthermore, high rainfall in most parts of the country and precipitous relief that characterizes the country provide a big potential for hydro-power generation. Ethiopia's present generating capacity can harness only two percent of an estimated 56 billion KWH of hydro-electric power.

The mineral potential is also substantial, if developed.

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Recent surveys indicate that the country has adequate resources in this sector to provide a steady supply of materials and energy required for development endeavours as well as for export. Gold mining and platinum works are being run on a small scale while copper mining in Northern Ethiopia carried out in cooperation with a Japanese firm has been discontinued on account of some difficulties encountered when the operation commenced.

There are considerable potash deposits in the Dallol Depression at the northern tip of the Rift Valley but exploitation is delayed because of lack of investment. Surveys have also established the existence of a substantial hydro-carbon potential on the Red Sea shores and in the Eastern and Southern parts of the country.

Despite these natural resources and the human resources and with the extended hands of the external world, Ethiopia has remained one of the Least Developed Countries of the world -- both materially and technically. There is a dearth of skilled manpower at all levels and in all sectors of the economy, which has been exacerbated by the need for economic progress during the last development campaign.

In addition, the basic infrastructure, so necessary for economic and social progress remains rudimentary. The density of roads is low, the number of commercial vehicles minimal, the capacity of the ports inadequate, the railway system in dire need of improvement, the quantity of schools and hospitals still insufficient, urban and rural unemployment increasing, agricultural sector still at its rudimentary form, and industrial sector almost non-existent.

1.1 ETHIOPIA - SOCIAL INDICATORS DATA SHEET ^{3/}

LAND AREA (THOUSAND SQ.KM.)

Total 1221.9
Agriculture 782.3

1976-1979

ENERGY CONSUMPTION PER CAPITA

(KILOGRAMS OF COAL EQUIVALENT)

20.3

POPULATION AND VITAL STATISTICS

Population, Mid-year (000's) 30,861.0
Urban Population (% of total) 13.9

POPULATION PROJECTIONS

Population in year 2000 (millions) 53.3
Stationary Population (millions) 162.0
Year Stationary Population is reached 2,140.0

POPULATION DENSITY

Per Sq. Km. 25.3
Per Sq. Km. Agricultural Land 38.8

POPULATION AGE STRUCTURE (PERCENT)

0-14 Years 45.0
15-64 Years 52.4
65 Years and above 2.6

POPULATION GROWTH RATE (PERCENT)

Total 2.5
Urban 6.6

CRUDE BIRTH RATE (PER THOUSAND)

49.8

CRUDE DEATH RATE (PER THOUSAND)

24.4

GROSS REPRODUCTION RATE

3.3

FOOD AND NUTRITION

INDEX OF FOOD PRODUCTION PER CAPITA
(1969-71= 100) 84.0

PER CAPITA SUPPLY OF CALORIES (PER CENT
OF REQUIREMENTS) 75.0

PROTEINS (GRAMS PER DAY) OF WHICH ANIMAL
AND PULSE 22.0

CHILD (AGES 1-4) MORTALITY RATE 36.0

HEALTH

LIFE EXPECTANCY AT BIRTH (YEARS) 39.8

INFANT MORTALITY RATE PER THOUSAND 175.0

ACCESS TO SAFE WATER (PERCENT OF POPULATION)

Total 6.0
Urban 32.0
Rural 2.0

ETHIOPIA -SOCIAL INDICATORS DATA SHEET (CONT'D)

	<u>1976-1979</u>
<u>ACCESS TO EXCRETA DISPOSAL</u>	
(PERCENT OF POPULATION)	
Total	6.0
Urban	56.0
Rural	8.0
POPULATION PER PHYSICIAN	75,320.7
POPULATION PER NURSING PERSON	5,399.1
POPULATION PER HOSPITAL BED	3,410.4
<u>HOUSING</u>	
AVERAGE SIZE OF HOUSEHOLD	5.0
<u>EDUCATION</u>	
ADJUSTED ENROLLMENT RATIOS	
PRIMARY: Total	38.0
SECONDARY: Total	9.1
PUPIL-TEACHER RATIO	
PRIMARY	50.0
SECONDARY	38.0
ADULT LITERACY RATE (PERCENT)	15.0
<u>CONSUMPTION</u>	
PASSENGER CARS PER THOUSAND POPULATION	1.8
RADIO RECEIVERS PER THOUSAND POPULATION	7.2
TV RECEIVERS PER THOUSAND POPULATION	0.8
NEWSPAPER CIRCULATION PER THOUSAND POPULATION	1.2
<u>LABOR FORCE</u>	
TOTAL LABOR FORCE (THOUSANDS)	12,774.8
FEMALE (PERCENT)	34.6
AGRICULTURE (PERCENT)	80.1
INDUSTRY (PERCENT)	6.9
PARTICIPATION RATE (PERCENT)	
TOTAL	41.4
MALE	55.1
FEMALE	28.1
ECONOMIC DEPENDENCY RATIO	1.2
<u>POVERTY TARGET GROUPS</u>	
ESTIMATED ABSOLUTE POVERTY INCOME LEVEL (US\$ PER CAPITA)	
URBAN	115.0
RURAL	65.0
ESTIMATED RELATIVE POVERTY INCOME LEVEL (US\$ PER CAPITA)	
URBAN	77.0
RURAL	37.0
ESTIMATED POPULATION BELOW POVERTY INCOME LEVEL (PERCENT)	
RURAL	60.0
URBAN	65.0

GNP OF ETHIOPIA AT CURRENT FACTOR COST AND MARKET PRICE
(1970/71 - 1979/80)

YEAR	GDP AT CURRENT FACTOR COST	NET INCOME FROM ABROAD	GNP AT FACTOR COST	INDIRECT TAXES (NET OF SUBSID- IES	GNP AT MARKET PRICES
1970/71	4,406.2	-19.4	4,387.5	301.5	4,689.0
1971/72	4,616.6	-29.1	4,387.5	327.1	4,714.6
1972/73	4,629.2	-47.0	4,582.2	376.0	4,958.2
1973/74	5,140.8	-36.4	5,104.4	410.4	5,514.8
1974/75	5,103.2	-29.8	5,073.4	421.3	5,494.7
1975/76	5,492.7	- 2.7	5,490.0	482.9	5,972.9
1976/77	6,136.0	- 3.8	6,132.2	694.1	6,826.3
1977/78	6,487.4	- 9.0	6,478.4	741.8	7,220.2
1978/79	7,086.5	- 5.3	7,081.2	880.7	7,961.9
1979/80	7,624.7	7.8	7,632.5	837.3	8,469.8

Source: Statistical Abstract for the periods 1970/71-1976/77
CPSC Provisional Data for the periods 1977/78-1979/80

YEAR	GROWTH RATE GNP AT FACTOR COST	GROWTH RATE GNP AT MARKET PRICE
1970/71	-	-
1971/72	-	.55%
1972/73	4.44%	5.17%
1973/74	11.4%	11.23%
1974/75	-0.6%	-0.36%
1975/76	8.21%	8.70%
1976/77	11.70%	14.29%
1977/78	5.65%	5.78%
1978/79	9.31%	10.27%
1979/80	7.79%	6.38%

GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY
(AT 1960/61 CONSTANT FACTOR COST)

(IN MILLION BIRR)

YEAR	AGRICUL- TURE	INDUSTRY	DISTRIB- UTIVE SERVICES	OTHER SERVICES	GDP AT CONSTANT FACTOR COST
1970/71	1,870.3	593.8	527.1	614.9	3,606.1
1971/72	1,936.8	620.8	560.7	659.7	3,777.8
1972/73	1,947.4	640.6	585.1	706.1	3,879.2
1973/74	1,940.1	633.7	612.7	749.5	3,936.0
1974/75	1,902.6	624.3	611.6	801.0	3,939.5
1975/76	1,953.6	584.8	617.3	836.5	3,992.2
1976/77	1,953.3	602.0	619.7	870.6	4,045.6
1977/78	1,922.2	583.1	569.3	934.7	4,009.3
1978/79	1,968.4	657.2	638.0	958.1	4,221.7
1979/80	2,053.2	717.6	674.4	998.8	4,444.0

Source: Statistical Abstract for the periods 1970/71 - 1976-77
CPSC Provisional Data for the periods 1977/78 - 1979/80

Figures for 1979/80 are tentative

(IN MILLION ETH. BIRR)

YEAR	EXPENDITURE			REVENUE				
	RECURRENT	CAPITAL	TOTAL	ORDINARY	CAPITAL	EXTERNAL	BORROWING	TOTAL
1970/71	507.1	124.2	631.3	464.8	1.2	93.4	60.7	620.1
1971/72	521.5	149.9	671.4	489.8	5.0	92.9	62.5	650.2
1972/73	563.1	153.1	716.2	555.0	1.6	91.7	57.7	706.2
1973/74	599.2	178.7	777.9	614.8	4.2	97.9	62.9	779.4
1974/75	811.2	237.7	1,048.9	706.3	5.1	96.1	114.2	921.7
1975/76	917.2	282.8	1,200.4	772.8	8.4	77.2	124.7	983.1
1976/77	987.1	478.6	1,465.7	835.5	9.4	93.8	186.4	1,125.1
1977/78	1,148.9	452.0	1,600.9	1,136.3	10.6	101.1	151.1	1,399.1
1978/79	1,513.2	605.5	2,118.7	1,394.4	5.0	125.2	244.7	1,769.3
1979/80	1,654.6	710.4	2,365.0	1,547.2	8.0	151.6	265.0	1,971.8

Source: Statistical Abstract/CPSC

1. Recurrent Expenditure includes:

General Service
Social Service
Economic Service
Pension
Public Debt
Unallocated Expenditure

2. Capital Exp. Includes:

Economic Development
Social Development
General Services

4. Borrowing Includes:

External
Internal

3. Ordinary Service Includes:

Direct tax
Indirect tax
Foreign trade tax
Non tax revenue

BALANCE OF PAYMENTS OF ETHIOPIA

1970/71 - 1979/80 (000,000)

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79
Trade Balance	-132.4	-142.4	31.7	55.5	-224.2	-271.0	-338.8	-442.3	-367.8
Exports f.o.b.	316.0	324.7	458.1	599.4	476.2	580.6	690.0	633.8	881.7
Coffee						(324.6)	(519.3)	(503.2)	(592.6)
Non-Coffee						256.0	169.7	131.5	288.0
Non-Monetary Gold						(-)	(1.0)	(-)	(1.1)
Imports c.i.f.	-448.4	-467.1	-436.4	-543.9	-700.4	-851.6	-1028.8	-1076.1	-1249.5
Freight & Insurance						(-138.1)	(-165.0)	(-172.5)	(-204.1)
Service (Net)	22.3	20.7	30.2	65.8	13.4	77.3	53.9	35.7	24.8
Travel						-0.3	-3.6	0.9	5.3
Other Transportation						31.6	34.0	17.1	13.5
Gov't. n.i.e.						40.7	17.6	16.3	-0.4
Investment Income						-3.2	-6.9	-3.4	-1.7
Other Services						2.4	12.8	4.8	8.1
Net Goods & Services 1+2)	-110.1	-121.7	51.9	121.3	-210.8	-199.7	-284.9	-406.6	-343.0
Transfer (Net)	16.9	32.9	45.4	82.8	92.5	131.0	100.6	173.4	168.7
Private						45.3	29.2		
Public						85.7	71.4		
Balance c/a (3+4)	-93.2	-88.8	97.3	204.1	-118.3	-68.7	-184.3	-232.2	-174.3
Non-monetary Long term Capital (Net)	62.3	87.9	80.2	119.8	135.2	138.3	75.8	89.7	207.8
Basic Balance (5+6)	30.9	0.9	177.5	323.9	16.9	69.6	-108.5	-143.5	33.5
Short Term Private Capital	6.9	-13.4	-	-53.9	18.1	-26.5	-3.4	-39.2	-47.0
Net Errors & Omissions	28.4	20.4	20.4	-4.7	-19.7	-10.7	-21.9	3.2	-3.8
Overall Balance (7+8+9)	66.2	15.8	197.9	265.3	15.3	32.4	-133.8	-179.5	-7.8
Net Monetary Movements	-66.2	-15.8	-197.9	-265.3	-15.3	-32.4	133.8	179.5	7.8

Source: Statistical Abstract

2. Ethiopia and Her Development Efforts During the Pre-Revolution Period

Ethiopia has remained one of the Least Developed Countries of the world due, inter alia, to the feudal land tenure system which deprived the vast majority of the people of land and a consequent deterioration of agricultural output. The stagnation, and at times decline in agricultural output precluded the generation of surplus for fixed capital formation and constrained expansion of the domestic market.

The growth of a small and highly import-dependent industrial nucleus was by and large stunted and it failed to generate sufficient employment and income for the rapidly expanding urban population. Since the system of education was not development oriented, there was an acute shortage of technically skilled personnel that would have added impetus to industrial growth and also stimulate general technological development. In addition, the lopsided state of income and service distribution contributed to the deterioration of the economic condition of the bulk of the population.

Imbalance in the regional allocation of available resources compounded the problems faced by the people and as a result led to malnutrition, hunger and disease. The "hidden" drought of 1973 which claimed the lives of over 200,000 persons further aggravated the socio-economic situation.

Though the country was the first in Africa to introduce a five-year development planning at the beginning of 1960's, the three plan periods produced very little in the way of achieving growth of alleviating the acute problems of the masses had to endure.

The growth of an economy is dependent normally on the pattern of expenditure existing in the country. Ethiopia's expenditure pattern, from domestic as well as external source, was more to the recurrent expenditure than to the capital expenditure, generating lesser investment in the country which hindered development in the past.

In addition to the internal obstacles to development, Ethiopia also shared the common problems of the developing world.

3. Development Since 1974

The long-standing malignant socio-economic situation, though improved to some extent is still grave after the revolution.

The most important measure taken was the historic land reform proclamation issued in March 1975. With this proclamation the vital land resources were distributed to the formerly landless peasant farmers, thus freeing them from serfdom and giving them increased incentives for higher output.

Further, a series of other proclamations and guidelines issued since the revolution brought about fundamental reforms to facilitate mass participation in development under the aegis of trade union organizations, peasants' and urban dwellers' associations as well as through the organization of farmers' and handicraft producers' cooperatives.

In 1978, the National Revolutionary Development Campaign and Central Supreme Council (NRDC and CPSC) was established. The NRDC and CPSC is responsible for the elaboration and follow-up of short-term medium and long-term plans as well as for the overall guidance of the national economy.

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In 1979 the first national development campaign was launched with strong government commitment. The campaign was geared to the alleviation of the prevailing urgent socio-economic problems, which included shortage of food and other consumption goods, raw materials, foreign exchange and unemployment problems as well as distribution difficulties.

The campaign of development involved rational utilization of domestic and external resources, mobilization and motivation of the enormous force for growth of the population, general supervision of activities to achieve maximum effects with respect to tackling the most urgent problems at hand and with respect to laying a sound basis for self-sustaining development. The priority areas considered are increase in agricultural output, rehabilitation of damaged manufacturing enterprises and full capacity utilization of existing industrial plants and augmenting the country's foreign exchange earnings by raising the volume and diversifying the type of export commodities.

Judicious utilization of the limited skilled manpower resources - mainly through reassigning personnel to areas of urgent need as well as organizing educational system was another aspect of the aim of the development programme.

3.1. Development Constraints

Aims and objectives are only a preparatory measure. The means to fulfill these aims and objectives and implementation is the backbone of the achievement geared at.

The achievements of the economic campaign have not been extremely bad, however, the economy still manifests serious weakness characterized by low level of capital investment, low export

earnings due to the fall in the international price of Ethiopia's major export commodities against a high import bill with fuel expected to claim almost 70% of the export earnings in 1981, high rate of unemployment, shortage of some essential consumer goods, and inflation. These exacerbate the current economic and social problems facing the country and unless checked in time will impede the improvement of the material well-being of the people. These constraints seem to be not temporary but also structural in nature and therefore require massive investment and concerted efforts to overcome.

4. The Ten Year Development Plan 1980/81 - 1989/90

The government has formulated a ten year plan for the period 1980/81 - 1989/90 which is designed to alleviate or overcome the difficulties which the country faces. The targets of the plan may be summarized as follows:- doubling the gross domestic product in real terms within the period of the plan; providing employment to five million people; increasing agricultural and industrial production; augmenting export earnings; providing basic health services; eradicating illiteracy and improving and expanding technical education; and providing shelter for nearly half a million citizens.

Among these strategies which will be followed to attain these targets are: the promotion of cooperatives in agriculture, in handicrafts and cottage industries; the increase of the productivity of peasant agriculture through improved techniques, seeds, and through the use of fertilizers; the establishment of agro-industrial enterprises; the increase of the area under irrigation; the control of livestock diseases and the full exploitation of the

country's livestock potential, improving the country's managerial and organizational capacity and the training of manpower, expanding existing industrial enterprises and establishing more industries, expanding and improving the transport and communication sector and enlarging and diversifying exports.

4.1 Fixed Investment

The anticipated cumulative level of total investment in the 1980 to 1990 period is 27.4 billion birr implying an average annual rate of growth of 15.2 percent, at 1979/80 prices. Of the total investment over the period, 20% is to be allocated to agriculture, 15% to manufacturing, 18% to mining, energy and water, 26% to transport and communications and 15% to social services. Further 39% of the total investment or about 10.6 billion birr is expected to be utilized during the latter half of the decade.

4.2 Domestic Saving

The ten year investment programme will entail enormous efforts in mobilizing the required resources. The primary source will, of course, be domestic savings which will have to increase by tightening the belts as far as possible and this will demand tremendous sacrifices under present circumstance and might not even increase. The efforts according to the CPSC and NRDC will be to increase domestic savings to GDP from about 6% to 12% in the year 1989/90, which implies a marginal saving of some 0.19. The projected total of domestic savings, both public and private is expected to reach birr 12.3 billion financing 45% of the total investment. The expected saving gap is, therefore, in the order of birr 15.1 billion.

The overall foreign exchange gap for the plan period is expected to be much higher. Exports are planned to grow at 10% per annum in real terms while imports will grow at 12.7%. This implies a modest import elasticity with respect to GDP of some 1.16. Despite the planned rapid growth, in export earnings, the large import requirements of the investment programme entails a foreign exchange gap of birr 17.1 billion and represents the total external resources requirements at 1980 prices.

Even with the efforts to be made in mobilizing domestic savings, there will still be a need for external support to finance the local costs in various sectors of the Investment Programme.

With regards to the foreign resource requirement, one has to bear in mind the likelihood of time lags in disbursement of technical assistance tied to specific projects or programmes. The NRDC and CPSC therefore feels that in view of the urgent needs, that at least in the initial stages of the implementation of the programme, some assistance should be made in the form of balance of payments support.

RESOURCE GAP AND TEN YEAR INVESTMENT PLAN ^{4/}

Gross Investments, Savings & Savings Gap
(In Million Birr)

	Gross Investments	Savings	Savings Gap	Ratio to GDP %	
				Invest- ment	Savings
1979/80	881	523	358	10	6
1984/85	2,945	1,358	1,587	24	11
1989/90	3,636	3,475	161	21	20
Cumulative:					
1980/81-1984/85	10,667	4,806	5,861		
1985/86-1989/90	16,756	12,421	4,335		
1980/81-1989/90	27,723	17,227	10,196		

^{4/} Ethiopia Country Representation to the United Nations Conference on the Least Developed Countries pp. 22, 23, 24.

Exports, Imports and Foreign Exchange Gap
(In Million Birr)

	<u>Exports</u>	<u>Imports</u>	<u>Foreign Exchange Gap</u>	<u>Ratio to GDP</u>	
				<u>Exports</u>	<u>Imports</u>
1979/80	1,141	1,499	358	13	18
1984/85	1,837	3,729	1,892	15	31
1989/90	2,958	4,970	2,012	17	29
Cumulative:					
1980/81-1984/85	7,660	14,828	7,168		
1985/86-1989/90	12,336	22,227	9,891		
1980/81-1989/90	19,996	37,055	17,059		

Resource and Foreign Exchange Gap (000'000)

	<u>Savings Gap</u>	<u>Foreign Exchange Gap</u>
1979/80	358	358
1984/85	1,739	1,892
1989/90	856	2,012
Cumulative:		
1980/81-1984/85	6,588	7,168
1985/86-1989/90	6,525	9,891
1980/81-1989/90	13,113	17,059

Ethiopia has a low rate of domestic saving, which is again caused by the economic backwardness prevailing in the country, as a consequence it retards economic progress. Therefore, it is a necessity for the country to supplement her meagre domestic savings by external assistance. Ethiopia is not only short of physical

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capital but also of skilled manpower and economic development needs a stock of both physical and human capital. Thus external assistance is deemed inevitable to bridge the gap that prevails between the supply of and demand for domestic saving. Realising this fact, Ethiopia's dependence on foreign assistance has been indispensable with all the side effects it has.

Technical assistance in the country has been playing an important role in balancing the country's capital requirements and available domestic resources.

As we can see from the following table the capital expenditure of the country has been financed mostly from external sources.

The flow of external assistance is not consistent and it has been varying from year to year depending on the:

- i) relation to the rest of the world;
- ii) on UNs willingness to assist;
- iii) on government's willingness to accept;
- iv) on the political and economical condition of the country (political unrest and other problems, economical problems like natural disasters etc.)

This implies that the country's interest always being for an increasing need of external assistance is not met since the assistance flow is dependent on the interests of the donor countries as well as donor organizations.

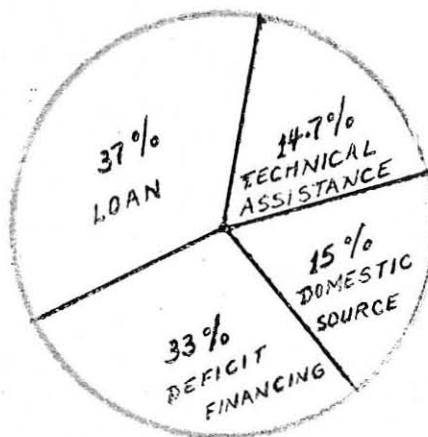
Another thing to note would be the role it plays. One can generalize that the country at times can't even meet her recurrent expenditures from the domestic sources leave alone the investment and external assistance plays a vital role in filling up the gap. The country is fully dependent on foreign aid and worst of all since this is found to be insufficient it applies deficit financing.

Although some economists might argue that deficit financing in the long run, if utilized properly, enhances the economic condition of a country, in a poor country like Ethiopia is a barrier for development and a sign of economic collapse.

Technical assistance in Ethiopia has an increasing function which leads to the conclusion that the country's need for this assistance will be omnipotent unless a world-wide measure is taken to eradicate underdevelopment from the world.

For the periods under consideration the proportional contribution to total expenditures are as follows:-

- (a) 15.3% of capital expenditure has been from domestic sources;
- (b) 14.7% from technical assistance (bilateral as well as multilateral);
- (c) 37% of the expenditure from loans; and,
- (d) 33% of the expenditures are met by deficit financing.



The above is a general view of the role and a vague picture of foreign assistance in Ethiopia, In a latter chapter we will be dealing with the impact of technical assistance on the economy.

Year	Domestic Source	&	Technical Assistance	%	Total Expend.	Loan	Deficit Financing	Total
1966	41.4	90.9	4.1	9.1	45.5	30.9	4.4	80.1
1967	36.2	86.6	5.6	13.4	41.8	22.5	13.7	78.0
1968	-	-	9.5	100.0	9.5	26.1	45.3	80.9
1969	10.6	48.6	11.2	51.4	21.8	23.6	30.5	75.9
1970	24.2	63.2	14.1	36.8	38.3	48.3	19.5	106.1
1971	39.4	75.5	12.8	24.5	52.2	60.7	11.4	124.3
1972	41.9	63.5	24.1	36.5	66.0	62.5	21.5	150.0
1973	62.2	72.8	23.2	27.2	85.4	57.7	10.0	153.1
1974	73.5	69.7	32.1	30.3	105.6	60.8	-	166.4
1975	-	-	32.1	100	32.1	114.2	91.3	237.6
1976	-	-	35.5	100	35.5	121.9	125.4	282.8
1977	13.0	17.4	28.9	38.6	41.9	117.1	133.8	292.8
1978	-	-	55.6	100.0	55.6	89.3	171.5	316.4
1979*	71.2	65.2	38.0	34.8	109.2	179.3	82.5	371.0
1980*	20.8	24.5	63.9	75.5	84.7	155.0	203.2	442.9
1981*	100.0	51.5	94.2	48.5	194.2	123.3	200.0	517.5

* Estimates

Source: CPSC & Ministry of Finance, Actual Revenue & Expenditure Booklet

CHAPTER III

THE UNITED NATIONS DEVELOPMENT PROGRAMME IN ETHIOPIA

1. UNDP Technical Assistance

Although the programme under this title only came officially into existence on 1 January 1966, it represents the merger of two former programmes which have been in operation for a number of years - the Expanded Programme of Technical Assistance and the UN Special Fund.

The Expanded Programme of Technical Assistance was created as long ago as 1949, by Resolution 222 (IX) of the Economic and Social Council concentrated and large-scale effort by the UN family on behalf of developing countries. Since the beginning of 1966 this programme was known as the Technical Assistance sector of the UNDP with objectives, terms of reference and operational procedures remaining unchanged.

The experts being the backbone of this programme, were sent abroad at the request of governments, to advise administration and to train local technicians and officials. In addition fellowships for study abroad were awarded to nationals of the requesting country and limited quantities of supplies and equipment were provided for demonstration purposes.

The special fund began operations in January 1959 and became the largest UN programme of technical cooperation. The Fund's main function was to help the low income countries to create conditions favourable for the capital investment which is essential to any development. In the Fund's case there was no "country" target which differentiates it from the UNDP programme presently existing. Governments were to present suitable projects for approval at any

time, and once a project is accepted, the finance required for its total duration - which may be up to five years - is at once committed by the Fund.

Finance is derived from voluntary contributions which are pledged to the two sectors by member governments at an annual conference held for this purpose, and are additional to the normal contributions of member states to the regular budgets of the UN and of the Specialized Agencies.

Despite the somewhat differing functions of the two sectors of the programme described earlier, they have a number of features in common. In all cases assistance is given only on government request and ideally is geared as closely as possible to the country's own development priority.

For this purpose most recipient governments have established a coordinating authority. In the case of Ethiopia this function was assigned to the Economic and Technical Assistance Board (Ministry of Planning and Development) and presently the Central Planning and Supreme Council (CPSC) is taking care of the coordinating authority.

The programme is essentially multilateral. A developing country may be receiving assistance but it will also be making a financial contribution, in so far as it is able, to the central funds from which the programme is financed. Again, a country may be requesting experts but at the same time some of its nationals may be advising other countries in fields which they have a special expertise. In this way technical assistance becomes technical cooperation on a worldwide scale.

In each country where there is a sizeable programme the UNDP has appointed a Resident Representative, whose main function is to assist the government in the planning, coordination and execution of the assistance provided. This official serves as a link between the Government, the Development Programme, the Specialized Agencies which execute the project and the experts, and is also responsible for ensuring that no duplication of effort occurs between the UN programme and assistance provided from other sources, bilateral or otherwise.

The creation of the United Nations Development Programme was geared at enriching the capability of the UN family to help low income countries meet their most pressing need and realize their most promising potentials, to open the way to a fuller mobilization of international resources for a concerted campaign against hunger, ignorance, disease and destitution on all five continents and the island of every ocean.

1.1 UNDP's Technical Assistance in Ethiopia

United Nations technical assistance to Ethiopia has been one of the most long-standing in the Africa region. In fact, UN technical co-operation in the country has a special historical significance since Ethiopia was one of the original charter members of the United Nations and participated in a variety of joint programmes dating back to the commencement of UN technical assistance in 1947. Ethiopia was also a founder of the UN Specialized Agencies and affiliates through which UN technical assistance is channelled.

In 1966 when the two programmes were merged and the UNDP took shape, Ethiopia's benefit from this programme enhanced and took shape too.

In addition, in view of its being among the 25 Least Developed Countries affected by drought and other natural disasters, Ethiopia benefits from other sources of funding available under the UNDP system such as the UNDP Special Measures Fund for the Least Developed Countries (SMF/LDC), the United Nations Capital Development Fund (UNCDF), and the Special Drought Relief Fund, and also from the United Nations Fund for Population Activities (UNFPA), etc.

Ethiopia also participates in a number of regional projects financed by UNDP under its Regional Programme for Africa. Ethiopia is at present the host country for specific regional projects, the most important and largest of which are the Pan-African Telecommunications, Jobs and Skills Programme for Africa, Civil Aviation Training Centre, Forest Industries Advisory Group, Pan-African Documentation and Information Service (PADIS- Africa), etc. Please note that the benefits encountered from these regional projects are not included in this paper since it is difficult to single out Ethiopia's benefit and measure.

1.11. Forms of Assistance

Assistance rendered to the Government of Ethiopia by UNDP as stated in their Agreement consists of:-

- (a) The services of advisory experts and consultants, including consultant firms or organizations, selected by and responsible to, the UNDP or the Executing Agency concerned;

- (b) the services of operational experts selected by the Executing Agency, to perform functions of an operational executive or administrative character as civil servants of the Government or as employees of such entities as the Government may designate;
- (c) the services of members of the United Nations Volunteers;
- (d) equipment and supplies not readily available in Ethiopia;
- (e) seminars, training programmes, demonstration projects, expert working groups and related activities;
- (f) scholarships and fellowships, or similar arrangements under which candidates nominated by the Government and approved by the Executing Agency concerned may study or receive training; and
- (g) any other form of assistance which may be agreed upon by the Government and the UNDP.

Requests for assistance is presented by the Government to the UNDP through the UNDP Resident Representative in the country and in form and in accordance with procedures established by the UNDP for such requests. The Government provides the UNDP with all appropriate facilities and relevant information to appraise the request, including an expression of its intent with respect to the follow-up of investment-oriented projects.

Individual candidates, proposed consulting firms and organizations, to be provided under sub paragraph (a), (b), (c) and (d) are selected in consultation with the Government.

Assistance is provided by the UNDP to the Government either directly, with such external assistance as it may deem appropriate, or through an Executing Agency, which shall have primary responsibility for carrying out UNDP assistance to the project and which has the status of an independent contractor for this purpose.

The UNDP maintains a permanent mission, headed by a Resident Representative, in the country to represent the UNDP and is the principal channel of communication with the Government on all programme matters. The Resident Representative has full responsibility and ultimate authority, on behalf of the UNDP Administrator, for the UNDP programmes in all its aspects in the country, and is the team leader in regard to such representatives of other United Nations Organizations posted in the country, taking into account their professional competence and their relations with appropriate organs of the Government. The Resident Representative maintains liaison on behalf of the programme with the Government's co-ordinating agency for external assistance and with other appropriate organs of the Government and informs the Government of the policies, criteria and procedures of the UNDP and other relevant programmes of the United Nations. He assists the Government, as may be required, in the preparation of UNDP country programme and project requests, as well as proposals for country programme or project changes, assure proper coordination of all assistance rendered by the UNDP through various Executing Agencies or its own consultant, assist the Government, as may be required, in coordinating

UNDP activities with national, bilateral and multilateral programmes within the country, and carry out such other functions as is entrusted to him by the Administrator or by an Executing Agency.

1.12. Participation and Contribution of the Ethiopian Government in Execution of the Project

In fulfilment of the Government's responsibility to participate and cooperate in the execution of the projects assisted by the UNDP under its Agreement, it contributes the following in kind:

- (a) local counterpart professional and other services, including national counterparts to operational experts;
- (b) land, buildings, and training and other facilities available or produced within the country;
- (c) equipment, materials and supplies available or produced within the country.

If equipment, materials and supplies needed are not available in the country, the provision of these forms part of UNDP assistance but the Government meets charges relating to customs clearance of such equipment, its transportation from the port to entry to the project site.

In accordance with Agreements negotiated with the recipient Government (Ethiopian Government) on the appointment of a Resident Representative and the establishment of a UNDP field office, the Government assumes the obligation to pay annually a lump sum mutually agreed between the Government and the UNDP to cover expenditures for certain items. The amount

of this payment is negotiated annually between the Government and the UNDP.

Hence the Ethiopian Government's contribution annually will comprise of the following:

1. Voluntary Contribution
2. Annual Contribution to Local Office Cost.

Voluntary and Local Office Cost Contribution for the Period
1971 - 1980

<u>Year</u>	<u>Voluntary Contribution (US\$)</u>	<u>Local Office Cost Contribution (US\$)</u>
1971	104,761.35	33,816.43
1972	104,761.35	33,816.43
1973	114,938.65	33,816.43
1974	114,938.65	36,231.88
1975	125,115.94	36,231.88
1976	125,115.94	36,231.88
1977	125,115.94	36,231.88
1978	131,371.87	36,231.88
1979	131,371.87	36,231.88
1980	131,371.87	36,231.88
1981	131,371.87	36,231.88
	<u>1,222,419.10</u>	<u>355,072.45</u>
TOTAL		

1.2 Technical Assistance Since 1966

The UNDP Office in Ethiopia since its inception in 1966 has been contributing a significant amount to the country. Its assistance is spread over the different sectors and yielding an average of 11.6% of the total technical assistance granted to the country.

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UNDP'S ASSISTANCE SINCE 1966
(In Million Birr)

<u>Year</u>	<u>Total Technical Assistance</u>	<u>UNDP Technical Assistance</u>	<u>UNDP Assistance (Percentage)</u>
1966	110.8	4.6	4.1
1967	88.7	4.2	4.7
1968	73.7	9.3	12.6
1969	60.7	5.9	9.7
1970	71.7	8.8	12.3
1971	81.7	8.9	10.9
1972	76.9	10.3	13.4
1973	78.0	11.8	15.1
1974	78.7	10.9	13.9
1975	89.0	7.7	8.7
1976	173.9	10.3	6.0
1977	80.7	7.8	9.7
1978	215.3	11.0	5.1
1979	97.3	15.5	15.9
1980	264.5	25.7	10.0
1981*	94.2	16.0	17.0
Average...			11.6

Source: UNDP, UNDP Development Assistance for the periods
1966 - 1981, Report.

* 1981 figures are estimates.

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1.21. Ethiopia Country Programme

The first country programme for Ethiopia covered the period 1975-1979. The programme originally foresaw total allocations of 40 million birr principally devoted to activities in agriculture (18 million) and natural resources (10 million).

In April/June 1978, the Planning Commission Office fore-runners of the NRDC and CPSC, arranged a programme review in order to ascertain whether UNDP activities were consistent with the goals and priorities of the Government during the second IPF cycle, 1977-1981, and to programme the increasing resources made available to Ethiopia by UNDP. This review increased programmed expenditures from 40 million to 55 million over the resource cycle, and enabled the Government to proceed with the implementation of UNDP activities, which have been rising from a level of between 7 million in 1977 to 16 million in 1979.

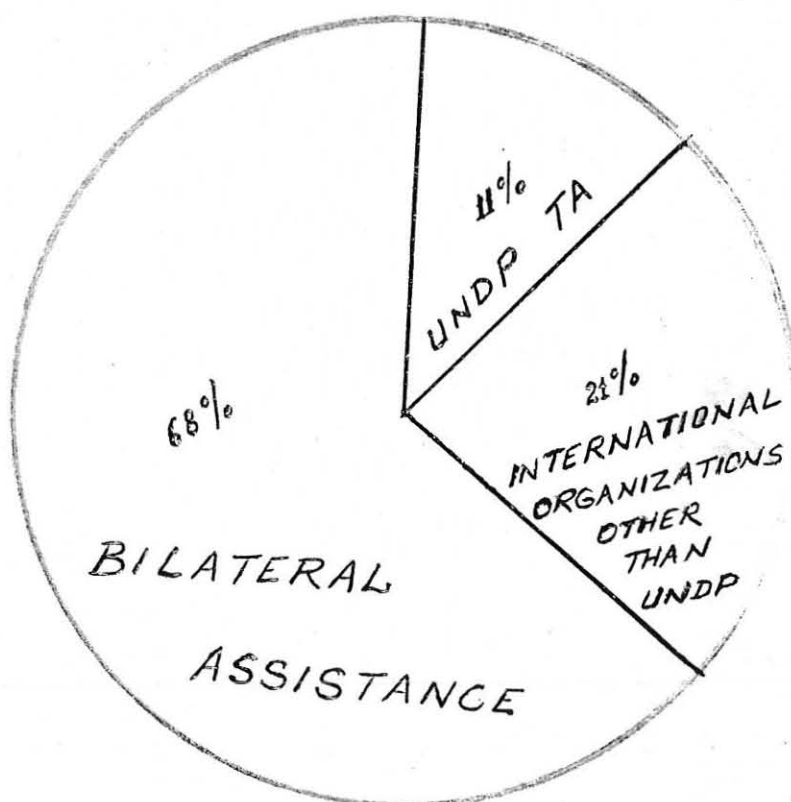
The second UNDP country programme for Ethiopia covers a portion of two UNDP resource cycles, 1977-1981 and 1982-1986. For the 1977-1981 cycle the IPF for Ethiopia was 74 million. From this 2 million was deducted for over-expenditures in 1972-1976, leaving 72 million. This has been distributed annually from 8 million in 1977 to 16 million in 1981. As of the commencement of the second country programming exercise, 25.2 million was already programmed for 1980, 16 million in 1981.

The programmable resources anticipated to be available for 1982 are 24 million although it was borne in mind that this figure was subject to modification by UNDP's Governing Council when establishing the Indicative Planning Figures for the 1982-1986 period.

The overall as well as the sectoral targets of the NRDC are established on annual basis, Accordingly, pending the issuance of a long-run national framework for economic and social development, it was decided that UNDP assistance should be programme for a period of three years to ensure its consonance with the development priorities and targets of the country.

Share of UNDP Technical Assistance
1966 - 1980

Of the total technical assistance 11.6% constitutes technical assistance, 21% comes from the International Organizations other than UNDP and 68% from Bilateral Assistance.



2. General Assessment of UNDP's Experience

This broad assessment of UNDP's activities draws from numerous reports of tripartite reviews, evaluation mission reports, meetings with selected senior Government Officials, and interviews with UN advisers as well as the report of the programme review held in May - June 1978.

The development scene in Ethiopia over the periods under consideration has been dominated by fundamental economic and social changes. In 1974, the Ethiopian revolution was set in motion and the Provisional Military Government established. Since then, and until recently preoccupation with issues of national security has taken precedence over issues of long-run economic and social development action. Severe difficulties were further caused by prolonged droughts and the resultant need for relief and rehabilitation of the millions of people affected. Thus, the period 1974 to 1979 has been in the nature of a holding operation pending the consolidation of the national situation. Long-term activities have had to yield to more immediate requirements and the UNDP programme of assistance has been influenced by a rapid succession of events, many of them beyond the control of the parties concerned. In these circumstances UNDP activities did not achieve, on the whole, the impact that was intended.

Even before the revolution since its inception in 1966, UNDP did not fulfil its promises and achieve its goals because of problems faced both by the Government and the UNDP itself.

At the project level, the thrust of project activities has often undergone changes to take into account modifications in their objectives, as dictated by the economic and social reforms introduced. However, sectorally speaking and also in regard to project selection, the content of the programme did not undergo any significant transformation. On the one hand, this may reflect the fact that the needs UNDP has attempted to fill have been sufficiently basic to conform to the country's both past and current development effort. On the other hand, this raises the issue whether in fact UNDP's support is now central to the critical requirements of Revolutionary Ethiopia.

It is of course realized that UNDP represents only 10 to 15% of total technical assistance made available to Ethiopia. The particular contribution of UNDP must therefore be placed in the larger context of the Government's overall utilization of external resources.

As far as UNDP is concerned, assistance has tended to be concentrated on central institutions situated in the capital. While in most cases these activities, which began before the revolution, have been quite fruitful in terms of the institution itself, they have only rarely had a direct effect on the very urgent development problems Ethiopia is faced with in the rural areas which have become a major preoccupation of the new Government.

It is striking also that the pre-investment role of UNDP has been so subdued, and that little progress has been achieved towards establishing a firm linkage of UNDP pre-investment activities to capital investment provided from other multilateral and bilateral sources. A notable exception is the Awash Valley project which has led to substantial investments from IDA, ADB

and EEC, and studies leading to UNCDF grants. Possibilities of drawing more deliberately and extensively on UNDP for pre-investment financing however abound, and the Government may wish to consider what particular mechanism should be instituted to promote a more effective linkage.

In relation to investment, most UNDP activities are of an "investment-supporting" character, and in this regard a high degree of complementarity has been achieved with other technical cooperation programmes, for which the Government's planning and coordinating machinery can take full credit. There are numerous examples of joint financing with other agencies, UN or bilateral, in support of development activities, with UNDP occupying a more or less central position in respect of the overall assistance provided.

In some cases, the support offered by UNDP in strengthening central institutions has materially assisted the Government in coordinating contributions from other donors, such as in the fields of water resources development and in agricultural research. UNDP assistance in co-ordination is however perhaps most pronounced in the area of relief and rehabilitation, where many donors find the existence of a lead agency useful, as a source of programme ideas and with greater local capacity than they themselves for project identification and formulation. In this area UNDP can play a catalytic role of even greater significance, owing to the range and quality of expertise made available under its programme.

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Both partners in the developmental exercise have displayed weaknesses. The Government of Ethiopia has not been immune from those ills which plague those development countries that are associated with UNDP in the struggle to overcome underdevelopment: there have been the usual delays in the processing of experts; there has been the failure to nominate nationals for fellowships or other training courses on time; there has been an apparent inability to commit full-time counterparts for certain projects; there has been the difficulty of maintaining individuals, in certain key managerial and developmental counterpart positions, sufficiently long for them to profit from the exchange of ideas and experience which flows from the partnership; there has been the more than occasional problem in replying promptly to questions of policy and management which require urgent response; there has often been lethargy in implementing advice which appears to have been accepted, or total failure to implement it; and there have been shifts in policy which have either never been communicated to UNDP or the UN Executing Agencies or have been told to them too late for them expeditiously to effect the concomitant changes in the objectives and directives of projects.

Although these defects in technical assistance administration are perhaps part and parcel of the state of underdevelopment, and are probably a necessary ingredient of an evolving situation, they result in a failure to attain the optimum benefits of technical assistance.

More important, however, is the suspicion these defects are symptomatic of a more serious problem. It appears that the

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structure of technical administration is in itself not optimal; that the coordinating mechanism is not as effective as it might be; and that the quality of personnel devoted to the management of technical assistance is inadequate.

If these structures have any validity it is suggested that a number of steps be taken to alleviate them. First, that UNDP's assistance be sought to increase the number of local personnel in the Foreign Economic Relations Department of the Central Supreme Planning Council (CPSC). Second, that under the same technical assistance project, officials of the CPSC and of those ministries etc. who are concerned with the administration of UN technical assistance be provided with fellowships to familiarise themselves with the procedures of UNDP and the UN Executing Agencies. Third, that a selected number of CPSC and ministry personnel be seconded to the local UNDP office for short periods so that they may become acquainted with the approaches to developmental assistance that are followed in that office.

It will be noted that it is not intended that there be UN advisers in this regard. What is being suggested is that the number of national personnel in the technical assistance field be augmented through UNDP assistance and, that through their study of the relevant United Nations Organizations and technical agencies, the existing governmental system be improved.

There is another constraints which deserves special attention; there seems to be a duplication of effort in a few sectors of the economy. One example will suffice. There are,

at present, seven "land-use projects" that are either operational or in an advanced stage of approval in the country. They are administered by at least four ministries or commissions, and overlap in objectives, in geographical coverage, in project activities, and in the nature of the international expertise provided. As a result, to stress only one consequence scarce technical assistance and national human and financial resources are dissipated.

The implementation processes of the UNDP and the UN Executing Agencies have also not been without fault. Project approval has sometimes been slow; recruitment procedures have in many cases been dilatory; the quality of experts suggested for consideration by the Government has not always met its requirements and expectations; there have been complaints by international experts and project managers concerning the level of technical back-stopping received; the arranging and servicing of fellowships and training courses have, in some instances, been far less than perfect; and the quality of the reports of consultants has, in a significant number of cases, led to the rejection by the Government of the documents first submitted and consequently to a delay in the implementation of the recommendations of the consultants; most recommendations have become paper targets.

These problems are serious in themselves, when comparing the contribution of UNDP and its benefit. Most developing countries now require that the international expert should not only be a competent and efficient technician but also a person committed to the development of the country in which he serves, no matter what its political ideology; he should be a person capable of transferring his knowledge and expertise to others

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of a different culture; he should be appreciative of the hopes and aspirations of the people of the country to which he is assigned; and he should be receptive of the new dimensions. Unfortunately, from complaints received from several national implementing agencies, these requirements are not always met.

The greatest problem seems to be a reluctance to accept the concept of national project directors by a few experts, and indeed, by a few Agencies. Few international experts appear to have been briefed by their agencies on their obligations and on the attitudes expected of them under this new dispensation. The result is, sometimes, a seeming inability to work harmoniously together with the local staff, and a consequent loss of efficiency.

More serious has been the relatively low rate of implementation in the fellowships and training programmes foreseen in many projects. The overall implementation rate of this component has averaged about 30 - 40%. The major reason for this are the difficulties that hard-pressed Government agencies experience in releasing staff for training abroad. In part, it is due to the problems of fellowship administration; in many cases, there is not adequate lead time to secure timely placement; in other cases the placement of fellows is unduly prolonged. The low level of specialized training has had the obvious result of reducing the number of trained nationals capable of taking full advantage of the presence of UN advisers and impaired the effectiveness of many UNDP activities.

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A possible solution would be to undertake more training programmes within Ethiopia in fields where appropriate institutions exist, or with direct project assistance. Also, as some fellows do not always meet the entrance requirements of formal degree courses abroad, more attention could be paid to developing "tailor-made" courses, either within the project or existing national institutions.

2.1 The Implementation of Technical Assistance from UNDP

Over the years it has come to be recognized by many who are engaged in developmental activities that true development, development that is self-sustaining and self-reliant, cannot be achieved through the mere transference of technology (I will discuss this problem in a later chapter).

Perhaps more important than the transfer of technology are: (a) imparting to local counterparts an understanding of those principles and practices connected with the technology; (b) instilling in the minds of local citizens that their own personnel, their own specialists and practitioners, are ultimately capable of performing those functions now undertaken by international experts; and (c) establishing local institutions with adequate structures and with staff that are capable of perceiving requirements, and of managing and monitoring both technically and administratively those aspects of technology and technical assistance that must still be obtained from external assistance, and that must be followed up after such assistance has been terminated. Provision exists within the system for national counterparts to work closely with international experts, for national directors to manage UNDP-financed projects, for national experts to be recruited to

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work in their own countries as specialists within UNDP-financed projects.

It is strongly recommended that the Government take advantage of these various adjuncts to the traditional forms of technical assistance whereby the project terminates with the contract of the international expert. It is also suggested that, in the formulation of programmes of technical assistance, each project be examined, not only with respect to its technological and funding components, but more particularly, with regard to its capacity to generate and inculcate that spirit of self-reliance so essential to development.

A few points must be emphasized. First, each project should be considered and analysed for its possibilities with respect to this aspect of technical assistance. There can be no general rule. It seems apparent that in Ethiopia, as in most developing countries, there are imbalances, both in capacity to absorb and in needs, among sectors and within sectors. Second, all the various methods of implementing the new dimensions would not necessarily be applicable, even to those sectors and projects that seem specially amenable to them. As a consequence, care should be taken in selecting what type of assistance in implementation is considered necessary. Third, the various types of assistance should not be considered mutually exclusive. Particular types, or parts of types, or combinations of types might be utilized. Fourth, and most important, the United Nations' Executing Agencies have, over the years, built up a considerable amount of expertise and knowledge in the areas of their competence. Moreover, their institution memories are longer and more profound than those which exist in most developing countries. In reality, their

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"cross-sectional" knowledge i.e. their knowledge of what is happening, what has succeeded and what has failed, and the reasons for these phenomena, in different countries throughout the world, is at times prodigious and at others not practical. Therefore wherever possible and desirable, attempts should be made to reconcile, on the one hand, the transfer of knowledge from these international agencies to the developing countries with, on the other hand, government management, control and national involvement and participation.

CHAPTER IV

UNDP AND OTHER TECHNICAL ASSISTANCES IMPACT ON THE
ETHIOPIAN ECONOMY

1. The Volume of Assistance

✓ External assistance to Ethiopia consists of technical assistance and loans and credits. A substantial proportion of these grants is in the form of rehabilitation, emergency assistance for drought relief and the resettlement of displaced persons. A smaller, but yet significant proportion is in the form of food aid if we single out grants from technical assistance.

Emergency Relief Aid to Ethiopia - 1974-1979

<u>Year</u>	<u>Relief Aid in US\$ Million</u>	<u>Year</u>	<u>Food Aid in Metric tons</u>
1972/73	60	1972/1973	54,100
1973/74	58	1973/1974	49,100
1974/75	95	1974/1975	998,560
1975/76	34	1975/1976	60,100
1976/77	23	1976/1977	65,300
1977/78	18	1977/1978	113,400
1978/79	48	1978/1979	136,000
		1979/1980	71,600
	<u>241</u>		<u>446,400</u>

✓ External assistance and loans financed on the average 13.7% of the total Government expenditure in the last seven years and 58% of Government capital expenditure. They also helped to meet about 90% of the deficit in the goods and services account in the balance of payments.

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Technical Assistance in Ethiopia
(In Million Birr)

Year	Bilateral	%	International	%	Total
1966	105.4	95	5.4	0.05	110.8
1967	83.5	94	5.2	0.06	88.7
1968	63.8	86	10.0	14.0	73.8
1969	54.1	88	6.6	12.0	60.7
1970	54.4	76	17.3	24.0	71.7
1971	67.4	82	14.3	18.0	81.7
1972	58.7	77	18.2	23.0	76.9
1973	60.4	78	17.6	22.0	78.0
1974	59.7	75	19.0	25.0	78.7
1975	55.0	62	34.0	38.0	89.0
1976	103.7	60	70.2	40.0	173.9
1977	55.8	73	24.6	27.0	80.4
1978	60.3	28	154.7	72.0	215.0
1979	41.1	42	52.2	58.0	96.3
1980	192.5	72	72.0	28.0	264.5
Total	1,115.8		524.3		1,640.1

Source: Statistical Abstract 1966-1975
UNDP - Development Assistance Report 1976-1980

As you will see from the trend of assistance in the above table, it seems that it will be difficult for the country to make a breakthrough in development without a substantial increase in the volume of assistance since the amount presently granted seems inadequate to boost up the standard of living of the people and the country's development as a whole.

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Both financial and technical assistance to Ethiopia from external sources in 1978, for example, amounted to a mere ten birr per capita. This shows an increase in per capita of one birr since 1966.

2. Technical Assistance on a Sectoral Basis

On the average looking at the sectoral flow table agriculture absorbed the largest share of technical assistance - 35% . The UN system, bilateral donors and others, all gave agriculture priority. Education received 12%, humanitarian aid and relief 3% and natural resources 19%. In the 15 years under examination, 1966-1980, of the total technical assistance provided, the shares of the important sectors were as follows:

Agriculture	35.5%
Transport & Comm.	5.2%
Education	12.0%
Health	6.0%
Natural Resources	19.0%
Industry	8.3%
Community Dev't.	11.0%
Others	<u>3.0%</u>
Total	<u>100.0%</u>

While the UN system gave the greater part of its assistance to agriculture, natural resources, industry, transport and communications, in the order of priority, bilateral donors concentrated on education and humanitarian aid and relief. UNDP was the largest source of technical assistance in the UN system, followed by UNICEF, WFP and UNHCR.

Flow of Technical Assistance to the Main Sectors

(In Million)

Year	Total	Agriculture		Industry		Nat. Res.		Education		Health		Community Dev't.		Communication		Others	
			%		%		%		%		%		%		%		%
1966	110.8	2.8	2.5	0.2	0.001	1.8	0.02	21.9	19.8	6.8	6.1	1.4	1.2	0.7	0.006	75.5	68.0
1967	88.7	3.9	4.3	0.6	0.006	2.0	2.2	15.4	17.4	8.2	9.2	0.3	0.003	1.8	2.0	56.3	64.0
1968	73.8	4.4	5.9	1.8	2.4	1.2	1.6	32.3	43.8	7.4	10.0	6.5	8.8	1.5	2.0	11.8	16.0
1969	60.7	7.3	12.0	4.0	6.5	2.0	3.2	29.0	47.8	7.1	11.7	3.6	5.9	2.0	3.3	6.6	11.0
1970	71.7	11.3	15.8	1.5	2.0	1.9	2.6	38.4	53.6	8.9	12.4	3.8	5.3	0.9	1.3	4.6	6.4
1971	81.7	17.4	21.3	1.3	1.5	3.0	3.7	37.3	45.7	8.7	10.6	4.5	5.5	2.1	2.6	7.5	9.2
1972	76.9	20.8	27.0	0.9	1.1	1.8	2.3	38.9	50.6	6.9	8.9	1.8	2.3	1.1	1.4	4.5	5.9
1973	78.0	18.6	23.9	0.4	0.005	2.7	3.5	29.4	37.7	12.8	16.4	2.0	2.5	9.3	11.9	2.8	3.6
1974	78.7	18.4	23.4	0.4	0.005	2.2	2.7	31.7	40.3	14.3	18.2	5.0	6.3	0.5	0.006	6.2	7.8
1975	89.0	27.3	30.7	1.2	1.3	5.0	5.6	21.7	24.4	15.5	17.4	9.9	11.1	3.7	4.1	4.7	5.2
1976	173.9	60.2	34.6	2.7	1.5	10.4	5.9	24.3	14.0	31.1	17.8	4.1	2.3	1.3	0.007	39.8	23.0
1977	80.4	32.4	40.3	1.6	2.0	6.7	8.3	16.6	20.6	11.0	12.4	1.1	2.2	0.6	0.006	10.4	12.9
1978	215.0	32.1	15.0	6.1	2.8	14.8	6.9	18.0	8.3	8.3	3.8	1.0	0.004	132.7	61.7	2.1	0.009
1979	96.3	29.0	30.1	3.8	3.9	9.8	10.2	17.4	18.0	5.3	5.5	2.0	2.0	14.7	15.2	14.3	14.9
1980	245.5	51.3	20.9	7.9	3.2	39.1	15.9	29.0	11.9	33.1	13.5	14.6	5.9	4.5	1.8	66.1	26.9
Total	621.1	337.2		34.4		104.4		401.3		185.4		61.6		177.4		313.2	

Others imply Technical assistance given to other sectors e.g. Tourism & Commerce, International Trade, Culture, etc. which are not counted as important as other sectors.

Source: Statistical Abstract 1966-1975
UNDP Development Assistance Report 1976 - 1980

Flow of UNDP Technical Assistance to the Main Sectors

(In Million)

Year	**		Agriculture		Industry		Nat. Res.		Education		Health		Community Dev't.		Communi- cation		Others *	
	Total	%		%		%		%		%		%		%		%		%
1966	4.6	4.1	1.2	26	0.3	6	0.8	17	0.6	13	0.9	20	0.1	2	0.2	4	0.5	10
1967	4.2	4.7	1.1	26	0.1	2	0.8	19	0.5	11	0.5	11	0.2	4	0.4	9	0.6	14
1968	9.3	12.6	2.7	29	0.3	3	2.2	23	2.2	23	1.1	12	0.3	3	0.1	1	0.4	4
1969	5.9	9.7	2.1	35	0.1	1	0.8	14	0.7	12	0.8	13	0.1	1	0.8	13	0.5	8
1970	8.8	12.3	2.5	28	0.5	5	2.5	28	0.8	9	1.5	17	0.2	2	0.5	5	0.3	3
1971	8.9	10.9	2.3	25	0.6	6	0.8	8	1.5	16	0.6	6	2.6	29	0.4	4	0.1	1
1972	10.3	13.4	2.0	19	0.6	5	2.1	20	1.9	18	0.6	5	2.3	22	0.4	3	0.4	3
1973	11.8	15.1	3.5	29	0.5	4	2.0	17	2.6	22	0.9	7	1.9	16	0.3	2	0.1	0.008
1974	10.9	13.9	4.3	39	0.4	3	1.4	13	2.2	20	0.4	3	2.1	19	0.1	0.009	-	-
1975	7.7	8.7	3.5	45	0.4	5	0.2	2	1.5	19	0.3	4	1.2	15	0.3	3.0	0.3	2.0
1976	10.3	6.0	5.4	52	0.8	6.7	1.7	16	0.9	8	0.4	3	0.9	8	0.1	0.002	0.1	0.002
1977	7.8	9.7	3.9	50	0.6	7.6	2.0	25	0.4	5	0.3	3	0.2	2	0.2	2.0	0.2	2.0
1978	11.0	5.1	5.0	45	0.8	7.2	2.5	22	0.1	-	0.2	1	0.3	3	1.3	12.0	0.8	7.0
1979	15.5	15.9	6.6	42	2.0	12.9	2.9	18	0.5	3	0.3	2	0.6	4	2.0	13.0	0.6	4.0
1980	25.7	10.5	8.2	31	4.0	15.5	6.0	23	1.2	4	1.2	4	3.1	12	1.1	4.0	0.9	3.0
Total	152.7		54.3		12.6		28.7		17.6		10.0		16.1		8.2		5.8	

Source: Development Assistance Report - UNDP (1966 - 1980)

* Others imply Science & Technology, Relief Activities, International Trade and Culture.

** Percentage share of UNDP TA.

2.1 The Impact of Technical Assistance on the Ethiopian Economy

Economic Growth:- is the growth of output per head of population. A discernible rise in total and per capita income of a country widely diffused throughout occupational and income groups and continuing long enough to become cumulative. The resource available should then be allocated so as to maximize the aggregate satisfaction of the community through the consumption of goods, services and leisure.

It is clear from the above that our country has not yet developed a sustained economic growth after having received a significant amount of technical assistance and even worse is after a voluminous aid flow to the country over a considerable period. The country is still counted as an LLDC which implies her status as even one of the Least from the Least Developed countries.

Why haven't we attained economic growth after such a flow of technical assistance to our country is the next question to be asked?

As a UN and other countries' baby -- a country with the resource potential -- Ethiopia has remained underdeveloped without attaining a stage of sustained growth, even in a worse position of not being able to feed her people, with malnutrition and starvation being prevalent in the country.

After realizing the assistance Ethiopia gets from external sources and its being in the zone of poverty, it would be meaningful to examine the nature and scope of technical assistance. How much technical assistance does our country need for a take off into sustained growth? How much of this can the country

spend efficiently? How can the country determine the most efficient allocation of the resources available for development? Is technical assistance the main requirement for growth of this country?

Most of the answers to these questions are dealt in my next chapter in general terms as concerning the problems of technical assistance in Africa.

One thing I can deduce by looking at the technical flow to our country on its nature and scope is that though technical assistance is called development assistance, in reality, it represents part of an ongoing effort to keep the machinery of the government working and prevent economic or development retrogression. If there is any growth due to the technical assistance it will be a reconstruction growth and not real growth.

It looks as if it is a conscious complement/supplement on implementation undertaken by government's own resources, it is seen as a system of maintenance and repair.

The country can never be relieved from technical assistance of any sort since it is with it that the economy afloat. Although the assistance does little to make our country self-reliant or spark off any development that will lead to the generation of more resources, it has at present become a means of subsistence.

As we note from the table the rate of assistance to each individual sector varies from year to year considerably, at times increasing and at other times decreasing which can clearly show that the rationale behind such type of assistance is to

assist in the survival of the country and is in the form of subsidy. It is therefore, high time to take a fresh look at the technical assistance and to ask whether the huge and growing inputs of technical assistance are bringing Ethiopia any closer to real development.

In conclusion we can say that technical assistance in Ethiopia is a subsidy for the loss that the country faces during different periods through the terms of trade or through the increasing population or through natural calamities or any other reasons, and hence has very little to do with the economic growth or economic development.

In elaborating further I would like to highlight the reader of the so-called UNDP Development assistance. In 1973 UNDP allocated 27% of its expenditure to projects in Africa. In 1976 there were 2,367 UNDP experts in Africa, though the figure fell to 1,922 in 1977.

In 1976, of 42 African countries with UNDP experts, 15 had between 50 and 100. These were Botswana (54), Burundi (66), Rwanda (64), Senegal (52), Sierra Leone (56), Somalia (95), Swaziland (55), Uganda (91), Cameroon (64), Upper Volta (80), and Zaire (84). Six African countries had more than 100 UNDP experts: Ethiopia (104), Ghana (102), Ivory Coast (112), Nigeria (205), Tanzania (130), and Zambia (105). In 1977 11 African countries had between 50 and 110 UNDP experts; Ethiopia being one of them. From 1978 - 1980 the UN had assigned experts to Ethiopia ranging in number from 140 to 160 experts.

It is the cost of these experts that really is exciting to discuss relatively talking of their merits. The UN contribution is either inflated or deflated in accordance to the

quality of services these experts render.

The UN and bilateral assistance experts are very expensive, paid at the UN rate and not at the international market rate hence appreciating the volume and value of technical assistance to recipient countries. Not only the UN but most of the bilateral assistance to this country consists of technical assistance in the form of advisory services and experts attached to different projects. About 40% of UNDP assistance and 70% of the total technical assistance goes to meet the costs of these experts.

The question we can now raise would be if 70% of the technical assistance to Ethiopia is to meet expert costs, have they been economically viable i.e. have they tried to boost up the country's economy? Do they deserve to take the 70% of our donation that could have been used to solve other problems? Are their costs in relative terms to their fruitfulness worth that much? Are they better than the ones the country could have otherwise got in the international market?

There have been problems on both the country's side and the expert's side as to their productivity; but one thing clear to everybody is that except few most of the experts were not fruitful. Hence giving a marginal rate for the productive experts, Ethiopia actually received 35 - 40% of the total technical assistance - which is the real technical assistance the country got.

In addition, using the deflatory rate it is said that out of this technical assistance about 9% is reduced to get the real value of technical assistance any country gets.

While the constraints that shortages of trained manpower can place on the development process of Ethiopia is recognized

it is doubtful that these shortages can be attached adequately in the sectoral and project pieces into which development assistance are ordinarily divided. The skills deficits are too pervasive all to be projectised along sectoral lines; they are a matter quite literally of human infrastructure, and in this respect expertise won't contribute to the economic development of the country. What our country needs would be to have our own adequate stocks of our own expertise under institutional arrangements that make these stocks self-renewing. It is then that we can get rid of the unfruitful experts and even know how unfruitful the experts are.

It does not mean that no country has taken advantage of the advisory services, equipment, grants that have been given to it from other countries or organization; the very wise, very few have benefitted from it.

The existing projects have been running for many years and have induced in the nationals engaged a dependency syndrome, an expectation that projects should and would continue. This implies that there is a backward sloping supply curve of effort when the social attitude is seen generally.

Leaving the experts problem at this level I shall then proceed with the sectoral flow of technical assistance and its contribution.

Although agriculture is the mainstay for the foreseeable future, the industrial sector should be the major source of growth necessary to raise the living standards of the people. Where does the industrial development of the country lie? and how can the country be self-reliant without this industrial sector? There is a negligence of technical assistance towards this sector constituting only on the average 8% of the total

technical assistance. This is the sector where a lot of technical assistance is required - mostly in terms of capital. Increasing attention should be given to intermediate and capital goods industries which can enhance the agricultural output as well as other sectors output and place the country in a better position as regards to her balance of payment situation. When I say industrial development I don't mean the industrial development that most African countries refer to -- an industry that transforms say raw coffee to powder coffee etc.

There is a tendency for technical assistance to favour some sectors, like agriculture and natural resources and neglecting the rest hence the assistance is not diffused. Moreover, the projects are all situated in the capital cities having no impact on the real agricultural areas and is not in accordance to the government's priority objective - rural development.

Another factor that will bother us will be the social factor which will be accompanied by the question "With the educational status that Ethiopia is at present and what she would be in the future won't she be able to at least take over some of the works undertaken by the experts? Can't her people try to identify her problems in all sectors? Have the developmental projects and programmes requested by Government and implemented been fruitful in enhancing the economic situation of the country?

Most projects and programmes requested by the Government and implemented have not been as fruitful as they were thought to be and implementation of the project stops with the departure of the expert and the whole programme remains a paper work. The elites should be able to understand the problem our

country is now facing and be able to take over some of the work that the experts are handling.

The aggravating and the chronic problem that the under-developed countries are facing is the terms of trade, the balance of payment problem. Development is conducive to an enlargement of efficient international trade and the opposite ✓ is also true that trade also needs development. Ethiopia hence should develop and trade to sustain and service an orderly system of commercial capital flows. Have the donor countries done anything to this effect -- kept the comparative advantage?

In fact Ethiopia's problem is complicated like the rest of the African countries facing declining terms of trade, imported inflation as a result of the over-rising costs of outside produced goods considered essential, and a rapidly growing population which swallows up half of the economic advances that are made. But all these problems must be primarily tackled by the nationals - national effort towards development. We should bear in mind that all these problems are nothing to brag about at donor conferences and we have to know very well that these may be subsidized by technical assistance or the country can improve the present condition through other forms of aid with the opportunity cost of the future condition but all these will not lead us to sustained economic development. We should keep a close eye on technical assistance and other forms of assistance, to this effect make maximum profit out of it but not completely depend on them.

One thing that we should bear in mind is that no country or organization to that matter will be willing to solve the problems of our development, since to do so is, in the most narrow sense, against the political and economic interest of the donor countries or organizations.

CHAPTER V - THE MALIGNANT ASPECT OF TECHNICAL ASSISTANCE

1. Technical Assistance and International Development

Current development strategies of the technical assistance "establishment" perpetuate the Third World's dependency on developed countries and are not responsive to the real needs of underdeveloped societies. Fundamental changes are needed in the present assistance system.

As seen from the way technical assistance is given to our country in my last chapter, underdevelopment is perceived to be as a primary condition of absolute and relative economic deprivation. This is also the view of the conventional technical assistance expert who attempts to solve what he sees as the specific problems of deprivation. If people have less than enough to eat, he attempts to feed them, or if people are less than well, he attempts to cure or prevent disease. Some experts work at a grander scale. If the economy does not provide a minimum standard of living, then such an economy is designed and implemented. If the economic resources are scarce, as they indeed are, there are planners who try to allocate as efficiently as possible what resources there are. In short technical assistance attempts to solve perceived problems of absolute and relative deprivation through economically-linked, discrete inputs and allocations.

We have now observed thanks to the growing number of the Third World Spokesmen, that the description of the condition of underdevelopment as absolute and relative deprivation is only partially adequate. It does not take into account the most

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significant dynamic dimension of underdevelopment - the underdeveloped world's interrelationship with the rich and powerful countries of the world. Underdevelopment is a relational condition rather than simply a condition of absolute and relative material deprivation; it is the historical by-product of the dynamic relationship between the poor countries and the rich powerful "developed" countries. A country is underdeveloped because of its past and present relationship with the developed countries. This interrelationship has economic, political, social, cultural and psychological components.

It is presently suggested, along with many of the new thinkers in or about the Third World, that there is a need to focus deliberately and carefully upon the relationship between developed and underdeveloped societies in such a way as to cast light on the full social and human consequences of this relationship, a relationship which has meant, as the sociologist Andre Gunder Frank rightly observes that "... the entire social fabric of the underdeveloped countries has long been penetrated by, and integrated into, the world embracing system of which is an integral part".^{4/}

One intellectual consequence of this particular world-view has been a growing preoccupation with the role of power in the dynamics of underdevelopment and development -- that is, the role of power in the relational dimension of underdevelopment. Many Third World spokesmen have been developing the hypothesis that it is the cultural, social, political, economic, psychological, and intellectual powerlessness that is, in fact, the most manifest condition of an underdeveloped people. In this view powerlessness over the forces that determine one's personal and historical destiny is a primary

^{4/} Andre Gunder Frank, "Sociology of Development and Underdev't" Catalyst no. 3, Summer 1967, p. 32.

condition of underdevelopment and perpetuates the dependency of an underdeveloped people. Denis Goulet, a very articulate philosopher of development ethics, associates the condition of "powerlessness and dependency" with the broader concept of vulnerability: "Vulnerability is exposure to forces one cannot control. In the present context it is the inability of underdeveloped societies to determine the outcome to their own responses to pressing social forces".^{5/}

Need occurs now to distinguish between two forms of power and control that contribute to the condition of powerlessness, dependency and vulnerability of the Third World. These are forms of power and control exercised by the dominant "developed" societies over the "underdeveloped" societies:

1. Normative control: psychological, intellectual and cultural control over norms and values that determine behaviour.
2. Structural Control: political, institutional, legal and bureaucratic control of actions.

It follows from the hypothesis advanced above that it would be useful to examine the dimension of power in the relationships between the powerless and poor and the powerful and rich people of the earth and how this relationship relates to the condition of underdevelopment.

This trend has led, unfortunately to the perversion of the whole concept of "development" -- a situation that some individuals operating within the technical assistance process have begun to recognize. Modern economists do not seem to have in their professional "toolkits" the tools to design and put into operation development strategies that have essentially social and human objectives. In fact, economists feel uncom-

^{5/} Denis A. Goulet, *The Cruel Choice, An Ethical Approach to Dev't.*, New York Atheneum, 1971, vii.

portable in this area.

Nyerere is representative of the Third World Spokesmen who have attempted to reverse the trend of defining development objectives in material and economic terms. He has defined development in human and social terms. He has reassigned economic strategies to the role of primarily serving human and social objectives. Nyerere has placed highest value upon the intangible human assets such as self-esteem, dignity, self-reliance and he has emphasized programmes that improve the quality of social relationships. Nyerere's current development efforts are efforts at making operational his value priorities.

The point I have attempted to make thus far is that the differences between worldviews and value systems of the conventional technical assistance establishment and of the Third World dissenters are extremely profound. We are speaking of different sets of assumptions and sentiments, of a different "Paradigm" of development. We are literally speaking of "two cultures" of development workers.

Conventional development personnel, who serve the traditional technical assistance agencies, exert vast control over the technical assistance process and thus exert considerable influence over the development process itself. This power is exerted through their virtual monopoly over the following most important "assets" of the technical assistance process:

1. Material resources, techniques and delivery systems;
2. Manpower: monopolization of occupational access to technical assistance roles and the social status system of international personnel;

3. Worldview and Value Hierarchy: monopolization of the legitimizing mechanisms that confer validity and credibility to worldviews and value hierarchies.

Many aid agencies are large bureaucracies and technocracies. These features and the features of monopolization generate an organizational type that is not fully responsive to real needs, is not accountable to its clients, and is self-serving, self-perpetuating, bewildering to those on the outside and stifling to many who work on the inside.

The trend toward further internationalization and institutionalization of aid is not necessarily a step in the right direction. Although ostensibly it is a move away from unilateral and politicized aid - and this is seen as desirable - this trend can only bring with it more complete monopolization and bureaucratization, further diffusion of authority and accountability, and less flexibility in approaching development problems we still do not understand.

Monopolization of the aid "assets" cannot but contribute to an increasing sense of economic, political, social, cultural, and intellectual powerlessness of the poor people of the world and hence, to the dynamic condition of underdevelopment itself.

1.1 Monopolization of Material Resources, Techniques, and Delivery Systems

Technical assistance is a segment of the vicious circle of recipient country dependency. Technical assistance becomes a necessary development input because the prerequisites for obtaining capital aid usually include sophisticated feasibility

studies, planning documents and operational technical advice. The current process of aid-giving merely perpetuates the dependence upon technical expertise. The mode of operation of experts is to deal with problems at levels of complexity that only the experts are preoccupied with highly technical solutions to the problems of development.

One of the most important criticisms of the current technical assistance establishment is that it is controlled by the rich and powerful nations who have ultimate power over the purse strings. Whether or not technical assistance is further internationalized, it is structurally impossible for the technical assistance establishment to challenge the international vested interests of the donor countries. This fact alone can discount considerably anyone's faith that the current systems of technical assistance will be able to do anything to solve fundamental problems of underdevelopment. Technical assistance efforts and aid in general are palliatives. We must reckon with this that technical assistance will not solve the problems of underdevelopment and will not have a significant contribution towards development.

Often the recipient country government contributes to the perpetuation of the condition of underdevelopment by its particular use of technical assistance resources. A government can manipulate the direction of a technical assistance program in order to strengthen its own control over its people, or it can direct the efforts so that they will have only a minimal effect upon any positive change that might upset the vested interests of the recipient country. There have been many such undesirable "alliances" between recipient governments and technical assistance agencies.

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1.2 Manpower: Monopolization of Occupational Access to
Technical Assistance Roles and the Social Status
System of International Personnel

The monopolization of occupational access to technical assistance roles tends to inhibit a pluralism of development strategies in the technical assistance process. The "successful" expert gets ahead not because of his performance on behalf of his clients -- he is not accountable directly to them -- but on the basis of his performance on behalf of the aid agency he serves, or the professional association with which he may identify. The institutional norms or professional norms that technical assistance personnel must accept are not consistent with norms of reciprocity, risk-taking, and responsiveness to the masses -- norms that are absolutely necessary if an effective aid relationship is to be developed.

1.3 Worldview and Value Hierarchy: Monopolization of the
Legitimizing Mechanisms that Confer Validity and Credi-
bility on Worldviews and Value Hierarchies

The most subtle monopoly, but certainly one of the most powerful, is the monopoly over worldview and value hierarchies. The technical assistance establishment is a veritable intellectual and cultural power structure. Its worldview of underdevelopment reality and its hierarchy of values determine the priorities, methodologies, and instrumentalities to be used in dealing with the condition of underdevelopment. This is a monopoly that provides the technical assistance establishment with powerful normative and methodological controls over the development process. We could also refer to this particular monopoly as the power to perpetuate a dominant "paradigm" of development.

It is this "paradigm power" that concerns us the most. It is a "paradigm" that has dominated development thinking and approaches for a long time. It is a paradigm backed by the technical assistance institutions and resources. In short, it is a paradigm with a lot at stake and is therefore very difficult to change or challenge.

These critics have begun to realize how parochial and inadequate this dominant example is. It is rooted in the objective consciousness of western intellectual tradition. The critics are challenging the authority of the western scientific method of knowing, with how reality is perceived and validated rather than with what one perceives. Such a rigid methodology excludes important dimensions of human experience.

The Third World will have to stumble along in its efforts to articulate and operationalize a new paradigm -- its worldview and value hierarchies. But meanwhile the commanding intellectual power structure of the technical assistance establishment suppresses and psychologically oppresses those individuals who generate fundamental alternatives.

2. Technical Assistance and African Development

This size of the aid problems is daunting when, as is usually the case, it is looked at through Western eyes using Western assumptions about development. It is not simply a question of financial resources, which are the easiest of all external assistance inputs to find, but of technology, the transfer of which even in the grudging amounts that the major donors are willing to pass on -- means the use of many thousands of technical assistance personnel. Such people create a further set of problems which may prove to be the

greatest of all the development hurdles that have to be overcome.

Foreign personnel bring with them their own ideologies. Whatever may be argued in theory about their behaviour patterns, in practice their presence inevitably pushes the development of the recipient country in a particular direction: towards capitalism or Marxism; or it has its price in some other way. In the long run the activities of such personnel and their impact may be more important in shaping the future of small dependent aid-receiving countries than either the amount of financial aid, or the numerous special trade and other agreements and concessions which from time to time the Third World manages to wrest from the advanced economies.

The starting point, of course, is the concept of development. At present almost all African countries have broadly accepted the Western capitalist concept of development; the corollary to which is that they also accept the aim of catching up with the advanced economies or to be more realistic imitating them as far as possible. As long as this remains the case, the donors will always call the tune.

What does Africa need? Africa needs to increase her physical output (goods and services) to meet the demands of the masses theoretically.

It is easy then to show that development depends not on a few specific projects, but an adequate overall investment effort with respect to both aggregate size and consumption, and how ill designed fiscal monetary, and foreign exchange policies could undercut the positive contribution of any individual project to economic growth. Economists further point out that the donor country or organization is not really

financing the project for which it is ostensibly granting funds, but rather the "marginal" project which the aid recipient would have just given up had he not been handed the additional resources for a project which he probably would have undertaken in any event.

Project aid also implies a series of biases and perverse incentive, it encourages African countries to prepare large capital projects to exaggerate the foreign exchange portion of the total cost of these projects and to favour public infrastructure projects, which are most easily financed through loans of grants extended from one government or organization to another for project purposes.

The concept of development is something that the West has recently created and now peddles with great determination. Development has been accepted not simply as a goal but as a good goal: in consequence every state wants it. In his book *Revolutionary Pressures in Africa*, Claude Ake examines in some detail the idea of development as applied to Africa. He argues that:

"Assistance is given to make the partnership look plausible but as it is worked out the proletarian countries get poorer and the technology gap widens. Still, the idea of development and the partnership in development creates the illusion of an identity of interest." ^{6/}

It is certainly true that the technology gap is widening, while Ake's contention that assistance is given to make the partnership look plausible would seem to be borne out by the evidence: no concentration of technical assistance by any donor

^{6/} Claude Ake, *Revolutionary Pressures in Africa*, Zed Press Ltd., 1978, pp. 120

has effectively brought any recipient to the point of "take off", to use Rostow's phrase. This, it has often been argued, is because of the size of the problems to be overcome and not for want of trying. But the alternative answer would seem to be nearer to the truth: that it is against the interests of the donors to equip recipients to stand on their own.

Foreign experts might do three jobs in African countries, they might provide economic intelligence for their own governments, they might give economic advice to their chief of mission and to their national headquarters and they might give advice to the host government. It is important to distinguish sharply between those experts who are doing the third job and those who are doing the other two; linking aid with advice may render both useless or worse from the view point of the grantor countries. If they are closely linked, it is almost inevitable that experts in the field will become administrators of the capital assistance programme, rather than true technical assistants to the government of Africa. They may succumb to the temptation to use their research primarily as a basis for their own policy decisions and to use capital assistance as a club to persuade the host government to accept these policy decisions.

Foreign advisors need the administrative flexibility and the adroitness to get themselves invited to help on these problems after they arrive in the country and they must be equipped to give practical assistance in effecting visible improvement when the opportunity arises. This type of "nuts and bolts" assistance may often be critical in winning the confidences of local leaders and their supporting staffs and thereby earning the right to advise on more substantive matters.

Field technicians must be flexible enough to meet various needs. Furthermore when the opportunity arise, the improvement of daily operation is likely to be a complex task requiring actions on many fronts. Advice must be technically sound, locally feasible, and politically sensitive differing from one recipient country to the other. The foreign advisor who is primarily concerned with the development of the institution must also be prepared to help his local colleague in wrestling with his daily critical substantive problems.

We should bear in mind that aid is usually tied. There is apparently no free aid as such, aids have got cost attached to them or have some tie particularly if they are in terms of technical assistance. The general option of grantor country is technical assistance to create some job for the idle, so called expert, in other words to create employment possibilities in its own country hence has some implication with regards to the resource application.

A phrase which has long been current is "trade not aid", of course, if Third World recipients could trade adequately, many of their problems would either fall away or at least appreciably lessen. A cynic might point out that it is precisely because trade is the chief engine of development that rich countries have shown such stubborn determination not to ease the terms of trade in favour of the poor countries in case the latter developed too quickly. As it is between 70 and 80% of Africa's exports go to the West and only between seven and 11% to the East. The great weakness of Africa's trading position lies in the fact that 70% of its revenues come from the export of primary products and control of prices is not

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generally in the African producer states' hands.

The idea of the need to develop has now taken such a firm grip that all African countries have development budgets and most African countries depend on external funds for up to 50 - 60% of their development expenditures. These funds come from the major bilateral donors and multilateral organizations. Thus the recipients are making their development processes increasingly dependent on external inputs and are more and more subject to the advice and manipulation, if not the ideology, of those who supply the aid.

In most African countries needs are determined by the foreigners. The countries don't know what is wrong, why it has gone wrong and what should be done. They ask for expertise to show them their problems. Does one expect the other to know if he is hungry or not?

It would not be fair to blame the experts for not pinpointing the exact weak points of the recipient countries since the person is not used to the environment of the country. There need to be someone to guide the expert. If one doesn't know the problem of his country he can't expect to get a solution for it.

Technical assistance is given to countries according to the priority areas shown in the development plan of the recipient country. Suffice to the point of whether it is done by a local expert or a foreign expert, it is an obvious fact that development plans in developing countries are just statements of intentions and dreams and even in a highly operational development plan, the fulfillment of the plan's objectives would depend crucially among other things on "appropriate" fiscal monetary and other economic policies.

It is ridiculous to see African countries cheating themselves in manipulating their development plans to fit the requirements of the donor country so that they can get what the donor country wants to dispose off. To this effect we can conclude that the donor indirectly influences the economy of the recipient country.

At present 70% of the world population is responsible for only 7% of the industrial output, conversely, a very few countries effectively monopolize capital and technology. They are willing, on certain conditions to part with some of their capital but are intensely jealous of their technology, for that is the decisive control factor of production and development. As a result, virtually all African countries are dependent upon a few major aid donors for their inputs of technology. As long as foreign capital guards its technology it can, for example, be involved in a business in Africa which is 80% locally controlled and still dictate policy.

In consequence of this imbalance between the developed and the developing, the idea of appropriate technology has grown and become fashionable. The question, however, is who decides upon its appropriateness. Nyerere, for example, speaks of appropriate training yet without top educational qualifications, people cannot compete, thus appropriate may too easily mean a willingness to be content with second best. Again it is a question of choice: what sort of society do people want to develop?

If a country is determined upon development in the Western sense, it should ignore the appropriate technology trap, for that is designed to ensure that the catching up process is prolonged indefinitely. On the other hand, one of

the ironies of the aid business is that African in East Africa, for example, have long known what, for them is appropriate technology; it is the donors who presume to reorganize in the recipient country, often with disastrous result. Thus in agriculture traditional broadcast methods of farming worked, while European agricultural methods, such as planting in rows, frequently produced erosion. It is the donors who often need to learn rather than those they are assisting.

Problems exist and proliferate; and one of the most acute African question is the extent to which the continent should and could unite in its approaches to the major aid donors. Some donors prefer to work in groups or on a regional basis, at least over particular issues as, for example, in assisting the development of a continental infrastructure.

A good example of this occurred in 1978 when a group of donor countries were approached to assist civil aviation expansion in Africa. Plans included the training of 16,500 personnel over five years. The representatives of 35 African countries met in Geneva with those of a number of major donors whose help was deemed essential for any continent wide scheme: the latter group included Britain, France, West Germany, Canada, Portugal, Japan and the USSR. By that time African countries and the UN had already earmarked \$70 million for the scheme and were seeking another \$110 million. The basic aim was to make Africa self-sufficient in the training of its own air crews and engineers by expanding the training centres at Addis Ababa and Niamey and by establishing a third centre at Franceville in Gabon. Between them the three centres would turn out 4,500

qualified personnel in five years and the remaining 12,000 would be trained at existing national centres.

The scheme is ambitious and Africa has a current rate of civil aviation expansion that is some 25% higher than the world average. The difficulty illustrating another of Africa's problems, as its size in relation to population and industry. The continent's daily aircraft utilization averages 4½ hour compared with a world average of 7½ hours while operating costs are 30½ above world average.

In Western development terms Africa is not unlike a firm on the verge of bankruptcy; it has a minimum of room in which to manoeuvre. Any important developments require assistance from donors of one kind or another for capital and, more importantly, for technology as in the case outlined above. In this circumstance Africa becomes still more dependent, incurs fresh debts and, if anything reduces its future freedom of manoeuvre.

It is the pleasure of both the recipient and donor country to give and receive technical assistance in the form of equipment and other supplies if the former does not think over the disadvantages behind the donation.

Technical assistance in the form of equipment and other supplies creates demand for the donor countries products. It is possible that the source may not be the cheapest but this should never be considered since direct payment does not occur. There is always a tendency and has nowadays become true that this kind of assistance makes Africa dependent on the products of the donor countries regardless of their prices:

- the need for spare parts adds to the demand of the spare parts of the donor country which can deteriorate the foreign exchange position of the recipient countries;
- other complimentary inputs will be required which again aggravate the balance of payment position of the country;
- there won't be an initiative from the recipient for manipulating the problem it faces with the lack of the machinery it needs and accordingly solve the problem within the available resources in the country if flows of the needed equipment comes from a foreign source;
- the question of receiving distorts the priorities of the country.

Hence a country has to take it for granted that more than what was given is indirectly taken.

The only form of assistance that should be complimented is grant if the recipient country is wise enough to use it properly.

Turning the coin to its other side let us also see the inevitable and perpetual weaknesses of the recipient countries.

Governments normally ask for expertise to undertake a certain study in a sophisticated field, let us say for a two year period. When agreement is signed it directly implies that there will be one expert and counterpart to do the study for two years and that the expert to teach the counterpart of what and how things go and for the counterpart to take over the assignment after the departure of the expert.

Governments normally ask for experts without assigning anyone as a counterpart to learn from the expert or correct the expert; even if they do assign counterparts:

- the counterpart might have no knowledge of the field;

- he might have no interest;

or he might be a person that learns by imitation and not by learning.

The expert after some negotiation comes to work with or without the counterpart and after his assignment there is a tendency of extending his contract since there is no one to take over him. Here goes our continuous dependence for technical assistance. When one asks for experts one should be aware of the need for someone to take over the expert and someone to learn from the expert.

Support for country given in this respect hence becomes largely at the paper work stage without any result. It is not sufficient to propagate the amount of technical assistance or to that matter any sort of assistance given to a country if properly not used.

Most of African countries are dependent upon expatriate personnel in higher education, several questions have to be asked; how fast has education (example Kenya) been expanding; how soon will local personnel be trained -- either in Kenya or overseas -- to replace the expatriates; have past targets for localization been met?

Kenya's ability to attract aid -- overwhelmingly from the West -- must cause debate. The country, it is true is capitalist-oriented, allows investment and easy repatriation of profit. It also possesses regional advantages in relation

to its neighbours and pursues a general approach to development which is acceptable to the major donors such as the USA and Britain, as well as the multilateral organizations. The question of greatest importance, ultimately one that only Kenya's leaders will be able to answer, is how soon the country will be able to dispense with such huge aid inputs and, more important, how soon does it want to do so.

The most quoted reference to aid that occurs in the Arusha Declaration of 1967 reads: "Independence means self-reliance. Independence cannot be real if a nation depends upon gifts and loans from another for its development". No other examination of the aid process has been as clear as the Arusha Declaration: "Gifts which start off or stimulate our own efforts are useful gifts. But gifts which weaken our own efforts should not be accepted without asking ourselves a number of questions". Unfortunately, even in Tanzania, the questions appear to be asked less and less. Though Tanzania may be aware of the pitfalls of over-dependence upon external assistance, in terms of hard survival the country has found it quite exceptionally difficult to do without it. As the Declaration also points out: "how can we depend upon foreign governments and countries for the major part of our development without giving to those governments and countries a great part of our freedom to act as we please?" The truth is that we cannot. The theory is fine; but there would appear to be a clear ambivalence between Nyerere's statements about aid and self-reliance and his practice.

The Tanzanian Government issued two famous, if short-

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lived, directives in 1972, Numbers 9 and 10 about the employment of expatriates in government departments. One of the points made was "the habit of dependence upon the expatriate can be an easier one to adopt and sustain than the habit of self-reliance", and that is what happened.

The lesson pointed out by Tanzania is simply its lack of development leeway. Its economic vulnerability is so great -- given a crisis -- that whatever its policy in theory, in practice it has been obliged to turn to the West and East for assistance and this has been true with most African countries.

In August 1978, in his closing speech to the Fourth Session of the Central Committee Third Congress, President Samora Machel of Mozambique touched upon the aid problems that beset his country. After analyzing various aspects of development problems, arising from either internal or external causes, Machel said: "We defined agriculture as the basis of our development. We defined the communal village as the strategy for rural development and for the socialization of the peasant. We defined the agricultural co-operative as the way to destroy the individualist spirit and to join forces to solve problems..." And he went on to say that special attention would be paid to the cooperative sector, family production and export crops such as cashew nuts, sesame seed, cotton and copra.

He then made a crucial point and one for which no clear answer has been found: "At this moment we are faced with a dilemma: we don't have foreign exchange to finance development and without development we cannot generate foreign exchange". "Therefore the Fourth Session of the Central Committee reinforced the decision to give dynamic support to the agricultural

export sectors, the mineral sectors and fisheries".

That simple statement by Machel suggests that he and his party reject self-reliance, if that term means developing without foreign technical assistance. If this is the case, it is questionable whether any country in Africa can expect to go without it alone. And if they cannot do so, what sort of development can they achieve, what kind of help will they get and at what price to their freedom in the future.

CHAPTER VI - THE NEW INTERNATIONAL ECONOMIC ORDER & ITS REALITY

External assistance has now been provided for more than a quarter of a century. Yet the countries which qualified for development assistance as colonies 25 years ago and those who were not colonized still need assistance today. There is little change in their real economic position and none whatever in their relation to the advanced economies: "catching up" is a receding myth. Since this is the case, it is relevant to ask just what aid in general and technical assistance in particular has achieved over this period.

There are at least twice as many British or French personnel in Africa today as there were 20 or more years ago. In addition, there are many more advisers and aid personnel from the communist (Eastern) countries.

Most African countries inherited an economic and political structure at independence from which it has been extremely difficult to break free; a few have tried to do so, with indifferent success. The development paths pursued by African countries were broadly established for them at independence; to alter the inherited approach required a political insight and determination -- as well as access to some other technology -- that in most cases was simply not available. Western economic penetration in Africa, at the time of independence, was of such an order that virtually none of the weak countries (economically) of the continent have been able, individually to break free. If they are to do so it must be collectively: that means instituting some form of new international economic order.

One thing to be sure that there is no lack of technical assistance the question as always, is how much should be taken and on what terms.

Once a major donor has decided to support a particular recipient with economic assistance and personnel it is readily available but the result is not convincing as to whether the recipient really needed these assistances. As Mozambique's Machel quickly discovered, his most acute development problem hinged upon the availability of foreign exchange. His admission of the need for foreign exchange to fuel development was a clear indication that no matter what political ideology a developing country wishes to pursue, it ends up all too easily turning to the advanced economies for its development.

There is an abundance of theories about development as there are growing numbers of bodies in the West and elsewhere, concerned with the problems of the Third World. None of these theories has led to breakthroughs in development terms. Until African countries begin to think in terms of dispensing with technical assistance and other sorts of aid, as it is now made available, there is little sense in talking of establishing a new international economic order. Indeed, to do so while accepting aid is a contradiction in terms. In theory countries take aid to make their economies viable; in practice, they seem, too often to take aid because it is there and helps them to survive. Many developing countries are only just keeping their heads above water by accepting the assistance which is offered, and the donors control the system into which the African states were automatically pitch-forked at independence.

None of this is encouraging for the future. Aid is at present provided as a weapon of economic imperialism: this

is equally true of Western and Eastern bloc of assistance. Further aid begets more aid and technical assistance personnel spawn ever more of their kind so that, despite brave attempts at self-reliance, most African states are becoming more, rather than less, dependent upon some form of development assistance. The core of technical assistance at present is simply that it is given by the industrialized to the developing in order to maintain the present system, rather than to bring about economic progress.

To ensure the continuation of the old economic order (There is and have never been any economic order; but to simplify matter, let us assume that there was one) the industrialized countries see it as in their interests to frustrate the search, by the developing world, for ways of breaking out of the conomic strait-jacket in which they find themselves. The key to change is the transfer of technology; any so-called new international economic order will only emerge if such a transfer can be brought about.

After the euphoria which followed the emergency of OPEC's bargaining power in 1974, the North-South Dialogue, in fact soon became boddged down in endless and near fruitless discussions which produced no changes of any moment. What Third World countries learnt in the mid-1970s was that every concession, however small, had to be wrung from the advanced economies. The only way in which the Third World can hope to alter the existing order is by organizing itself to speak with one voice when dealing with the advanced economies.

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In January 1979 Mr. Shridath Ramphal the Secretary-General of the Commonwealth, put forward the suggestion that an Organization for Economic Co-operation among Developing Countries (OECD) should be set up to assist the Third World in its negotiations with developed countries. Mr. Ramphal argued that poor countries were ill-equipped for detailed bargaining on trade and other economic subjects and that such lack of expertise was even more serious today because of the growing degree of co-ordination among the rich countries, which had highly sophisticated mechanisms at their disposal, such as the machinery of the EEC, the Organization for Economic Cooperation and Development and the Nordic Council.

Because of the different views and different stands the Third World had come to feel increasingly isolated from the main economic decision-making processes; the major economic powers make their own decisions and simply pass the results on to the Third World.

At this point in history it is not possible to have a series of economic orders working alongside each other. At present, effectively, there are two: the capitalist Western economic order which embraces by far the larger part of the world; and the communist economic order. The two systems are political rivals and part of the rivalry comes out in their respective approaches to the Third World. Third World countries turn to both for trade and economic assistance.

The overriding implication behind a new international economic order is willingness on the part of the advanced economies to permit real sharing by the Third World, in decisions and technology. In other words, the rich have got to be prepared to make concessions which, apparently, would

rob them of their present advantages over the poor: the advantages that enable them to control the economic order as it now exists.

For a brief moment in 1974 it looked as though the advanced economies might at least begin to bring the Third World into their deliberations as equal partners. This followed the rise of OPEC power. It happened because, for the first time, Western panic about its sources of oil forced it to consider making concessions that it would not otherwise have contemplated. Once the oil panic had subsided, however, and the West, even in recession, had absorbed the new oil prices and geared itself to a changed situation, then even the possibility of meaningful concession rapidly receded.

What could induce willingness upon the part of the powerful to share with the weak in a way that, on current evidence, seems unlikely? The answers must be that either the Third World produces even more powerful pressures than those mounted by OPEC in 1973-1975, for example, withholding raw materials until they get what they seek from the advanced economies; or the rich change their own line of reasoning and, instead of arguing for short-term advantage, make major concessions now so as to create a different climate of opinion and thus work towards a genuine one-world society. The likelihood of either course of action being adopted appears politically remote.

The first such argument is of the OPEC kind: that is, for Third World countries, which supply the advanced economies with a great part of their raw materials, to act as a united OPEC and demand, in return for a continuing supply, some of the concessions that at present they seek in vain. In fact,

such a course of action appears politically unrealistic: there are too many Third World countries, they differ too much from each other in their political alignments, they are too poor and too dependent upon the export of one or two commodities and such joint action is unlikely. The OPEC countries made a substantial impact but they did so only because of the peculiar properties of oil and its especial importance at the present time, and because only a few countries had an effective monopoly of oil exports to the advanced economies. The conditions which prevailed for OPEC simply do not exist in relation to other commodities to other groups of countries.

Here another important question need to be asked: do most of the Third World countries in fact want a new international economic order? The most advanced Third World countries, those with the greatest potential, such as Brazil, appear only too anxious to join the ranks of the rich as soon as they can. Indeed, the relationship of rich and poor has been well inculcated into the latter along capitalist lines: for the poor it is a matter of upwards mobility and most appear only too anxious to join the developed, even if at the bottom of the ladder. To put the problem another way, how many Third World countries which at present demand a new international economic order would continue to do if they struck oil and rapidly generated the wealth to develop their economies and so move into a different economic category? The West especially, understands this and so concentrates attention on key countries with potential economic strength so as to detach them from the rest, since otherwise they might spearhead a movement to change the present world order.

In these terms it seems unlikely that any new international economic order will be brought about in the foreseeable future. The alternative is steadily mounting frustration and resentment on the part of three quarters of the world's population against the minority of rich developed economies which control the present system. Such rising resentment must produce an increasingly unstable world.

The world, of course, will continue as it is -- the rich exploiting the poor and the latter demanding, but seldom getting, a better deal under the existing world order.

The Third World cannot win a confrontation with the advanced economies if their object is simply to become more like the advanced economies as quickly as possible, then they are doomed to second class world citizenship for the foreseeable future. The Technical assistance relationship assumes that the recipients want to be more like the donors (in economic terms) the result is that donors almost always call the tune.

The poor should work on two assumption. First, that the advanced economies are uninterested in establishing any new international economic order, since to do so must mean their own system has to disappear. Second that the only way to achieve real change will be by "going it alone".

If developing countries really want a new international economic order they should be willing to pay the price in sacrifices which will be needed to break the existing pattern of economic dependence. The price may well be too high, the pressures from the elite (if not the masses of the people) too great, so that any Third World generated new international economic order will be doomed before it gets off the ground.

What seems certain is that those who continue to depend on external assistance for economic succour (let alone real progress) have only one future before them, and that is to be drawn further into the economic toils of the existing system. In the end, the only way they will break free is by violent revolution.

CHAPTER VII - CONCLUSION

The paradoxes that any thoughtful examination of the general effectiveness of technical assistance uncovers start with the very question itself. What could be more natural than for an economist to want to know whether technical assistance on the whole, is worth while -- at a time when the absorptive capacity of many recipients is questioned; when the process is criticised for inefficiency, irritate recipients; when it is called too marginal to make a difference; when the right says it is wasteful and soft-headed while the left denies its ability to escape the taint of neo-imperialism -- and all of this in a time of tightened budgets?

There is nothing unorthodox about private gift-giving across national boundaries. The question lies whether these gifts are required or not. Whether they are viable or not. Whether recipients do really want them or not. Whether recipients know their requirements, know what is good for their economic progress.

Recipients should not take gifts because they are free. One would need to identify the purpose or purposes to which the flow is directed, doing this with sufficient precision to permit the scaling of achievement.

On the basis of the economic projections, Africa in the year 2000 will not be in the ditch it is in now. It will be in the bottom of a deep black hole. This is not only due to the negative effects of technical assistance but due to lack of national effort in every African country.

Over the last two decades the food and agricultural situation in Africa has undergone a drastic deterioration.

Today each person in the region has, on average, considerably less access to food than was the case ten years ago, and average dietary standards have fallen below nutritional requirements. In the face of a rapid growth in population and urbanization, food production in Africa has tended to stagnate. Indeed, average food production per person has steadily declined since 1960. This is prevalent because of increasing population and unfavourable terms of trade. Technical assistance is hence geared in filling up the stomach of the starved African than to development problem -- if effectively used.

Ethiopia without her national effort will be indifferent from the rest of the African countries at her population growth rate (2.5% for urban and 5.1% for rural) regardless of any kind of assistance she gets from abroad, consistently begging for additional assistance and depending on the rest of the world for her survival.

Technical assistance has very little to do with sustained economic growth and development in Ethiopia. This is different from saying that it is useless, to some extent it is useful for her survival. To my knowledge technical assistance should not be called "Development Assistance" since it is just a system of subsidy.

The above will finally lead us to the perpetual need for a national effort which is an indispensable aspect when we talk of economic growth. The primary move from one step up the ladder is the national effort to be supplemented with an overall world reaction to the present economic situation -- mainly a United Front of the Third World Countries to combat underdevelopment.

One thing we should still bear in mind is that the world is yet a world of competition. No country would want the development of others. Every country wants to be the top to have some countries to dominate politically, and economically.

ABBREVIATIONS

UN	UNITED NATIONS
UNDP	UNITED NATIONS DEVELOPMENT PROGRAMME
UNCTAD	UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
UNCDF	UNITED NATIONS CAPITAL DEVELOPMENT FUND
UNESCO	UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION
UNICEF	UNITED NATIONS CHILDREN'S FUND
UNFPA	UNITED NATIONS FUND FOR POPULATION ACTIVITIES
ADB	AFRICAN DEVELOPMENT BANK
IDA	INTERNATIONAL DEVELOPMENT AGENCY
EEC	EUROPEAN ECONOMIC COMMUNITY
ODA	OFFICIAL DEVELOPMENT ASSISTANCE
WFP	WORLD FOOD PROGRAMME
FAO	FOOD AND AGRICULTURE ORGANIZATION
WHO	WORLD HEALTH ORGANIZATION
CPSC	CENTRAL PLANNING SUPREME COUNCIL
NRDC	NATIONAL REVOLUTIONARY DEVELOPMENT CAMPAIGN
LDC	LEAST DEVELOPED COUNTRY
LLDC	LEAST OF THE LEAST DEVELOPED COUNTRIES
IPF	INDICATIVE PLANNING FIGURE
UDC	UNDERDEVELOPED COUNTRY

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
II. UNDERDEVELOPED COUNTRIES AND TECHNICAL ASSISTANCE	4
1. Historical Background of External Assistance	4
2. The Consistent Need for Technical Assistance by Least Developed Countries.....	5
3. Technical Assistance and Its Implication.....	8
4. The United Nations and Its Technical Assistance...	11
4.1 New Programme for LDC's (1982-1986).....	14
III. TECHNICAL ASSISTANCE IN ETHIOPIA.....	18
1. Resource and Development Potential.....	19
1.1 Ethiopia - Social Indicators Data Sheet.....	21
2. Development Efforts During the Pre-Revolution Period.....	27
3. Development Efforts Since 1974.....	28
4. The Ten-Year Development Plan (1980/81-1989/90)...	30
4.1 Fixed Investment.....	31
4.2 Domestic Saving and Need for External Assistance.....	31
IV. THE UNDP PROGRAMME IN ETHIOPIA.....	37
1. UNDP Technical Assistance	37
1.1 UNDP Technical Assistance in Ethiopia.....	39
1.11 Forms of Assistance.....	40
1.12 Participation and Contribution of the Ethiopian Government.....	43
1.2 Technical Assistance Since 1966.....	44
1.21 Ethiopia Country Programme.....	46
2. General Assessment of UNDP's Experience.....	48
2.1 Implementation of Technical Assistance from UNDP.....	55

	<u>Page</u>
V. IMPACT OF TECHNICAL ASSISTANCE ON ETHIOPIAN ECONOMY	58
1. The Volume of Assistance.....	59
2. Technical Assistance on a Sectoral Basis.....	60
3. The Impact of Technical Assistance on the Economy	63
VI. THE MALIGNANT ASPECT OF TECHNICAL ASSISTANCE.....	70
1. Technical Assistance and International Development	70
1.1 Monopolization of Material Resources, Techniques and Delivery Systems.....	74
1.2 Manpower.....	76
1.3 Worldview and Value Hierarchy.....	76
2. Technical Assistance and African Development..	77
VII. THE NEW INTERNATIONAL ECONOMIC ORDER AND ITS REALITY IN ENHANCING AFRICAN DEVELOPMENT.....	91
VIII. CONCLUSION.....	99