



**ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES**

**THE ROLE OF FOREIGN AID FOR THE  
DEMOCRATIZATION & FORMATION OF  
GOOD GOVERNANCE IN ETHIOPIA**

**BY  
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## Dedication

I dedicate this thesis to all who exerted their financial, moral and diplomatic as well as political support for the democratization process in Ethiopia. Above all to the people who sacrifice their life in hope of establishing democracy in Ethiopia through armed struggle as well as for those who sacrifice their lavish life and rotted in prisons under different regimes for formation of good governance in Ethiopia.



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## Abstract

Ethiopia is one of the least developed nations in the world. The primary root causes of the underdevelopment of this country are absence of peaceful transition of political power, good governance and democracy. There is close relationship between economic development and democracy. As many researches indicate presence of democracy in one country accelerate economic development and tranquility of the state. The development hypothesis underlying good governance that reduced conflict is essential to bring about economic growth and address the challenges of vulnerability to famine, hunger, and poverty.

Many scholars argue that “democracy may be created and mid-wifed by foreign powers” However since donors have no representation in any country as a citizens to change policies and struggle for citizens empowerment what they can do is either to exert their influence through financial donation or financing as well as sharing experience to nationals as well as institutions of local origin that work for the democratization and formation of good governance.

Foreign aid could play a paramount role for the development a country as it did in other countries of Europe. Even thought foreign aid could play to foster economic growth as well as democracy in most developing countries including Ethiopia. Nevertheless the aid provide to Ethiopia couldn't bring the anticipated democracy and good governance. This seems as a result of the donors' conviction that providing emergency aid, military aid and technical assistance are their priority rather than disappointing the government by pledging the question of good governance, and democratizations rummage in return for their aid. Besides the amount of aid exerted fro the democratization is scanty. Donors' prime objective is gratifying their national interest in the region than to democratize Ethiopia. Besides all regimes in the country were not willing to accept any conditionality that contradict with interest. It is hardily possible to use aid as a means to bring democracy and good governance with out political will of people in power. Democracy and good government can be cultivated merely by the political will of government in power or after fundamental grounds such as pluralistic culture, economically independent society, and culture of peaceful transition of power facilitate in a country.



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## Introduction

### 1-Back ground of the study

Foreign aid is an assistance given by developed countries to support the economic, social and political development of developing countries. It is distinguished from humanitarian aid as being aimed at alleviating poverty in the long term, rather than alleviating suffering in the short term. Foreign aid, on the other hand, includes both developmental aid and humanitarian aid. Foreign aid has many forms, including donations of money, goods, services, and technical expertise. Foreign aid can be bilateral, as when it is provided by one country to another. It can also be multilateral that is granted by a group of countries ([wikipedia.org/wiki/Special: aid](http://wikipedia.org/wiki/Special:aid)).

There are various types of bilateral aid. For instance most industrialized nations offers aid primarily to developing countries through projects aimed at agricultural and rural improvements, health care, population planning, reducing infant mortality, and business enterprise, among others activities. Besides these following the end of the Cold War donors are targeting the revamping of good governance and democratization as major objective to developing nations (Lancaster,. 2000 p,32).

Foreign aid can be used for different purposes. Among the most important objectives and function of aid jostling countries economic development, encouraging the dissemination of some concepts such as democracy and good governance, enabling countries capacity of self defense, embodiment of market investment as well as fostering peace and security in some occasions (Ibid).

Western countries attempted to promote economic development in the developing countries through foreign aid on the basis of the conviction that there is relationship between economic development and democracy. Hence the granting of aid would "contribute to the growth and strengthening of liberal democratic political systems in the Third World" (Packenham, 1973, p, 43). On both sides of the East-West divide communist and capitalist regimes saw aid to Third World regimes as a means of gaining influence over compliant regimes. The ex-colonial powers used aid as a means of

maintaining commercial and political influence in their ex-colonies. Moreover, political stability in the newly independent countries was deemed to rest on the provision of external assistance (Ibid).

Most scholars accept the sovereignty of the people, majority rule, peaceful transition of power, accountability and transparency, rule of law, equality before the law, constitutionalism, free and fair election, respecting of human rights, presences of social, political and economic equality as well as tolerance are the basic features of democracy and good governance (Held, 1999, p 23). Among the above mentioned attributes of democracy the research will try to contact rule of law, free and fair election, peaceful transition of power in order to evaluate the democratization process and formation of good governance in Ethiopia with the help of foreign aid. Many scholars argue that “democracy may be created and mid-wifed by foreign powers” (Ibid). This could be through providing tide aid for countries that have no or little prior democratic experience.

In general aid is a source of capital and technology for the developing countries. Foreign aid could play a role to foster economic growth as well as democracy in the developing nations (Spero, 1998, p, 43). The intent of this research is there for to evaluate and assess the role of aid in the last two decades particularly in the formation of good governance and democratization. Besides the researcher planed to assess the extent to which aid has been applied to foster democracy and the utilization of aid for the democratization process in the country.

## **2-Statement of the problem**

Ethiopia is one of the least developed nations in the world with a per-capita Gross Domestic Product (GDP of \$90 a year in 2001). The estimated annual budget in 1999 included \$1.17 billion in revenues and \$1.64 billion in expenditures (Encarta Encyclopedia, 2004). Technological, social, political and economic underdevelopment along with ravages by long and intensive civil wars, frequent drought, absence of stable governance are among few factors that negatively affected the development of Ethiopia. The development hypothesis underlying good governance that reduced conflict is essential to bring about economic growth and address the challenges of vulnerability to famine, hunger, and poverty in Ethiopia.

Most of the foreign aids are targeted at solving immediate problems the country faces such as shortage of food, improving the health and education services however such kind of aids have shortage of bringing long lasting development. (Lancaster, 2000, p-p 87-88)

The primary concerns of this country are sustainable peace and peaceful transition of political power, in short achieving good governance and democracy. For instance, in the last five decades in addition to the irredentist claim from Somalia and the separatist movement in Eritrea, the conflicts that hinder government attention from economic priorities were due to immense civil war and conflicts caused by absence of peaceful transition of power and absence of good governance.

Points to mention the conflicts in Ethiopia during 1960-1991 were caused by factors mentioned above. The 1943 First Woyane rebellion, the Gojjame peasant uprising, the Bale peasants movement, Wollo uprising of 1960s were precipitated and escalated by the undemocratic nature of the imperial regime and absence of good governance in these areas (Bahru 2000, pp-167-172). Later the student movement of the late 1960s and early 1970s and the army mutiny of 1974 had deep rooted in the popular grievance initiated by the undemocratic nature of Haile Sellase's government (Ibid, p 221). Even the 1960 aborted coup 'data had a desire to end the inequality of the people in the country and end the undemocratic regime of Haile Sellase (Bahru 1991 pp-167-170). The coup makers were convinced that the Emperor obstructed economic growth in the country due to the feudal nature of his regime. In fact they couldn't remove him through peaceful means thus the Revolution of 1974 accomplished with a lot of blood shade (Ibid)

Dergue's (A military Junta organized to end the Haile Selasse Regime) had a similar undemocratic political administration and no means of peaceful way of leaving power but couldn't establish better administration and respect of democratic rights rather totalitarianism prevailed. The worst of all are the Dergue's violation of human right, denying economic rights, absence of power decentralization and absence of rule of law. For instance from 1977 through early 1978, thousands of suspected opponents of the Derge were tortured and/or killed in a purge called the "red terror." (Balsvik, R 1985, p, 242). The bureaucracy was neither efficient nor transparent.

These caused the whole nation to rise up against it and demanded for equality of nations, respect of human dignity, and equality. These are believed to be the cause of mal

administrations and the root causes of most rebellion, disturbance, and unrest over and above uprising (Bahru 2000, pp 215-220). Thus good governance was an essential and elemental question.

In similar occasion the military struggle was adopted to guarantee peace, ethnic and economic equality among nations and nationalities of Ethiopia (TPLF, 1983) This civil war not only devastates the countries economy but also cultivated undemocratic culture in the country. The seventeen years armed struggle culminated with a total victory of the rebelled forces by the sacrifice of thousands of young men and women. Even though the success of the liberation movement swayed the people particularly the young generation that power could be achieved through bullet but not ballot box in Ethiopia but it had promising beginnings. Early in his premiership, Meles Zenawi was regarded as one of a breed of younger African leaders who would spearhead a new beginning on the continent and democracy for his country. The real test for Meles Zenawi, though, is to demonstrate that Ethiopia is genuinely committed to bring freedom and democracy that it espouses, and at a time when calls for good governance are high on the international agenda (Biles BBC, MP Meles Profile 2007).

However the victory seems couldn't bear fruit; a group of people targeted to end generation of suffering, inequality and oppressions turned undemocratic and by the end of the day massacred thousands in streets of Addis Ababa in different occasions (HRW, 1995, 1996, 2001, 2003, 2005). The citizens become victims of mass imprisonment; hundreds were killed on broad daylight just because they oppose an embittered election, conducted demonstrations and made persuasive speeches. Be as it may, against to the promises made in 1991 the EPRDF rather appear with the action inconsistent with democratic principles to this the un-proportional reaction taken in different occasions can be cases in points (HRW, 1995,). Democracy was denied, rule of law violated and love of power under the pretext of "protecting the constitutional order" manifested (Biles BBC Ethiopia's Ethnic Federalism - A Dangerous Illusion).

The instability following the May 2005 election seemed for many political analysts as a continuity of this trend. The opposition groups motivated to "removing the unlimited EPRDF's regime with election ballot box" but under a secret slogan "now or never" (www.IRIN 11 May 2005 IRIN). Due to the result of the struggle some promising



beginnings were observed since 1991 including running for election, freedom of expression and freedom of association. Some political parties apparently could organize themselves in to major opposition by their virtue. However for the reason that of absence of democratic culture and experience some the rights ill-treated. At different election propagandas and rally they showed hardliner measures and speeches.(Adis Zena, 2005 ) This still put in the picture the opposition groups are not quite different than the regime in power. They need to be acculturating with democratic culture. Those period of campaign for election can be consider as a golden period in Ethiopian history for democratic process but soon culminated by mass imprisonment and killing of unarmed men and women (Amnesty International 2005) (IRIN 11 May 2005).

In fact all the last three regimes legitimized their authority with constitutions and promised to install democracy in the country and vowed to respect human rights. The Constitution of 1931 had a legitimizing objective; the revised Constitution of 1955 was not far from this purpose, the 1987 Derge's constitution had similar desire (Negede. 2004, p 35). It seems the 1995 constitution served for the some intent. In short absence of constitutionalism; political administration based on the constitution and rule of law are the fundamental factors that delayed formation of good governance and democracy in Ethiopia ultimately economic growth.

The country has a short-lived democratic experience. Civic institutions with their financial, experience, legal, cultural as well as organizational limitations almost contributed very little for the advancement of democracy and formation of good governance (Kassahun 2003, pp 262). The process of decision-making and implementation is one manifestation of good governance.

Besides absence of respecting human right, and refutation of the fundamental objective of constitution, which is to limit the power of government and empowering citizens, are denied. People were ignored from having free media, conducting free and fair election, having free Ombudsman, and building the capacity of Civic institutions, (Merara 2003-pp 233-45)and acquiring real multiparty system are best nature of previous as well as contemporary regimes of Ethiopia.

In general in addition to economic factors and natural hazard, absence of good governance and democratic government vetoed the nation from economic as well as social advancement

The country secured large sum of aid from many industrialized nations. However, the aid couldn't help for rapid economic growth. For instance huge aid inflows began in the late 1990s. After a little disruption due to the Ethio- Eritrean Conflict of 1998-2000 the post 2000 period has shown large disbursement of grants and loans form the United States, individual European nations, EU, Japan, and the World Bank as well as African Development Bank (ADB). In addition in 2001 Ethiopia qualified for the World Bank International Monetary Fund, which was aimed at sponsoring highly indebted poor countries (HIPC) debt reduction program. A note worthy advance towards eliminating payment of bilateral loans came from Russia when the successor of USSR canceled 5 billion US\$ in 1999. All these cut Ethiopia's foreign debt and assistance couldn't help to score significant development, ([wikipedia.org/Official\\_Development\\_Assistance](http://wikipedia.org/Official_Development_Assistance) &redirect).

Foreign aid plays a paramount role in deescalating this vicious circle of conflict for power and could also play a great role in establishing democratic culture, good governance and continuity of tolerance. Governments should attach paramount importance to aid as a way of nurturing political improvement. Creating more transparent and participatory administration and increasing opportunities for free-market system should be promoted. There is much work to be done to prop up governance, civil society, and women's participation. Social and economic resilience of the country, as well as advancing longer-term development, which was hampered by conflict can be alleviated using aid as an instrument.

As far as this research concerned the aid should first target for the formation of democratic culture and creation of good governance to guarantee rapid economic growth in the country than developmental assistance and other forms of assistance including direct budgetary subsidy in order to accelerate the economic growth of the country and advancement of the standard of living of Ethiopians.

### **3- Objectives of the study**

The fundamental objective of this research will be to evaluate the capacity of aid to materialize democracy, commitment of donors for the formation of good governance and establishing democracy here in Ethiopia using aid as a means in addition to their task of assisting the country in its frequent needs. This paper is aimed at assessing the role of foreign aid and its capacity to foster democracy and good governance in the last decades in one of the developing nation: Ethiopia.

### **4-Significance of the study**

This research will assist future endeavors by both academicians as well as policy makers and will point out how much democracy and good governance could curve much of the problem the country frequently encounters. The result of this research will point out the weakness and strength of foreign aid for democratization and draw attention to a best of utilization of aid in the way that can be effective in developing the nation. Moreover the result of this research can help government or opposition groups to realize the real value and influence of donors on one county domestic situation. These reduce any wrong expectation on the role of aid that can jeopardize the political atmosphere of the country. In general this research has academic value and can be used as a guide line for donors as well as policy makers.

### **5- Hypothesis**

Can foreign aid be used for the formation of good governance and democracy in Ethiopia? Foreign aid could play a paramount role for the development a country as it did in other countries of Europe. The hypotheses of this research is even thought foreign aid could play to foster economic growth as well as democracy in most developing countries including Ethiopia the aid provide to Ethiopia couldn't bring the anticipated democracy and good governance. It seems as a result of the donors' conviction that providing emergency aid, military aid and technical assistance are their priority rather than disappointing the government by pledging the question of good governance, and democratizations rummage in return for their aid. Their prime objective is gratifying their national interest in the region than to democratize Ethiopia. It is hardly possible to use aid as a means to bring democracy and good governance with out political will of people in power.

## **10- Organization of the research**

This thesis has five chapters. The first will deal with introductory part including statement of the problem, research questions, hypothesis, objective of the study, methodology, side by side with methods, and significance of the study, scope and limitation of the research.

The second chapter elaborates the conceptual framework that includes the correlation between democracy, good governance and foreign aid. In the third chapter it discusses briefly about types of aid in general from a global context and then narrowed down to the Ethiopian scenario. In this chapter key words defined such as democracy, good governance, voluntary aid, bilateral aid, multilateral aid, large scale aid and emergency aid. In addition the research scrutinized the function and performance of institutions as well as some tools like the constitution, media, election, state structure, ombudsman civic institutions, and the existence of multiparty system among others.

The fourth chapter identified major donors and their effort for democratization and good governance in Ethiopia. In this chapter the research tried to point out major donors and their national interest in the region in general and in Ethiopia in particular. The fifth chapter evaluates the impact of foreign aid on democratization and good governance. Attempts made by donors were assessed in details. Under this chapter limitation and socio-political impact of foreign aid was scrutinized. On this chapter the researcher pointed out most important findings, such as relations between aid and democratization, possibilities of aid utilization in most effective ways and possibility of jeopardizing the national interest, national pride and dignity. The research anticipated to show the way how donors supposed to channel their grant to curve the root cause of underdevelopment of Ethiopia and how they planned to build up democracy and good governance in Ethiopia

## Unit Two

### 2- Literature Review and Theoretical framework

#### 2-1-Literature Review

Most previous research regarding to the role of aid for the formation of democracy and good governance are contradictory. The position of Marxist is the apprehensive towards western donations. According to Marxists industrialist donors promoting the idea of aid for hidden agenda of advancing imperialist desire (Habtamu 2006, pp-14-23). They argue capitalism has the objective of keeping its dependants always at the same position. This could be achieved by providing aid for least developing countries to make them dependant on their aid. Aid is attached with conditionality without consideration of the real desire of the recipient nations (Ibid).

Among precondition the donors list, endorsing the principle of democracy and formation of good governance more likely are among the least in the list. They provide more emphasis on trade liberalization, adoption of market economy, devolution etc. such kind of pre condition are set not only by governmental donors but by their subordinates Multi-financial agencies such as IMF and World Bank (Schuftan, 2004, p-23).

On the other hand some believes foreign aid as an instrument to disseminate the inspiration and materialization of democracy. They extended even more with be grateful for the role of international institutions and bilateral assistances as apparatus to foster and incubate democracy and good governance (De Wall, 1997 pp- 66-56) provided huge recognition for donors commitment to promote democracy using “carrot and sticks” strategy. They made great support either though directs assistance, encouraging economic growth and persuading for policy reforms that include a threat of withdrawal of aid and support.

In line with these two local writers Dessalege Rahmato and Meheret Ayenew believe foreign aid had the role for democratization as an “important agent and input.” Furthermore they advocate donor’s effort in sharing the experience, providing training for human right protection and their monitoring role is vital. (Desalegn and Meheret 2004, p-134).However there is cynical elevation for donor’s continuity exert their effort for democratizing and good governance since the decline of foreign aid as a means of achieving foreign policy following to post Cold War era. By most scholars the efficiency of aid is under great debate to promote economic growth, formation of good governance and democracy.

According to the observations of Goulding and Harbeson in their articles mentioned international effort to promote democracy in political and development assistance in Africa that faced great challenges since Donor's assistance particularly for democratizations is scanty to sub-Sahara Africa (Goulding, 2003pp, 67-89), (Harbeson , 1998 p, 76). For instance the European community allocates some 130 million USD for construction. The US allocates 1% of its total GDP for entire foreign aid purpose in the year 1998(Delwaal; 1997, p.623). In short donors provide little attention to the important of democratization.

The other dimension for the evolution of aid for democratization and good governance is pessimism who regarded donors provide assistance to regime that has whether bad or good track record in human right violation and governance as long as they preserve the national interest of donors. This phenomenon is not peculiar to the Cold War era in which the patron-client relationships between the donors and the recipient on which the first provide solemn support to keep the later in power despite its undemocratic nature otherwise yielded to pressure discontented the later and made him to shift side (Dejene, 1989 p, 43).

Nevertheless following the end of the Cold War advocates of democracy and good governance continue helping illegitimate dictators (Mohamud 2006 p-2). This self-contradictory approach, according to some scholars, put the commitments to democratization under question. Donors allocate assistance for democratization but on the other hand didn't continuously assess the materialization of the process,(Ibid). Even though it jeopardizes democratization in any country they continue their assistance to bystander outrageous anti democrat regime as long as it could maximize their interest

Some former writers advocate foreign aid as an instrument affects the local balance of power. A political party or in case of the stateless Somalia a warlord group that could control the flow of large scale of food aid flow could have dominates other groups with its brutality (Copson, 2002 p- 23). In other words despite its authoritarian nature a political group could dominate other political parties just became it injected with external agents financial support (stimulate on foreign aid) to stay in power. Naturally domestic popular support and winning majority support became less important as far as a group secure external aid and foreign aid (Ken, , and J. Larry 1998 pp 77-87).

On the other hand such kind of external interference through (under the pretext of) foreign aid could cause recipient to less certain sovereignty and independency. The donor's requirement as precondition for certain aid could affect directly the accountability of governments towards donor attitude than their people's desire. Similarly the type of aid provided for democratization directly for capacity building of certain institutions and opposition's political parties could make these groups to aspire for unhealthy competition and ambitions to come to power. In short it can affect the power balance in favor of the assisted groups. Such kind of shift in balance of power by artificial means, not by internal shift in support or wining the minds of citizens could precipitate more undemocratic aspiration for power. This by implication could push the opposite group to develop harsh measures such as unlawful change of government or arrest of opposition party leader (Schuftan, 2004 p, 43).

Certain scholars recognize such kind of negative implication of foreign aid driven by promotion of democracy. Scholars like (McAuslan 1996-p168) emphasize foreign intervention for democratization might led for greater crisis, thus any developing countries should sort-out their own means of building democracy and good governance. The natural process of cultivating democracy, according to Merara Gudina a prominent scholar in international relations and politician, (chairman of Oromo National Congress party) could be last long and sustainable even though it might be require longer time. Still it has more positive side than negative stains (Merara, 2003, p-43). Similarly, Berahanu Nega director of the Ethiopian Economic Association (EEA), a prominent economist and vice-chairman of the Coalition for Unity and Democracy (CUD) in his book under the title *Yenetsanet Goh Seqked* mention foreign aid targeted to be used as a mechanism to impose the spirit of donors but some African counties like Ethiopia successfully escape from being bind with those preconditions (Brehanu 2006,pp 423-535).He validate aid impotencies to be used as a means to inflict donors effort of whether to implement development, democratization, or good governance in developing countries.

As we scrutinize in so many experiences aid hardly incubate democracy and good governance in one country because local governments regarded their political power more than the stability of the nation or development of the country (Ibid,). Unless the nature of the ruling party changed, the method of influencing these regimes through aid

could not materialize the intended objective. Professor Beyene Petros a chairman of the United Ethiopian Democratic Forces (UEDF), emphasized the systematic escaping techniques of African nations against unwonted conditionality listed by donors including principles of democracy (The Reported, 2003). Recipient nations are smart enough to escape from the conditionality that could obstruct their power under the name of state sovereignty. Professor Beyene mention African leaders' readiness to save their power with all necessary means (Ibid.). Thus aid couldn't be regarded as a device to influence African leaders

The bottom line in building democracy and good governance, most often is an internal and evolutionary process. Foreign aid has limited role. Besides, absence of political will of the African leaders' impeded democratization thus prime objective of democratization should be wining their will and commitment for democratization process. (GCA 2004) The willingness and commitment of the people in the country and particularly government officials could secure sustainable democracy from grassroots level. Artificially created democracy and the attempt of forging good governance using foreign aid couldn't last long. The superficial struggle to bring democratic form of administration as said by Dr Merara could wither away by the time foreign aid decline or stop by external or internal factors (Merara, 2003 p 34).

Naturally incubating democracy requires to transform the existing undemocratic culture is required. Disseminating the culture of democracy is crucial for substantial democratization in one country. However once the root of democracy took shape in a nation foreign aid could help by assisting economical development that would fight any reversion to anti democratic elements. Economic deprivation and stagnation in fact are elements for conflict and undemocratic forms of solving difference. (Svensson, , 2000, p 45),(Baylis, 2000,p 287) It would be useful for donors to play appropriate role in supporting the economic development of least developing countries in order to hasten democratization process. Otherwise foreign aid in the name of democratization either for opposition groups or party on power could create or precipitate autocrats to hold power, and mercilessly exploit the situation for their ends (Tarp, and Peter 2001, p-23). Nevertheless these doesn't mean foreign aid is entirely irrelevant for democratization and formation of good governance but realizing the condition on the ground; studying

They realize the west (donors) needs them as much as they need the west. In fact they make their importance plausible and appease donors as much as they could. They study the world political situations and act accordingly (Berhanu 2006, p- 413). Thus combination of two theories, regime theory, and realism theory would be appropriate for the kind politics of aid discussing here in Ethiopia.

Regime theory; in fact derived from the liberal tradition that argues international institutions or regimes affect the behavior of states. It assumes that cooperation is possible in the anarchic system of states; indeed, regimes are by definition, instances of international cooperation. In fact Regime theory was accepted and reshaped by the two most prominent international relation theories, namely realism and liberalism.

Regime theory functions as a counterweight to the hegemonic stability theory. Realism seems pragmatic to apply for the politics of aid in Ethiopia. Realists, such as Joseph Greico, propose power-based theories of regimes using hegemonic stability theory. Realists also use it within regime theory itself to explain how regimes change. When used in this way, realists argue that the presence of a strong hegemony is what makes for a successful (i.e. "robust" and "resilient") regime. Stephen Krasner. Krasner who is considered as a father of regime theory defines regimes as "institutions possessing norms, decision rules, and procedures ([wikipedia.org/wiki/ Realism Theory](http://wikipedia.org/wiki/Realism_Theory)).

In summary, within regime theory, realists and liberals differ over the nature of international cooperation and the role of international institutions play for democratization. Realists believe that regimes simply reflect the distribution of power in the international system and powerful states generate regimes to serve their security and economic interests. Regimes have no independent power over states, particularly great powers. As such, regimes are simply intervening variables between the real independent variable and the observed outcome. The best example referred by this group headed by Susan Strange that the post-Second World War international organizations such as the World Bank, GATT, and the IMF are simply instruments of American grand strategy interest. (Brown, Chris 2001). (Fenster, Mark 1999). (Smith, Steve,2000),

Similarly in Ethiopia the regime in power realize the desire of the sole super power (the US) over strategic and security importance of the horn of Africa in its struggle against terrorism, and their superficial demand for democracy and good governance .Then

formed alliance with the west. The regime attempted to show its importance of reputation and allow for the employment of complex strategies by adopting a deceiving democratic constitution as well as proclaiming democratization. Besides it attempts to win the favor of the donors through promising absolutely free and fair election. This was an attempted to secure substantial amount of aid from these groups and their allies (Kayizz-Mugerwa, 1998, p-88). In fact there are some preconditions for assistances that are democratization and good governments ( Copson ,2002, p 65). However the regime put forward its power more than everything. Power is absolute gains of for most regimes. Here there is no negotiation; the principle of sovereignty of government is utilized extensively. Other authors also claim that regimes can provide incentives (Ibid,) In general the EPRDF regime attempted to submit for the application of democratization and creates good governance in 1991 until its real nature reviled after the May 2006 general election.

Regime theory conversely argues; within international relations derived from the liberal tradition that argues that international institutions or regimes affect the behavior of states. It assumes that cooperation is possible in the anarchic system of states; indeed, regimes are by definition, instances of international cooperation (<http://www.answers.com/topic/regime-theory>).

The premise of regime theory lies in its recognition of the miscellaneous conduits connecting national societies and its anxiety on the importance of institutional factors in the determination of outcomes in world politics. Regimes matter because ideas, principles, and norms are imperative in a sociological account of international relations. Regimes offer more a means of examining both the upshot of self-interested behavior and the results of institutionalized behavior which cannot be linked to self-interested action in the narrow manner of realism.( Ibid,)

Foreign aid has long occupied a central place in international development policy. Despite the absence of a consensus on the effectiveness of aid, and a failure of the donor states to attain the norm of 0.7 per cent of GNP in development assistance, an international aid regime can be identified. The aid regime produces and maintains a distinct pattern of development and is itself the product of ideas and theories on development. In developing nations the terrain of the aid regime suggest that this regime contains a limited and limiting conception of development. Tracing the connections

between foreign aid and development choices in the world economy is a task central to understanding current development practices.

Robert Wood has offered the most developed description of the aid regime on five dimensions: the negotiating framework for aid; the role of aid in the identification of legislative uses for any serious macroeconomic instruments; the relationship between official development assistance and broader development policy; and relations between aid and debt as by implication with democratization too. (Wood, 1986 p 21)

The relationship between transformations in the global political economy and changes in institutions, norms and principles necessitates a conceptual framework which draws attention to the relationship between regimes and power. However, these theories are very diverse, and have their origins in many social sciences, though economics has dominated the importance of the other social sciences in development theory. This disconnection creates something of a vicious cycle in which underdevelopment leads to conflict, and the lack of conflict resolution practices interferes with further underdevelopment. Democracy has a best form of conflict resolution mechanism. In democracy peace could be protected by empowering the people through constitution. Constitution limits the power of the government and protects the right of the people. Any violation of human right, arbitrary rule couldn't be tolerated. There for having democratic administration and building good governance is a vital phenomenon in Africa, particularly in Ethiopia. (Baylis, 2000, p 342).

On the other hand aid particularly could be used to foster democracy and good governance according to developmental theory. The development field has always been highly influenced by economic thought, as exemplified by the fact that development has been primarily measured by increases in Gross National Product (GNP). According to Dennis Rondinelli, during the 1950s and 60s, development intervention assumed that "successful methods, techniques, and ways of solving problems and delivering services in the U.S. or other economically advanced countries would prove equally successful in the developing nations" (Kegan and Wall, 1973 pp 65-72). Therefore, at the very start of development theory, there was a notion of direct transferability, or a "one size fits all" type of development assistance. However, delivering aid was not just a technical matter; it also involved political concerns. For example, during the Cold War, U.S. provision of

aid was largely directed to those countries that were, or could come, under Soviet influence (Fenster, 1999 p 54).

On the other hand, realism argues states never negotiate with their internal affairs and form of domestic administration for no power than themselves. The international system is anarchic. There is no authority above states capable of regulating their interactions; states must arrive at relations with other states on their own, rather than it being dictated to them by some higher controlling entity (Holisti, ,2000, p 89).

Sovereign states are the principal actors in the international system. International institutions, non-governmental organizations, multinational corporations and other sub-state or trans-state actors are viewed as having little independent influence. States are rational unitary actors each moving towards their own national interest. There is a general distrust of long-term cooperation or alliance. The overriding 'national interest' of each state is its national security and survival. In pursuit of national security, states strive to amass resources. Their comparative level of power derived primarily from their military and economic capabilities determines relations between states. (De Wall, 1997 p 342)

The other pervasive factor or theory for African democracy is state and government sovereignty. The supreme and uncontrollable power by which an independent state is governed and from which all specific political powers are derived the intentional independence of a state, combined with the right and power of regulating its internal affairs without foreign interference. Sovereignty is the power of a state to do everything necessary to govern itself, such as making, executing, and applying laws; imposing and collecting taxes; making war and peace; and forming treaties or engaging in commerce with foreign nations.(Ibid,).

In summary, realists believe that mankind is not inherently benevolent but rather self-centered and competitive. This Hobbesian perspective contrasts with the liberalism approach to international relations which views human nature as selfish and conflictual unless given appropriate conditions under which to cooperate. Further, they believe that states are inherently aggressive and/or obsessed with security; and that territorial expansion is only constrained by opposing power(s). This aggressive build-up, however, leads to a security dilemma where increasing one's own security can bring along greater instability as the opponent(s) builds up its own arms. Thus, security is a zero-sum game where only relative gains can be made. Thus foreign aid or whatsoever couldn't persuade states to change or shift their domestic as well as foreign policy (Arendt, 1973pp-54-76).

This research based its premises along the realism theory in which Ethiopian government, the formers or the contemporary never changed their domestic or foreign policy that have been influenced by foreign donation or what so ever (Tesfay 1996-pp45-65). Thus democracy and good governance could not promote by external pressure or persuasion or through foreign aid. Rather foreign aid could be catalyst of democratization in different direction that is by cultivating the culture of democracy among the mass, incubating democratic institutions such as civic organizations, building confidence among the people and government officials. Besides foreign aid could encourage the opposition groups to share experience and backup their effort and endeavor of their struggle to hatch democracy.

## 2-3- Definitions

### 2-3-1 Democracy

Democracy is the form of government in which the political power vested on the people. Which means that in democratic form of government the decision and activity of the government is based on the agreement of the citizens. Democracy in fact is more than sets of rules and procedures that determine how a government functions. In democracy the government is one element coexists with in social fabrics of many and varied institutions, political parties, civic organizations and associations. This diversity is called pluralism.(Abrahamsen,,2000, pp 23-54 )

Democracy is a type of governance in which citizens administrate themselves either through their representatives (indirect democracy) or through direct participation of small societies. However there are other integral constituents to what democracy means. One is that people govern themselves by regular elections through which their leaders are periodically determined (representative democracy) or policies governing them are determined (direct democracy). (Ibid,)

Democracy has some guidelines or principles such as sovereignty of the people, constitutionalism, majority rule and minority right, peaceful transition of power through fair, free and periodic election, universal suffrage, protection of all for of human rights, separation of church and state, equality before the law, accountability, transparence, tolerance, compromise and above all rule of law.(Beman , 1999, p 66 )

Democracy is always assault by government organs since it protect the right of the people and limit the power of the government. Citizens obviously wouldn't gainsay when



their privileges protected and their freedom institutionalized. Thus citizens by means of organizing in civic institutions, actively participating in political and in social affairs wisely as well as patiently could materialize democratization. (Abrahamsen, 2000 pp-77-90).(Beman ,1999 p-34)

In addition to this basic meaning, the existence of free press and media are other criteria. Also freedom to criticize government policies and leaders, open competition for political office, which usually is taken to mean that there is more than one political party competing for power and having a popularly and regularly elected legislature and head of government became increasingly expression of democracy.

The foundation of democracy emanates from the idea of peoples' supremacy which means the most powerful group in the society is the people. This includes the source of constitution; decision making and final authority is the people. That is why Abraham Lincoln defines democracy as a government of the people by the people for the people.(Ibid,)

These all pillar of democracy can be fasten together by the subsequent three essential elements of democracy; first rule of law and constitutionalism; second real separation of organs of the state above all the executive must be off from economic and political authority with out the supervision or checking of the other two organs namely judiciary as well as legislatives, third protecting the basic civil liberties of the people with all cost even above the constitutional order. The paramount feature of democracy in my opinion is the rule of law. In most African countries what is written in the constitution or any other law is divergent to what is practiced on the ground. In contrast to this, the procedures followed by some governments, individuals or groups can arbitrarily change accepted laws and ways of administering citizens. The rule of law promised predictability of government moves in the lives of citizens by placing limits on the power that the government exercised.( Held, 1999, pp 43-65)

There are different types of democracy however. Predominantly most western countries follow liberalist democracy in which individual rights, human right and rule of law given priority. Other than this social democracy, revolutionary democracy and dominant party democracy are among many.

For instance "Soviet democratization" implied increased public discussions, mostly on economic and cultural issues; increased engagement of Communist Party leaders with the rest of the people; and some liberalization, namely, expansion of individual freedoms

and relaxation of censorship (Hough, 1997pp- 65-70). However, electoral contestation for power among different political forces was out of the question. The openly stated goals of democratization Soviet-style included reestablishing feedback mechanisms between the leadership and the masses over the head of the bureaucracy; encouraging public pressure to improve the latter's performance; and improving the psychological and moral climate in the country. There for when we talk about we must be careful about the type of democracy and the extent of its dedication to bring freedom for the people.

### **2-2-2-- Good Governance**

Good governance is promoting public sector's transparency, accountability, fighting corruption and improving the capacity of public administration. Absence of good governance adversely affects political, social and economic growth of a nation. It is considered as a root cause of iniquity within societies. Good governance has eight major characteristics such as participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, that the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

([http://www.answers.com/topic/Good Governance](http://www.answers.com/topic/Good%20Governance)).

Governance provides the broad setting for development and its quality has a profound effect on development success and aid effectiveness. A number of studies, including the World Bank's *Assessing Aid* (1998) and *The Role and Effectiveness of Development Assistance* (2002) provide compelling evidence that good governance and a sound policy environment are the most important determinants of aid effectiveness and development progress. (World Bank, 2002- p-167)

Good governance has correlation with democracy. Even though they are not one and the same they have overlapping and interdependent nature between them. It is clear that democracy deal with the nature and structure of political structure of state and government the same measured quantity good governance [administration quality]. Good governance is the idea of public administration and public sector management that could be done with or without legitimacy, transparency, accountability, openness and efficiency. However good governance requires the above all attributes as he democracy required them. Therefore neither democracy nor good governance is sustainable with out

one another. However donors since have no representation in any countries of the recipients as a citizens to make influence and change policies in order to struggle for citizens empowerment what they can do is either to exert their influence through financial donation or financing as well as sharing experience to nationals as well as institutions of local origin for the democratization and formation of good governance. In fact their diplomatic power and influence is not negligible. (IMF Report 2003)

### **2-3- Democratization**

The word democratization could be defined in different ways. A simplest definition implies that democratization is the process through which a political system becomes democratic. (Encarta, Encyclopedia 2005) Democratization is a process to extend this tradition for the wider section of the society. There is difference between democracy and democratization. Democracy is a goal and democratization is the process. Many agree that democracy is a prelude to development since the democratic principles guarantee the maximum use of surpluses and ensure stability.

How it could be generated and how this is to be evaluated as well as achieved? It took an extended period of time to develop in the industrialized countries of Western Europe and North America. In the United States and Great Britain, it took well over a century before all the institutions and practices mentioned above were firmly in place. (Janda, 1999p-33) France, Germany, and Italy saw their democratic regimes collapse and replaced by fascist ones. It is undoubtedly true that democratization can take place faster today. (Wikipedia, the free encyclopedia.htm)

However, it certainly is not something that can be instituted overnight. Democratization takes time because it requires the development of institutions and widespread trust in them, which almost never happens quickly.

In fact the western born “democracy” faced a lot of obstacles in Africa. According to Samuel P. Huntington a prominent American foreign policy architect the five challenges against democratization and to bring changes in the world that paved the way for the latest wave of transitions to democracy are 1) the deepening legitimacy problems of authoritarian governments unable to cope with military defeat and economic failure; 2) the burgeoning economies of many countries, which have raised living standards, levels of education, and urbanization, while also raising civic expectations and the ability to express them; 3) changes in religious institutions which have made them more prone to oppose governmental authoritarianism than defend the status quo; 4) the push to promote

human rights and democracy by external actors such as non-governmental organizations and the European Community; and 5) the "snowballing" or demonstration effects, enhanced by new international communications, of democratization in other countries. (Huntington, 1993-p-189)

How to achieve it? There is no hard and fast rule to this journey. There is general consensus on how best to achieve a stable democracy based on slow incremental development. However, all roads to democracy are not gradual. Some could be achieved through a revolutionary means. Revolutions such as those in the US, France, China and Russia though only the first two of them grew to become a long lasting democracy. (Wikipedia, the free encyclopedia.htm)

Of all arguments for democracy, however, the most popular is the utilitarian approach. Democracy pleases the majority; it promotes economic and personal development; public policy is effective because of its incremental nature and the feedback of democratic elections; people are freer and minorities better protected; equality is promoted and enhanced; it enables gradual and incremental revolutionary change. (Ibid.)

But of particular relevance here is the argument that democracy institutionalizes a means of nonviolent conflict resolution and -the willingness to negotiate, compromise, and debate, rather than fight. Moreover, the ballot rather than the bullet is the very democratic ideal of voting to resolve differences and choose leaders. It is what we mean by democracy. (Beman , 1999,p-87)

There are considerable factors which affect or limit the formation of democracy and good governance. Substantial empirical researches have been conducted on democratization, with scholars looking for the patterns in the establishment of democracies around the world. The results have been varied, with different researchers to come to different conclusion. Among the great many frequently mentioned factors; economic, culture and history have been identified as impacting on the process. (Wikipedia, the free encyclopedia.htm)

Many democratic theorists now agree that democracy requires a political culture of negotiation, compromise, and accommodation. Where this culture is absent, democracy, even if created through revolution by the people themselves, cannot succeed. However, as one considers such democracies as Japan, France, Germany, or India, their pre-

democratic cultures were most conducive to authoritarian rule of some kind. It is only with the development of democracy that their political cultures gradually grew to be democratic. Each person is an individual with free will and is equal in this sense to any other individual, the only system of natural governance is one in which all individuals collectively rule themselves. Another argument is that democracy is the social contract to which people in a state of nature would agree collectively. (www.Answer.com/international +relations &=67 The Columbia Electronic Encyclopedia 6<sup>th</sup> edition 2003)

The country's Wealth has a lot for the formation of democracy. A higher GDP the country has the greater possibility of establishing democracy easily. There is a debate about whether democracy is a consequence of this wealth, a cause of it or completely unrelated to it. Most researches showed even if there are free elections in poor nations a poorly educated and illiterate population might elect populist & politically ambitious people who soon abandon democracy and become dictators. The existence of substantial citizens with intermediate wealth can exert a stabilizing influence allowing democracy to flourish. Presence of wealthy civil society together with flourished civic institutions are considered by some theorists to be vital for democratization as they give people a unity and a common purpose through which to organize and challenge the power of the state hierarchy.(Ibid,)

On other occasion affluent nations owing to sole source of single natural resource such as oil they failed to be democratic. According to *recourse curse theory*, states whose major wealth derived from abundant natural resource such as oil often failed to democratize since such wealth do not change the political economic structure. (Fenster, 1999 p 43).

A research suggests that economic development itself does not increase the chance for democracy. But if a nation becomes democratic, then nations with a higher economic development are more likely to remain democratic. Poor and democratic nations have high chances of returning to dictatorship if they experience a period of declining growth. ( Wikipedia, the free encyclopedia.htm)

Capitalism is regarded as a factor too. Some believe democracy and capitalism are intrinsically linked. A widespread capitalist market culture may encourage norms such as individualism, negotiations, compromise, respect for law or law protection for wealth, and equality before the law. These are among major principles of democracy and criteria

for good governance. According to one study that examine the relationship between capitalism(measured with one Index of Economic Freedom) economic development(measured with GDP/capital) and political freedom (measured with freedom House index) found that higher economic freedom increases GDP /capital and a high GDP/capital increases economic freedom. A high GDP/capital also increases political freedom but political freedom did not increase GDP. Capital. There was no direct relationship either way between economic freedom and political freedom if keeping GDP/capital constant. In short poor but democratic nations have a higher tendency to return to dictatorship if they experienced a period of declining growth. Nations with a higher economic development are also probable to remain democratic. The probability for a civil war is increased by political change, regardless whether towards democracy or greater autocracy. Durable democracy is the most probable end point of the process of democratization. However Marxists assert that capitalism has the opposite factor rather true democracy can only be achieved if the means of productions are owned by the public. (Ibid,)

Having homogeneous population could help to construct democracy easily. According ethnocentric theorist countries with deeply divided country either by ethnic group, religion, or language scarcely establish workable democracy.(Ibid,)

On the other hand culture plays a very important role to conduct democratic values. Certain civic culture is necessary for the survival of democracy. Some believes western culture is best suited to democracy, such as individualism, periodic election, secularism and rule of law. This argument is sometimes used by undemocratic regimes to justify their failure to implement democratic reforms. However previous experience with democracy and certain values are important for the democratization process. Presence or absence of democracy in a country's past can have a significant effect on its later dealing with democracy. In deed democracy must evolve gradually. However bad previous democratic past experience has a negative repercussion for democratization. When we say bad previous experience it means deception election, legitimatizing despotic government through election and the like. The people might be unwilling or an able to go down the same path. Futile elections above all are made the people not only to doubt in the legitimacy of the government but also on peaceful transition of power using election. (Merada 2003p-43) (Huntington, S.P 1993-p170)

Many agree that *"democracy may also be created and mid-wifed by foreign powers.* (Wikipedia, the free encyclopedia.htm). The cases of Japan and West Germany could best show how a foreign power could initiate democracy. This top-down, foreign imposed democratization produced a democracy stable enough to see in 1993 one of the longest lasting and most powerful governing parties among democracies thrown out of power by the Japanese people. Similarly, the new post-war democratic West German government, erected with the help and under the watchful eyes of Great Britain, France, and the United States, has been stable and effective. (Ibid,)

Foreign intervention either through aid or other form could foster democracy. Those countries which have already established democracy attempt to persuade other countries to accept democratic forms of government as a best form of political administration. (Wikipedia, the free encyclopedia.htm). In fact democratization "from the top to bottom" regarded as imposition and doomed failure. Rather democracy must appear the opposite stance "from bottom up. The extreme form of foreign intervention is military intervention to create democracy like the US attempt in Iraq. Colonialism and the methods mentioned above might not be good forms of foreign intervention to implant democracy in another foreign country; however aid could be one strong method of intervention to disseminate the idea and implementation of democracy.

The aid provided to West Europe after the second world had tremendous impact on the survival of capitalism in that part of the world as well as for rapid development of Europe and establishing democracy after the nations were devastated by World War II (1939-1945). West Europe couldn't have revived after that toned status to the one it acquired later with that short period of time without the help of United States of America. (Kegan and Wall, .1973, p-42)

Another factor is civil society. A healthy civil society (NGOs, unions, academia, human rights organizations) are considered by some theorists to be important democratization, as they give people a unity and a common purpose, and a social network through which to organize and challenge the power of the state hierarchy. (Mirada 2003 p-44)

To conclude democracy is the result of a combination of so many things. Colonialism, economic growth particularly development of capitalism and independent economic groups could cause democracy. In addition development of pluralistic culture and foreign intervention through assistance can foster democracy. The aid however should be in

substantial amount and targeted to cultivate democratic culture inculcate the desire of independent economic cluster and advance the civic societies including media, democratic constitution, independent election board and free ombudsmen. In general aid is one of the agents of catalyzing democracy but it can also appear through a long process.

#### **2-3-4-Democracy and democratization in Ethiopia**

Ethiopia has a long history of undemocratic administration. (Ansel 1994p-25) The darkest periods in recent Ethiopian history was the period between 1974 -1991 a time in which security forces orchestrated the elimination of thousands of suspected members of any political party or groups that come up with different opinion both in rural and urban centers “regarded as enemy of the state”. In rural areas, government attempts to repress rebellious groups and regions beleaguered into indiscriminate military campaigns that targeted unarmed civilians in total disregard of basic norms of international humanitarian law. (Tisch, and Michael 2002.pp231-234)

Economic mismanagement and tight state control over the economy further exacerbated the vulnerability of the rural population. An estimated one million people succumbed to starvation and disease during the tragic famine of the mid-eighties, a disaster due in large part to misguided government policies and absences of accountability and transparency which are some aspects of good governance.( Desalegn 2002,p234-)( Baheru 2000pp176-178)

At the naissance of the contemporary regime a winds of change called for multiparty, democratic freedoms, and respect for human rights blow in Ethiopia. Western powers mandated the adoption of a market economy and democratic participation, conditioning economic assistance on these criteria (Desalegn. 2002p-235).The EPRDF led government proclaimed, as it instituted a four- year transitional period (1991-1995), its commitment to democratization and the respect of the rule of law and pledged to establish human rights in the country. (Ibid,)

However democracy even under EPRDF couldn't take root in the country. In fact there are some positive developments that have taken place since 1991 such as allowing the existence of many political parties, adopting constitutional order, “freedom” of speech, and free movement of people, property right and superficial human right protection are among several improvements. But when we evaluate under the contemporary situations

democracy was denied (Brehanu 2003 p-169). In fact multi party system doesn't mean having many political parties only rather the existence of possibilities of different political parties that has different political program and could take political power if they won election. On the other hand, the series of measures taken against the formation of strong opposition parties, the design and execution of highly contrived elections bestow the image of having no desire for multi party democracy in this country.

How can we evaluate the democratization in Ethiopia?

In order to understand the level of democracy and the possible progress for democratization evaluating the democratic institution is the prime task for this research. Apparently freedom of political parties, the state organ, the election board, the media and civic institutions indicates the tendency as well as possibility of rapid democratization. (Habtamu 2006- p 57)

To begin with Constitution and constitutionalism; According to Ngede Gobega a prominent politician in his famous book not only the content of the constitution that matters most but the condition and situation the way it drafted and ratify. Unless all stockholders openly debated over the constitution and approved by people who can represent perfectly drafting is not that much significant. When we examine the 1995 constitution of Ethiopia it was approved by a parliament totally dominated by the EPRDF. The position groups and others who have differences were excluded. (Negede.2004 p-80 ) The approval of the 1995 violate basic principal of democracy and democratic constitution that refer to "the source of law and power are the people" the people can't be source of law there were way citizen could raise amendment or introduction of new rule in the constitution, had it been majority people of Ethiopia were not in favor of Article 39. however as long as the party which dominated the parliament wanted it, it could be possible. ( TOBIYA; 1995)

When we evaluate the constitutionalism of Ethiopia we observe the constitution instead of limiting the power of the government it impeded the freedom of the citizens The 1987 constitution of Ethiopia for instance used to prevent any form of demonstration and people's participation except the good will of the government. ( Peoples' Democratic Revolutionary of Ethiopian Constitution 1987.)

African countries could have democratic constitutions but since they violate one or most of the articles of the constitution we can't regard as having constitutionalism in these

countries. The sign of absence of constitutionalism was observed during the 2005 post election period. (Markakis, & Beyene 1967, p-98). The 1995 EPRDF constitution Article 9-clearly stipulated the right of citizens as follows.

"The constitution is the supreme law of the land. Any law, customary practices or a decision of an organ of the state or a public official which contravenes the constitution shall of no effect." (1995, the Constitution of the Federal Democratic Republic of Ethiopia, Article IX (1))-----"No person may be subjected to arbitrary arrest, and no person may be detained with out a charge or conviction against him" (1995, the Constitution of the Federal Democratic Republic of Ethiopia, Article XVII (2))

Among major undemocratic practices and violation of human rights; the use of torture in prisons and police jails against the Convention of Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, arbitrary arrest and other forms of intimidation are common features according to Amnesty International reports and human right Watch reports (Human Rights Watch/Africa, 1997). Pressure is essential to the government of Ethiopia to ensure that security forces respond to civilian disturbances with less than lethal force and are held accountable for their actions.(Ibid,)

Never the less it became increasingly clear, however, that they could only do so within the limits and controls drawn by the new rulers. The ruling EPRDF dominated the political system by favoring regional parties affiliated with it and clamping down on opposition groups. It also sought to dominate the emerging civil society through bureaucratic and legal restrictions and various forms of harassment of activists. Desalegn 2002 p-128), (Asnake and Dejene 2000 p- 54). As a result, the political landscape in the country remained overwhelmingly dominated by the EPRDF. The alliance embraced under its umbrella a number of regional parties. These parties were promoted to command positions in local administration and received government support during a series of local and national elections from 1992 to 1995 that ensured their dominance over regional legislatures. (Pausewang, , Trovoll, Kjetil, Aalen 2002—pp 232-333)

"The opposition groups have no real political strength; newspapers, radio and television are dominated by the state; the trade unions have been systematically co-opted and made powerless; the legislature, though heterogeneous in its composition, has no real authority;

elections in some constituencies had undermined the electoral process. (IRIN. ETHIOPIA: EU observers criticize elections, 2005)

Following the May 2005 election things get back to the former states of the Dergue regime. Political parties' freedom is violated on day light. For instance the main opposition group, the Coalition for Unity and Democracy (CUD), said that up to 120 of its staff throughout the country had been jailed. (IRIN.org.arrest crack down 2005). Before the election there were over sixty opposition parties and most of them have so far indicated that they want to participate. During the may 2005 election period there was intensive debates through the public media on issues of concern to the Ethiopian electorate. Many expected it will flawless. As it was promised by the PM "We will work together with the opposition parties and the international community to have a flawless election" the people expected much from that election. In general elections as it was sin after the May 2005 election appeared to be battle ground between different sworn enemies.

Freedom of speech as well as fair utilization of media seems a legend for most opposition party leaders. Ethioian contemporary government has bad décor in abuse of media and inequitable journalist treatment. "Eritrea and Ethiopia are both creating a lasting legacy of human rights abuse and intolerance for free expression that is not just taking a toll on society but also on the health and well being of the journalists they have detained for an unconscionably long time," said Gabriel Baglo, Director of the IFJ Africa Office in 2007. Following the crackdown on the independent press in November 2005 when the authorities detained more than a dozen journalists, issued a wanted list of editors and publishers, and threatened to charge journalists with treason, which is an offence punishable by death. Dozens of journalists went into hiding during the crackdown. The government published a list of those it planned to prosecute including 17 editors and publishers from eight private newspapers, as well as Kifle Mulat, president of the IFJ-affiliated Ethiopian Free Press Journalists' Association (EFJA), who is now in exile (IFJ, Journalist's report, 2007)

improving the quality of public management in general can exert their energy to form better society. They can teach large section of the society about its rights & responsibilities. Besides they could teach the mass how to conduct smooth election & observe the evenhandedness of election. Further more they can expose any mal administration of the government to be ruled. Most civil societies challenged by unenthusiastic policy environment, organizational and financial limitations. Thus they couldn't play the role they are expected to perform as much as anticipated.

Multi party democracy: When we assess the multi party experience of Ethiopia despite the constitutional consent and protection of establishing different political party's most political parties apart from the ruling party and its affiliated groups face difficulty to obtain party registration and license. (Pausewang, S and K. Trovoll 2000,153) Secondly the ruling party proved its determination to exert its furious retaliation against the parties that put great challenge to its supremacy. In fact the party and its leader clearly mention their desire in the unpublished book written by the PM under the title "African Development; Dead ends and new beginnings". The PM's abstract for dominant party "democracy" could tell the limitation of his government and his party to see multiparty democracy in Ethiopia (Lencho Letta, The Reporter; 2006)

On the top of these opposition parties have financial and administrative limitations. Apparently raising fun for these parties on open day light is an unanticipated since it could expose their supports for retaliation. Thus external sources are the only bulk sources of financial sources (Kassahun 2003 p-127)

To Conclude Democracy and good governance are vital ingredients for the country Ethiopia. Thus the elucidation for the economic growth and increase the standard of living of Ethiopia ought to be changing the way the county administrated as well as by improving the political situations of the nation. Many researchers point out the root cause of Ethiopia's backwardness and underdevelopment is not absence of economic resources or complete absence of educated personal but continuous wars and conflict caused by luck of continuity in political administration and deficiency of good governance.

In addition democracy could foster peaceful transition of power. All democratic peace theories seek to explain the disputed empirical fact that two constitutional democracies have never gone to war with each other in recent history. As such, they rest on a similar hypothesis: those relations between pairings of democratic states are inherently more peaceful than relations between other regime-type pairings (Baylis, 2000 p-343). Thus

establishing democracy enables nation a means to keep away from internal conflict and develop a peaceful means of resolving conflict.

Ethiopia had undemocratic regimes for long period of time. There is absence of democratic experiences and culture that are likely to foster democracy. The superficial commitment of government officials for democracy exposed frequently. Even their political manifest 'Dominant party democracy' tells how much their commitment for democratization is inadequate. This democratization with help of aid is impractical. This is due to the nature of the donation which is not totally committed for democratization and inefficiency of aid in society that has no or little culture of pluralistic democracy.

## Chapter three

### Objective, Conditionlities and Types of Aid

#### 3-1 Objective of Aid

As it has been define previously foreign aid is an assistance given by developed countries to support the economic, social and political development of developing countries. Under this chapter we will evaluate the objective of aid in association with the conditionality to find out its effectiveness for democratization. Besides we will see the types of aid generally. According to Spero aid is the second best solution for the developing nations, since it brings neither a change the north south relations nor brings a real redistribution of economic benefits (Spero, Joan.1998). Aid is used by western policy makers for two purposes to maintain the existing structure of international economic relations and at the same time to acquire political influence in the developing world. Above all aid is totally dependant on the political will of the donors.

Apparently by the turn of the uni-polar system, aid began to involve to bring pervasive change in issues like poverty alleviation, social inequality, shortage of employment, providing basic human needs, gender equality, macro economic stability, development sustainability, environmental protection, reduction the discrepancy between urban and rural development, diminution the influx of people from rural to urban areas in general political, economic and social transformation, ( Wolfenbarger 1998,pp-154-156).

Most dominantly Aid has political and economic motives for donors. The aid resources of bilateral donors tend to follow the donor's political and strategic priorities, not those of the countries that have the greatest need from a development perspective (Svensson, 2000, p 90). In some cases foreign aid is seen as being necessary in order to maintain power. Often foreign aid in the form of military goods provides the power base that suppresses opposition and maintains the existing government in power (www.Biz-ed Virtual Developing Country, 2007).

Official Development Assistance (ODA) is often intended to achieve political objectives other than increasing affluence in recipient countries (Ibid.). In the United States, national security considerations often influence foreign-aid decisions. During the 1980s, Cold War considerations caused a sharp escalation in U.S. aid to Central America and the Caribbean even, as aid to Africa declined. Other donors have their own objectives. For many years Sweden under attack aid toward 'progressive' societies. In France,

governments have sought to encourage the maintenance and spread of French culture and the French language as well as the preservation of French influence. In Japan, aid has historically flowed disproportionately to neighboring Asian nations in which Japan has the greatest commercial interests, and has often been tied to purchases of Japanese products (Ibid.).

Though much smaller than the amount of aid given by bilateral donors the money given by multilateral institutions tends to go mostly to the poorest countries (<http://www.cbo.gov/showdoc.cfm>) At the same time, the flow of international private capital to developing countries is taking on an increasing importance in the development context, having surpassed flows of foreign aid in total volume since the early 1990. The extent of a country's openness and integration in the world economy and trading system are also important to development, domestic policies that might divert the economy's resources to wasteful and inefficient uses (Ibid.).

Economic aspect of aid donation is providing aid to Less Developed Countries (LDCs) guarantee that the savings gap and the foreign exchange gap are filled. For domestic investment to take place domestic savings must also occur. If these are absent then a flow of development assistance can help finance investment projects. Similarly, there should also be technical assistance to ensure that the capital is efficiently used. According to some economists, development is synonymous with the creation of a considerable, modern manufacturing sector, as opposed to reliance on exports of primary products. Others argue that aid for capital investment can be anti-developmental as more capital intensive production in countries may contribute to increasing levels of unemployed and consequential poverty (World Bank 2002 p-78)

An inflow of foreign exchange may also enable LDCs to import foreign capital considered necessary for economic development In counties where there have been considerable shortages of foreign exchange earning due to falling commodity prices and debt servicing, inflows of foreign exchange through aid have facilitate the capital investment needed to preserve industry and other important sector of the economy. It should also be mentioned however, that debt relief would be more effective than aid in reducing the foreign exchange gap ([www.Biz-ed](http://www.Biz-ed) Virtual Developing Country,2007) .International donors currently fund about 10 percent of the budget in sub-Saharan Africa's second most populous country (2006 ,IRIN ).

Scholars in the north have argued that aid was given for altruistic reason. The aid politics of northern states have reinforced their economic link with recipient countries and occasionally have given them extra leverage in their relations with the south. (Raffer, and Singer 2001-p78). The US for example has used aid to discourage the expropriation of exiting investment. An amendment to foreign assistance act of 1962 stipulated that US aid must be with heal in the event of nationalization or expropriation without promote, adequate and effective compensation (USAID, 2002). Many donors' have also encouraged new foreign investment by providing information and sharing the costs of investment surveys and guaranteeing such investment against risk.

Aid also promotes foreign policy such as support trade link by encouraging the development. Aid is frequently used to influence economic policies in recipient countries. The US for example places economic condition on aid that shapes monetary and fiscal policy, investment policy. Through the supervision of aid project the aid bureaucracy in all countries have become involved in decision making in recipient countries. Such economic influence occasion in multilateral aid programs such as the WB for example has used its aid to promote market orient reforms in developing countries ( McCormick, 1997).

Further more Aid as a means of foreign policy manifestation was reflected during the cold war, it was used to buy the loyalties of states that might otherwise have crossed to the other side. Aid was one of the foreign policy instruments used by both sides in the East-West confrontation. The phenomenal success of the Marshall Plan, under which massive grants from the United States provided the capital equipment and other resources to stimulate the rapid economic recovery of Western Europe (which was already in possession of the infrastructure of a self-sustaining economy), provided an early ideal model of the possibilities of foreign aid, despite the differences in material conditions between Europe and the developing world. Economic aid was frequently linked to military aid. Studies of the distribution of aid show a close correlation between strategic interests and aid flows. (Svensson, 2000p-34)

Aid can also be used to support the proffered internal and external policies of the recipient's governments. The withdrawal or threatened withdrawal of aid has been to express disapproval of or opposition to internal and external policies. The US withheld aid from Hait in 1987, from Panama in 1988 and from Nigeria in 1994 due to human right violation (Lancaster, 2000, p-37). Aid is used for enhancing the north barraging

power. Aid inflecting objectives measures but also exaggerates the influence of donors in the eye of the recipients. But, aid affects the recipients. (Ibid). In addition to the political and security focuses foreign aid program assistance has been used to grating basic human right and supporting countries in confronting with recipient nations (Ibid,).

Others argue that the effects of aid on the recipients were nil or unproductive. The recipient on the other hand often felt that aid constitute not influence but unwanted intervention in national policy (pride). Growing importance of domestic market of the faster growing southern economics, especially in NIC made developing nations imposing. They were expanding rapidly and becoming increasingly important for northern export. (Arnold, and Jon, 1995p-67).

The percentage of northern merchandise export to the developing counties rose from 23% in 1973 to 28% in 1980. As a result of the debate crisis exports from industrialized countries transferred to developing counties; from 30% total expenditure in 1981 to 26% in 1987. Another reason is increasing awareness of the developing countries' importance to manage global resources. Global concern such as protection of environment, illicit trafficking of drug and fighting international necessitate more cooperation between south and north. The south benefited from the recognition of the north about their important to fight such common natural and social evils. Recognition of the north its obligation to work together for these reason together with the south increased the value as ally/ partner than enduring scrounger. (S.General Accounting Office 1993)

Even today, the countries that receive the most money tend to be those that are of greatest strategic use to the donor nation, which is why the US gives more to Israel than it does to sub-Saharan Africa. (Encarta Encyclopedia 2004) But foreign policy is also driven by commerce and in particular by the needs of domestic exporters. Aid goes to countries that can buy our manufacturers' products. Sometimes it doesn't go to countries at all, but straight to the manufacturers. A US government website boasts that "the principal beneficiary of America's foreign assistance programs has always been the United States. (wikipedia.org/w/index.php?title=Official\_Development\_Assistance&redirect=no http://www.state.gov/r/pa/ei/bgn/2859.htm, Wood, 1986.)

Close to 80% of the US Agency for International Development's contracts and grants-go-directly-to-American-firms. A doctor working in Gondar hospital in Ethiopia wrote to recently on a Website to spell out what this means. The Gonder hospital has none of the basic textbooks on tropical diseases it needs. But it does have 21 copies of an 800-page

The second group after making comparisons on the cost and benefit of putting conditions on the aid offered recommend cases where aid conditionalities could have a win-win impact. In order to come to the focal point, it is necessary to look at earlier studies. The arguments are formulated on the basis of different empirical and theoretical studies on a spectrum which are against, neutral, pro conditions imposed. I believe reviewing some of the earlier studies would help to have a clear understanding about the concept. It also reveals how our conclusions are derived shows how out put of reexaminations on aid and its effectiveness has led to increase disillusionment. His study marks the first signs that donors are willing to devise aid (Kayizzi-Mugerwa, 1998p-76.)

Much attention has been given in recent years to the conditionality in adjustment programmes, but conditionality has long existed as an important feature of the aid regime. Conditionality provides the means through which donors can exercise some influence over the policies followed by recipient governments. Among conditionality there are positive and negative forms of conditionality; such as a)-free market b)-accepting SAP c)-free press d)-conducting free election and fair e)-having democratic constitution f) policy reforms such as privatization, reducing workers land privatization, including banks, insurance and air line. Ethiopian governments succeed to refuse conditionality imposed by IMF and World Bank. While donors had provided more than 130 percent of food needs for the country vital areas like emergency health, water and sanitation were seriously under funded. ("<http://en.wikipedia.org/wiki/Conditionality>")

Conditionality in international development is a condition attached to a loan or to debt relief, by multilateral donors or, bilateral donor country. Conditionality may involve relatively uncontroversial requirements to enhance aid effectiveness, such as anti-corruption measures, but they may involve highly controversial ones, such as austerity or the privatization of key public services, which may provoke strong political opposition in the recipient country. These conditionality are often grouped under the label structural adjustment. ("<http://en.wikipedia.org/wiki/Conditionality>")

Other types of conditionality that often occur are aid which is tied to be used on a specific way. For example, many countries tie aid to the purchasing of domestic products, although this practice has drastically decreased over the past 15 years. The United Nations Human Development Report in 2005 estimated that only about 8% of bilateral aid is 'tied', down from 27% in 1990. This however varies from country to country with



the United Kingdom, Ireland and Norway giving 100% of their aid untied, and Canada, Austria and Spain giving less than 60%. (<http://en.wikipedia.org/wiki/Conditionality>)

According Claudio Schuftan third world governments quite indisputably engaged- in acts of repression and of exploitation of their people, - in fostering unnecessary military build-ups, - in enacting and condoning fiscally irresponsible measures,- in taking environmentally irresponsible decisions and they are guilty of overt corruption and other undesirable traits such as tribalism, nepotism, gender discrimination or ethnic cleansing; - It is conceivable to impose "fair conditionalities" ( Schuftan, ,2004 p98)

Besides they are not accountable to anybody on these counts and, for this reason, are highly unpopular both at home and abroad; Withholding international bilateral or multilateral non-emergency assistance is justifiable in quite a few cases --unless certain minimum conditions are met by such recipient governments. (Sintayoh Fissaha ,2006-pp-7-19)

Greater flexibility in providing aid to Ethiopia is needed to tackle widespread hunger and underdevelopment in the region, the Special Envoy of the UN Secretary-General for the Humanitarian Crisis in the Horn of Africa, Martti Ahtisaari, said on Sunday. "Our common aim must be working towards self-reliance and not expect this to happen overnight," he told reporters at a news conference in the capital, Addis Ababa. He also urged donors to continue aid despite the post election violence in June, which has human rights groups claiming that security forces shot dead 42 people protesting against alleged electoral fraud.

"Whatever has happened, humanitarian assistance should never be politicized. All those that are in need should be helped," he said. "I sincerely hope that the elections will not affect the donor preparedness."

### **3-3-Types of aid**

Foreign aid can be bilateral, as when it is provided by one country to another. It can also be multilateral—that is granted by a group of countries Official development assistance consists of grants or loans that one government or multilateral organization gives to a developing country to promote development and welfare. That assistance must be granted on concession terms, which in the case of a loan means that at least 25 percent of it must be in the form of a grant. Data on official development assistance also include technical

cooperation, such as teaching farmers new techniques or providing advice on making economic reforms; they exclude military assistance, political development programs, export credits, and debt forgiveness for military loans.

A donor may require a recipient to spend some or all of its foreign aid on goods and services produced in the donor's country, a practice known as tying aid. In a new form of tied aid, the donor offers aid as subsidized credit for the purchase of its exports. Donor governments then justify aid budgets by arguing that they promote their commercial objectives and exports.

Less and less development assistance is given in the form of outright grants and increasingly interest is being charged albeit at concessionary rates. Tied aid is also becoming more prevalent. Tied aid occurs where conditions are placed by the donor upon the recipient about what they use the aid assistance for. Usually the recipients are required to purchase the exports of the donors. This may be a more expensive option than purchasing the capital from sources other than the donors. Tied aid may help fill savings and foreign exchange gaps; however, it may not always be in the best interests of the recipient country.

The degree to which OECD countries tie their aid varies considerably and changes from year to year. In 1992, Spain tied nearly 86 percent of its official development assistance, compared with Norway at only 20 percent. The United States tied approximately 50 percent--nearly \$6 billion--of its official development assistance. In 1993, however, those figures fell to 33 percent for Spain, 29

Most U.S. military assistance is from the Foreign Military Financing (FMF) program, which is administered by the Department of Defense provides grants and loans that enable foreign governments to purchase military equipment from the United States. Lately, FMF has focused on grants for a few, mostly Middle Eastern, recipients. In 1997, assistance to Egypt and Israel consumed 94 percent of the program's appropriation of almost \$3.3 billion.

Another important, albeit far less expensive, program is International Military Education and Training, which cost about \$40 million in 1997. That program provides grants to countries for training foreign military officers and personnel. Funding for military-to-military contact programs and some peacekeeping operations also belongs in this category.

The Economic Support Fund (ESF), administered through AID, explicitly directs economic aid to countries that are deemed to be politically or strategically vital to the security of the United States. But the form ESF moneys take is often similar to development assistance. It may also include cash transfers into a country's bank account. Recently, a high proportion of this aid has gone to countries in the Middle East, with Israel and Egypt receiving 85 percent of the \$2.3 billion program in 1997. DA has also been used to assist governments undertaking macro-economic reforms, including reductions in the size of government bureaucracies and the privatization of government enterprises.

Most western countries particularly Scandinavian nations provide money to alleviate humanitarian crises around the globe. About half of the \$1.7 billion the United States spends on humanitarian assistance funds emergency food programs in developing countries.(Christian Relief and Development (CRDA) 2005 David H. Shinn 2006,). The remainder is provided to assist refugees and help alleviate natural disasters or man-made problems such as civil war. That money is not intended or expected to promote development. It is usually distributed by private and multilateral organizations acting on behalf of AID. Humanitarian aid is material or logistical assistance provided for humanitarian purposes, typically in response to humanitarian crises. The primary objective of humanitarian aid is to save lives, alleviate suffering, and maintain human dignity.[wikipedia.org/wiki/Development\\_aid](http://wikipedia.org/wiki/Development_aid))

The other form of aid is foreign investment. Private capital includes direct investment, international bank lending, stock market investment, and, to a much smaller degree, assistance from private organizations such as the International Red Cross. During the 1980s, the amount of official development finance was usually greater than private capital flows (excluding aid from private organizations). Since 1991, however, private flows to developing countries have risen sharply, and foreign aid flows have remained fairly steady. Unlike foreign assistance, private capital has tended to go to developing countries that appear likely to provide the greatest economic return (.Ibid,).

Foreign direct investment (FDI) represents the largest component of private capital going to developing countries around 50 percent, or \$80 billion, in 1994. According to the World Bank, most FDI goes to countries in Latin America and Asia. Countries in sub-

Saharan Africa attracted only \$3 billion in 1994.  
(<http://www.cbo.gov/showdoc.cfm?index=8&sequence=4&from=0>).

Foreign direct investment, or FDI, is often considered important in the context of development aid. It makes up the majority of available capital in developing countries. While most of the 2004 global \$644 billion of FDI remained within first-world nations, UN figures estimate that 42%, or \$255 billion, went to countries with developing status, an improvement over the 27% mark maintained between 2001-2003. However, FDI remains is generally the first source of capital to dry up in times of crisis. In addition Poverty reduction budget support (PRBS) is given to developing nations when a donor provides funds directly to a partner government's central exchange in support of their programmes, to assist poverty reduction. (Ibid,).

The extent of loans and grants that Ethiopia received in the years preceding the revolution was substantial. But it could hardly contribute to economic progress. Throughout the post revolution period too, "37 percent of total investment expenditure of the annual campaign of 1979-1983" was financed by foreign aid (Dejene 1989; p 13). Comparatively the total aid flow to the country has increased under the current economic system. It is asserted that during 1980-97, Ethiopia's total ODA receipt exceeded US \$ 17 billion in nominal terms (US \$23 billion in real terms). This comes out to US \$1.0 billion (nominal) or US \$1.3 billion (real) of annual inflow (Abegaz 2001,p24). USAID 1998, 2001, 2002, 2004, Archive resources)

Generally since the current policy changes the magnitude of loans and grants that the country received in subsequent years has increased continuously. In real term over the period 1991/92-1998/99 it increased by 13.97%, to reach nearly 2853.80 million Birr in 1998/99. The aid provided to incubate democracy compare to the developmental assistance is scanty.

The issues related to aid effectiveness at reducing poverty of the country are debatable and questionable. When we try to see the impact of aid on poverty in Ethiopia we have learned the slightest improvements achieved after the implementation of the economic reform program; the rate of poverty in the country has reduced and the consumption poverty head count index has declined by about 3% at national level, and by over 4 percent in rural areas but has increased by percent in urban areas ( Adem, 2002,p-55). However, none of these differences are statistically significant and the rate of poverty is still high, clearly indicates the challenges ahead.

## Chapter Four

### Foreign Aid in Ethiopia, Major Donors, and their National Interest,

#### 4-1-Foreign Aid in Ethiopia

The cold war, which was started by 1945, culminated with the western ideology and western block victory in 1991. Their ideas such as pluralism and principles including liberal democracy appear right and got prominence in the political area. Thus they began to propagate third wave democratization (Huntington, S.P 1993,p). By coincidence the EPRDF led insurgent group that used to advocate Marxism philosophy won the military junta and controlled the political destiny of Ethiopia. In order to establish good relations with the western powers and recruit more aid the EPRDF promised to adopt democratic form of political administration and to endorse good governance (Held, 1999 p-45).

Indeed the west headed by the US provided tremendous support to the EPRDF right from its assuming power (Habtamu pp 46-47).The influx of foreign aid as well as diplomatic, technical and financial assistance began mushroom since 1991. More than 322 projects are running in the country, which targeted to convey development, democracy, good governance and humanitarian assistance.

Between 1997 - 2003 - Ethiopia secured \$1584 million official assistance (Ibid,p-62). The country in fact receives about considerable amount of aid but far short of its needs assistance from donors. We find considerable evidence that the direction of foreign aid is dictated as much by political and strategic considerations, as by the economic needs and policy performance of the recipients. While foreign aid flows respond to political variables, foreign direct investments are more sensitive to economic incentives, particularly good policies and protection of property rights in the receiving countries. We also uncover significant differences in the behavior of different donors.

There was influx of international assistance in to the country since1991. It was about 1.0 billion USD in the first three consecutive years. (<http://www.state.gov/r/pa/ei/bgn/2859.htm>) And then declined to 0.6 billion USD in 1997. Since then it has increasing, reaching about 1.0 billion USD in 2001 and is

expected to grow to 1.6 billion USD in 2003. Until now, except some set backs the country earns increasing amount of foreign aid. The official development assistance (ODA) for the period 1997-2001 on average was 804 million USD a year. However there is a great tendency of allocation for humanitarian as well as relief assistance then for democratization. Between 1991 to 1996 the average humanitarian assistance allocation was 32.4 per cent out of the total foreign assistance. In year 2000 its share reached 50%. In general the official developmental assistance allocates to democratization and formation of good governance is small amount compare to its advantage to the county as well as in substantial amount. objective of giving aid varies from donor to donor and in order to attain the intended aim (assisting of developing countries) or the other implicit agendas (political, commercial and or strategically) donors often link aid to some criteria's. (Pausewang, , Trovold, Kjetil, Aalen Lovise, 2002 pp-145-200)

#### **4-2-The United State of America**

Ethiopia and the United States of America established diplomatic relations since 1903 (Bahru 1991, p-267). With the downfall of the Mengistu regime, Ethio-US relations improved dramatically. Legislative restrictions on assistance to Ethiopia other than humanitarian assistance which was caused by The International Security and Development Act of 1985 that prohibited all U.S. economic assistance to Ethiopia with the exception of humanitarian disaster and emergency relief were lifted. Diplomatic relations were upgraded to the ambassadorial level in 1992. Total U.S. government assistance, including food aid, between 1991 and 2003 was \$2.3 billion. During the severe drought year of FY 2003, the U.S. provided a record \$553.1 million in assistance, of which \$471.7 million was food aid. U.S. development assistance to Ethiopia is focused on reducing famine vulnerability, hunger, and poverty and emphasizes economic, governance, and social sector policy reforms. Some military training funds, including training in such issues as the laws of war and observance of human rights, also are provided (<http://www.state.gov/r/pa/ei/bgn/2859.htm>).

The US has close relations since 1992 and provided technical, economic, military and humanitarian aid. The military aspect was the reflection of the US interest in the region. The Ethiopian National Defense Forces (ENDF) numbers about 200,000 personnel, which makes it one of the largest militaries in Africa. The ENDF has passed through a transition from its roots as a guerrilla army to an all-volunteer professional military

organization with the aid of the U.S. and other countries. Training in peacekeeping operations, professional military education, military training management, counter-terrorism operations, and military medicine are among the major programs sponsored by the United States. Some military training funds, including training in such issues as the laws of war and observance of human rights, also are provided.

Aid could be some how be used to influence the Ethiopia government because the government is heavily depend on international donors. Some annalists including Dessalege rahmat argue “without foreign assistance government of Ethiopia couldn’t undertake developmental programmed, feed its population, or even run its own administrative machinery”. Besides the assistance is targeted mostly to provide humanitarian assistance which means there is very small possibility of long lasting development in the country that curve underdevelopment. So receiving aid could be the only fate of the country has. In other words the foreign aid by now is targeted to assist hunger stricken part of the population not aimed to bring long lasting solution.

Western donors particularly the United States of America provide assistance to Ethiopia is to materialize their national interest and strategic benefit and to attain their foreign policy objective. By the turn of 21<sup>st</sup> century the great threat is international terrorism. EPRDF in fact is regard number one candidate for their anti terrorist effort in the Horn of Africa and the sensitive Middle East region. In short the alliance between the US and EPRDF led government is based regarding Ethiopia and EPRDF as an ally to anti terrorist campaign & to stability in the regime and act as a buffering Islamic influence. Indeed the military might and total trustworthiness of the regime to this take made the first best in the region to fight against terrorism and stabilize the zone region. . Ethiopia has emerged as Africa’s largest recipient of foreign aid (\$1 billion, not including food aid).

To sum up the US claim its two broad objectives for are: “integrating Africa into the global economy by promoting economic development, democracy, and respect for human rights, and conflict resolution,” and “defending the United States against transnational security threats emanating from Africa,”. This include fighting disease and environmental degradation, claiming gains in economic growth and agricultural development, democracy and governance

First lets see the US assistance to Africa

**Assistance Designated for Africa (\$ millions)**

| <b>Program</b>                      | <b>FY2003Requested</b> | <b>FY 2002<br/>Estimate</b> | <b>FY2001</b> | <b>FY2000</b> |
|-------------------------------------|------------------------|-----------------------------|---------------|---------------|
| Development Assistance              | 1000.1                 | 887.2                       | 768.2         | 738.5         |
| <i>(Of which, Child Survival)</i>   | -                      | (421.2)                     | (344.1)       | (284.0)       |
| ESF                                 | 77.0                   | 100.0                       | 0.85.8        | 62.3          |
| African Dev. Foundation             | 16.7                   | 16.7                        | 16.1          | 14.4          |
| Peace Corps                         | NA                     | 53.6                        | 54.5          | 52.3          |
| International Narcotics Control     | 0                      | 0                           | 10.0          | 0             |
| Peacekeeping Operations             | 40,0                   | 56.0                        | 46.5          | 36.6          |
| Migration and Refugee Assistance    | NA                     | 187.5                       | 180.9         | 154.8         |
| Foreign Military Financing          | 18.5                   | 15.0                        | 18.2          | 10.0          |
| IMET                                | 11.1                   | 10.2                        | 8.5           | 7.5           |
| Contributions to Int'l Peacekeeping | 486.7                  | 475.0                       | 252.8         | 170.7         |
| African Development Bank            | 5.1                    | 5.1                         | 6.1           | 4.1           |
| African Development Fund            | 118.1                  | 100.0                       | 99.8          | 127.0         |
| Food Aid                            | NA                     | 160.2                       | 393.0         | 472.6         |
| <b>Total</b>                        | <b>NA</b>              | <b>2066.5</b>               | <b>1940.4</b> | <b>1850.8</b> |

Source Source; David H. Shinn 2006, What Does Democracy Mean in Ethiopia?

Figure 1

In deed the prevalent of the donation goes to humanitarian and developmental assistance sectors. For democratization and good governance insignificant amount in allocated. Total U.S. government assistance, including food aid, between 1991 and 2003 was \$2.3 billion. During the severe drought year of FY 2003, the U.S. provided a record \$553.1 million in assistance, of which \$471.7 million was food aid

Ethiopia FY 1998

Figure 2 1999Program Summery(in thousands of Dollars )

| USAID Strategic & Special Objectives | Economic Growth & Agriculture | Population & Health | Environment | Democracy | Humanitarian Assistance | TOTAL    |
|--------------------------------------|-------------------------------|---------------------|-------------|-----------|-------------------------|----------|
| Food production                      | 1,860,000                     | -                   | 2,500,000   | -         | -                       | 2110000  |
| Health care service                  | -                             | 23325000            |             | -         | -                       | 23325000 |
| Primary education                    | -10760000                     | -                   | -           | -         | -                       | 10760000 |
| Effective government                 | 350000                        |                     |             | 2350000   |                         | 2700000  |
| Civic society building               |                               |                     |             |           |                         |          |
| Promote democracy                    |                               |                     |             |           |                         |          |
| Food security                        | 300000                        |                     |             |           | 24453000                | 24753000 |
|                                      | 30010000                      | 23325000            | 2,500,000   | 2350000   | 24453000                | 82638000 |

relating to human rights, the dispatch of experts in the field of human rights, the holding of international seminars, and the provision of scholarships. A total of 59 projects were implemented through this fund in 1998.( Ibid,)

The fund is operated through voluntary contributions by countries. Recognizing that the fund corresponds to the idea of "partnership for democratic development," Japan contributed \$607,000 in fiscal 1998. In order to support the implementation of democratic elections, which enable the people to participate in politics, Japan extends such support as the dispatch of personnel, financial assistance, electoral training, and the supply of equipment and materials. In the five years since fiscal 1994, Japan has provided electoral support to about 40 regions around the world (JICA, 2005 Archive sources,)

Never the less the Japanese assistance for democratization is minimal. JICA's budget for the fiscal year 2004 is over 160 billion yen (more than USD 1.5 billion). It operates with 1,300 staffers managing 6,000 development professionals and volunteers working in developing countries at any given time out of which over 75% was for technical assistance & project based developmental assistances for education and health water well construction. In general Japanese assistance for the formation of good governance and democratization was insignificant. Besides let alone to force the regime to be respectful to democratic principles and human right the Japans assistance is more concerned to work in harmony and with out any attempt to in force the regime about democratization and good governance (Ibid,) (Mrs. Komika and Mr Atashaki, Coordinater of the JICA voluntary assistance Ethiopia) interview.

#### **4-4-Canada**

Ethiopia has long maintained close relations with the state of Canada. The Embassy of Canada in Addis Ababa was opened in 1966, which marked greater stage of relations between the two friendly nations. (<http://www.acdi-cida.gc.ca/index.htm>). Ethiopia is currently the country in sub-Saharan Africa to which Canada grants a large amount of international assistance, which it coordinates with the Ethiopian government, international institutions, and the other donor countries. In addition to humanitarian and food assistance Canadian provides assistance to carrying out Ethiopia's constitutional plan. (CIDA.2007)

The government of Canada gives aid through a special fund called the Canada international Development Agency 9CIDA2006). CIDA supports foreign aid projects in

more than 100 of the poorest countries of the world. The Canadian International Development Agency (CIDA) is the federal government agency responsible for administering most of Canada's official co-operation program with developing countries and countries in transition. Formed in 1968, CIDA now has a presence in over 100 countries and manages a budget of approximately \$2.1 billion a year. CIDA's mandate is to support sustainable development in developing countries in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. (Robert , 2007 p 45)

CIDA dedicated itself for the following precedence: basic human needs, full participation of women, infrastructure for the poor, above all for democratic development formation of good governance. Besides it involves in humanizing private-sector development and the environment. Approximately 25% of CIDA's resources are devoted to basic human needs.

CIDA works with an assortment of associates to deliver its assistance program. Bilateral projects are based on government-to-government agreements with developing countries. CIDA also enters into contribution agreements with Canadian partners, such as volunteer organizations, universities, co-operatives, professional organizations, churches and so on, to implement projects overseas. CIDA also supports mutually beneficial, development-oriented commercial partnerships between Canadian and developing country private-sector firms. Finally, CIDA also contributes to the assistance programs of multilateral development banks such as the World Bank and the African Development Bank, UN agencies like UNICEF and a variety of international organizations (Samantha, 2007,p 72)

Due to Canada's lack of a colonial past and its reputation as an "honest broker," Canada has been able to play productive responsibilities in sensitive areas such as human rights, governance and postwar reconstruction programs.

CIDA Aid to Ethiopia

| Year   | Nature of the aid  | Amount | Nature of the aid | Amount | Total |
|--------|--------------------|--------|-------------------|--------|-------|
| 1999/0 | Country to Country | 14.5   | Multilateral      | 13.8,  | 28.3  |
| 2000/1 | Country to Country | 20.5   | Multilateral      | 21.5,  | 42.0  |
| 2001/2 | Country to Country | 24.5   | Multilateral      | 24.4,  | 48.9  |
| 2001/3 | Country to Country | 46.3   | Multilateral      | 29.8,  | 76.1  |
| 2001/4 | Country to Country | 66.7   | Multilateral      | 20.88, | 87.58 |

Source; [htm.www.CIDA.com](http://htm.www.CIDA.com)

figure 5

Canada's assistance to Ethiopia continues to fall far short, despite recent increases of its self-imposed obligation to give 0.7 per cent of its annual GDP in aid money  $\frac{3}{4}$  a target OECD member countries voluntarily adopted to help the developing world improve its living standards. Only the Nordic states in particular Norway has so far been able to make good on this promise. Even so, the portion of Canada's official development assistance that goes to the Horn is small relative to the overall size of the pie. Eligibility for Canadian assistance is based on the criteria established by the Development Assistance Committee of the Organization for Economic Cooperation and Development, or OECD. Canada may determine that some countries are ineligible on the basis of their poor human rights record and lack of democratic governance. In some few cases, however, one wonders whether these criteria are applied at all. The Canadian government gives "development" aid to Ethiopia of the \$63 million given during fiscal year 1994/95, for example, 44.7 percent was donated through bilateral channels. Strangely enough, Canada was jumping the gun in announcing the moratorium on Ethiopia's debt DATE: February 19, 2002 .As we can see Canada provides above average bilateral assistance than multi lateral grant to Ethiopia (<http://www.acdi-cida.gc.ca/index.htm>). (CIDA.2007)

In general, Canada's assistance to Ethiopia not only eligible compare to the intensity of the problem the country faced but also didn't consider the root cause of the problem which was absence of democratic culture and lack of governance. In this regard Canada provided less attention. More of its assistance allocated to humanitarian and emergency aid. Despite its dedication for the formation of good governance and democracy at home Canada seems didn't want to use its foreign assistance as a means to enforce or implement them.

#### **4-5- United Kingdom**

The UK has a very long history of diplomatic relations with Ethiopia. These two nations are regarded as long lasting allies in the horn of Africa. British assistance to Ethiopia is among the highest. (Bahru 1991,pp 160-189) The UK recognizes that good economic and sector policies depend on effective political processes if they are to be implemented successfully over time. It therefore sets out to tackle some of the deep-rooted developmental and political issues facing Ethiopia, such as the need for food security, democratization, empowerment and decentralization through four building blocks.

(see :figure 6 )

Further more British assistance extended to democratization split in to (1) Election and media reform (2) Justice system and civil service reform; (3) Governance, decentralization and empowerment; (4) Capacity building. (The Department for International Development (DFID 2004pp-67-82)

The Ethiopian government has long enjoyed substantial international backing in spite of its human rights record particularly from UK. The Prim Minster Tony Blair stated that his government was eager to support Prime Minister Meles Zenawi, one of a generation of promising so-called new African leaders. (Biles 2006, pp -389-456) He has been reluctant to criticize many of his government's human rights abuses. Foreign powers including the United States have said they preferred to support his efforts to bring peace. (WWW. IRIN (16 Jun 2005) IRIN reporter)

The UK provides emergence, technical financial and humanitarian support to Ethiopia for long period of time. It was the UK that initiated the direct budgetary assistance to developing countries which provides some extent freedom for allocation of the donated resource according to the national development strategy of recipient countries. (Ibid,) The UK is also the highest donor in this form of aid. For instance in 2005 the UK allocated 30 million pounds (\$54 million) in direct budget support to the government, which was to be

expanded to 50 million pounds (\$90.4 million) in 2006. In deed the UK provided about \$ 200million USD in financial form in 2000. This made Britain the next highest bilateral donor in total gross donation next to the US. (OECD,2006),Concerning democratization and formation of good governance the UK seems more committed.. The UK provides substantial amount of financial assistance for the democratization and human right protection. Even the rest forms of assistances are predestined on the country's human right respect and protection of principles of democracy. (Biles ,2006,p 354). Most donation however like most donors targeted towards emergency assistance, humanitarian aid and fighting HIV AIDS. (Figure 6)

|   | Fields of assistance   | 2002/03                     | 2003/04                       | 2004/05                | 2005/06                |
|---|--|-----------------------------|-------------------------------|------------------------|------------------------|
| 1 | DFID technical co-operation and project aid  | 7*                          | 10**                          | 10**                   | 10**                   |
| 2 | Direct budget support  | 10                          | ***                           | ***                    | ***                    |
| 3 | HIV/AIDS through International Partnership Against AIDS in (IPAA)                      | 1.25*****                   | 1.25                          | 1.25                   | **                     |
| 4 | assistance to civil society and-government (“Partnership Fund”)– included in (1)above. | 0.35                        | (0.35)<br>(subject to review) | (0.35)                 | (0.35)                 |
| 5 | Humanitarian assistance to need to need  | £25m<br>(forecast estimate) | (in response to needs)        | (in response to needs) | (in response to needs) |

**UK Financial Years. £ millions**

**Figure 6**

(The Department for International Development (DFID)2004)



\* *Currently expected outturn for 2002/03; balance reprioritised to humanitarian.*

\*\* *Minimum figures on current plans.*

\*\*\* *Indicative figure of £60m over three years starting 2003 expected to be minimum amount. £10m support in 2003 confirmed.*

\*\*\*\* *Our IPAA commitment is £5.7m from 2001 to 2004*

Never the less the UK seems dedicated for human right respect and democratization. This in fact reflected in so many occasions. An exemplary measure was taken by The UK government following the May 2005 election. Britain has frozen 20 million pounds sterling (US \$36 million) in aid to Ethiopia due to civil unrest following the election that left some 36 people dead, a senior UK government official said on Wednesday. Britain provides 30 million pounds (\$54 million) in direct budget support to the government, which was to be expanded to 50 million pounds (\$90.4 million) this year. It is the first country to announce any specific action following the violence. Donors in fact could do little or nothing to prevent any human right violation. Hilary Benn, Britain's development minister, omitted the issue by claiming any more action would make the poor to suffer as a result of what has happened here in the last few weeks."(WWW. IRIN (16 Jun 2005) IRIN reporter : Britain has frozen 20 million pounds sterling.)

It said that 193 people had been killed, including 40 teenagers. Six policemen were also killed and some 763 people injured. Police records showed 20,000 people were initially arrested during the anti-government protests. (Post-election violence inquiry commision)(Today.reuters.co.uk/crisis in Africa)

Despite all these post-election issues and complications, in addition to the Carter Center and the US government, British MPs continued to praise the democratic process in Ethiopia. After meeting with some opposition parties, the British MPs also stated that the Ethiopian government should always stand firmly against those who try to use "undemocratic and unconstitutional means" to change government. (British Parliamentary delegation praises the democratic process in Ethiopia)(www.sudantribun.com article 18432)

The donrs are half herted to cultivate democracy paticularlly pluralistic democracy or liberal democracy in Africa. This was reflacted as Cluse GTZ HQ representative mentioned clearlly as followes.....

*---But in some years many of their [Ethiopian] people will be well educated enough to not be willing to accept the authoritarian rule much longer and they will claim more "democratic rights". The democratization process in Europe has taken hundreds of years. As far as I can judge, we see a process in Ethiopia that is "slowly" moving towards more democracy. But any clashes with the central power will deteriorate the process rather than supporting it. Thus we need to support a government which could keep peace & stability, but fight anarchism.—(Exclusive interview with GTZ HQ director Cluose)*

Similarly The United States the biggest donor for the regime in power after the June outrageous killing of protesters in the streets of Addis could only say through State Department spokesman Casey ,

"The U.S. urges "the government of Ethiopia to respect international principles of human rights by exercising due process and releasing detained party members and party supporters who are not going to be charged." He says, "The European Union and the United States will assist Ethiopia as it meets these new democratic challenges."  
[http://www.VOICE OF AMERICA](http://www.VOICE_OF_AMERICA) ( 2005) Democracy In Ethiopia editorial.

Foreign donors can not force projects on Ethiopia that the government refuses to accept. But donors can increase funding of projects that the government will go along with and they can spend more time explaining why democratization projects are important to the future of the country. They can also collectively put more pressure on the government to accept programs when they initially meet resistance. Like it or not, this will be a long process. The building of democracy in a historically autocratic country will take time. (David H. Shinn, 2006)

To conclude the United States consistently ranks behind France and Germany as a donor of bilateral Official Development Assistance (ODA) to sub-Saharan Africa. In some years, it ranks behind Japan as well. In 1998, the OECD placed the United States in

fourth place as an African aid donor, but in 1999, with Japanese aid dropping and U.S. aid rising, the United States moved into third place. According to data compiled by the Organization for Economic Cooperation and Development (OECD), Sub-Saharan Africa received about 13.8% of U.S. ODA in 1999, according to the OECD, while many other donors gave a considerably larger portion of their aid to the region.

About 34% of French aid and 28% of German aid went to Africa, for example, while Italy gave 55% of its aid to Africa and Britain 35%. Japan, by contrast, sent 9.5% of its aid to Africa in 1999. (Raymond W. Copson 2002) (<http://www.state.gov/r/pa/ei/bgn/2859.htm> Accessed in December 2006. (JICA) <http://www.jica.go.jp/english/index.html> )

There was influx of international assistance in to the country since 1991. It was about 1.0 billion USD in the first three consecutive years. (Organization for Economic Cooperation and Development (OECD), 1989, 1998, 2004, summery reports). And then declined to 0.6 billion USD in 1997. Since then it has increasing, reaching about 1.0 billion USD in 2001 and is expected to grow to 1.6 billion USD in 2003. Until now, except some set backs the country earns increasing amount of foreign aid. The official development assistance (ODA) for the period 1997-2001 on average was 804 million USD a year. However there is a great tendency of allocation for humanitarian and relief assistance then for democratization. Between 1991 to 1996 the average humanitarian assistance allocation was 32.4 per cent out of the total foreign assistance. In year 2000 its share reached 50%. In general the official developmental assistance allocates to democratization and formation of good governance is small amount compare to its advantage to the county as well as in substantial amount (Raymond W. Copson 2002).

Besides the assistance is targeted mostly to provide humanitarian assistance that means there is very small possibility of long lasting development in the country that curve underdevelopment. The contribution of foreign aid to overall economic growth was not significant. In fact, some economists say it was absolutely marginal over the last 40 years (Ibid.).

Between 1997-2003 Ethiopia secured \$1584 USD million official assistance, this counts half of the African average and far shorter compared to the needed amount of assistance. The bulk of the assistance goes to humanitarian aid and development assistance sector. This implies donors regarded democratization and good governance insignificant compare to the others. (Dessalegn & Mehret 2004 p 37)

Donors provided \$14.9 million USD to National Electoral Board in 1994. (Dessalegn & Mehret 2004 p 37) Since 1991 up to 2005 foreign assistance allocated for election purpose was \$17.3 million USD out of the total donation \$ 26.4 USD million allocated for democratization. This reckons 66%, which indicates foreign assistance for election purpose allocated to a great extent. Foreign assistance allocated to political parties during 2000-2005 was \$ 318,625.35 USD however the ruling party snatched 24% out of the total amount allocated for all parties participated on the election. (Ibid,)

In general Ethiopia benefit from the foreign aid provided by donors. However the amount of aid compare to the extent of the problem the country challenged with is insignificant. Most of the aid allocated to humanitarian, emergency military and food aid. Conversely the paramount problems of the country are absence of peaceful transition of power and better administration. Thus the country needed more aid for democratization first to curve the supreme predicament of the nation. This doesn't mean the nation doesn't need those assistances rather more attention should be given to the democratization. Besides donors commitment to pressurize the Ethiopian government to endorse constitutionalism and democracy seriously as well as respect human right rule of law was required. Yet since their national interest is preserved by the regime in on power they didn't manifest their genuine commitment. As a result we can visualize how much aid is fragile to foster democracy and good governance in Ethiopia with out the transformation of the nature of the politicians and dissemination of the culture of democracy among the people of Ethiopia.

## Chapter Five

### Role of Foreign Aid and Its limitations, Ethiopian experience

#### 5-1 The role of foreign aid in Ethiopia

To evaluate the role of aid on the democratization and formation of good governance we can use parameters that are pillars of democracy such as the election board, civic institutions, and opposition political parties, protection of human right, constitutionalism and rule of law. Understand the level of democracy and the possible progress for democratization evaluating the democratic institution is the prime task for this research.

When we assess the multi party experience of Ethiopia despite the constitutional consent and protection, establishing political parties apart from the ruling party and its affiliated groups others face difficulty to obtain party registration and license (Theodros T 2006 p-44) (Tesfay. 1996 p 35). Secondly the ruling party proved its determination to exert its furious retaliation against the parties that put great challenge to its supremacy.(Berhanu 2006,pp-234-240) In fact the ruling party leader clearly mentions his desire reflected in the unpublished book written under the title "African Development; Dead ends and new beginnings". The PM's abstract for dominant party "democracy" could tell the limitation of his government and his party to see multiparty democracy in Ethiopia. (Lencho The Reporter; PM Meles Zenawi's extracts. 2006-pp6-7)

In deed the dominant party democracy is a party system where only one political party can realistically become the government, by itself or in a coalition government. Under what has been referred to as "soft authoritarianism", opposition parties are legally allowed to function, but are considered too weak to take power. In contrast to single-party systems, which inclined to be authoritarian, dominant-party systems can occur within a context of a democratic system. ([http://www.Answer.com/international +relations &=67](http://www.Answer.com/international_relations) The Columbia Electronic Encyclopedia 6<sup>th</sup> edition 2003<http://www.Microsoft Encarta Encyclopedia 2004 wikipedia.org/wiki>)

In additional distinction from a single-party system is that under the latter, other parties cannot compete to become the government because they are banned. Dominant-party

systems exist only in states where other political parties are tolerated, but do not receive enough votes to have a realistic chance of winning. However, in some dominant-party systems, opposition parties are subject to varying degrees of official harassment and most often deal with rules and electoral systems designed to put them at a disadvantage or in some cases outright electoral fraud.(Ibid,)

The best example of such kind of “democracy” according to Wikipedia,Encyclopedia is the government of Ethiopian People's Revolutionary Democratic Front (EPRDF) Led by Prime Minister Meles Zenawi, (as prime minister since 22 August 1995.In power since 28 May 1991Parliamentary election, 2005: EPRDF 327 of 547 seats. (wikipedia. Encyclopedia)

On the top of these opposition parties have financial and administrative limitations. Apparently raising fund for these parties on open daylight is an unanticipated since it could expose their supports for retaliation. However external sources are the only bulk sources of financial sources for opposition parties. Foreign assistance allocated to political parties during 2000-2005 \$ 318,625.35 USDD. However the ruling party assumed 24% out of the total amount allocated for all parties participated on the election.(Habtamu, 2006 p-58 )( Kassahun 2003,p-167). The role of foreign aid in such kind of limitations and governmental restrictions can only provide financial assistance. Even As it has been shown in above the amount of assistance given to democratization is in significant and oscillates. Half hearted commitment of donors for African democracy is reflected on the amount of assistance give to democratization process in comprise with other forms of assistance. Assistance given by Japan and Canada to Ethiopia is almost regardless of the human right and instability concern. Even the US assistance to Ethiopia declined to protect its strategic advantage and diplomatic gains rather than genuine concern for democracy and good governance in Ethiopia.

In fact opposition parties are encouraged to function by donors however the meanness to assume power is traumatized. Unless the political leaders showed willingness and lightened their security limitations, imprisoning candidates of opposition parties and closing the opposition parties' offices donors couldn't force the government to open opposition parties' offices and release political prisoners by persuasion or cohesions. The ruling party clearly showed its committeemen to stay in power with all necessary means following the May 2005 election. The Coalition for Unity and Democracy (CUD)

leadership called for a week of strikes and a boycott of businesses owned by members of the EPRDF, as well as boycotting the new parliament.(<http://www.VOICE OF AMERICA> ( 2005) *post Election conditions in Ethiopia*)

In general despite the allocation of significant amount of aid for democratization process and direct budgetary assistance of donors the regime in power never set back from violent and undemocratic actions to save itself from leaving power. As it has been mentioned to point out by analyzing the regime theory regimes would do anything in their power to stay in power. Besides Regimes offer more a means of examining both the upshot of self-interested behavior and the results of institutionalized behavior which cannot be linked to self-interested action in the narrow manner of realism.

Civic institution could enhance the democratization process by motivating the people for bursting participation in the decision making and defending as well as promoting their rights. The civic institutions can also challenge the government for better administration, improving the quality of public management in general. They could exert their energy to form better society. They can teach large section of the society about its rights and responsibilities. Besides they could teach the mass how to conduct smooth election and observe the evenhandedness of election. Further more they can expose any mal administration of the government to the mass. Meanwhile most civic societies are challenged by policy environment, organizational and financial limitations,(Theodros ,2006,p-69), (Tarp, and Peter , 2001p-29).

Concerning the independence of the electoral board all opposition groups unanimously agree the contemporary electoral board of Ethiopia is partial and insufficient. External bodies including “government affiliated” civic organization such as The Carter Center recognized the partiality and insufficiency of the board. (The Carter Center2005 Ethiopian Election 2005 report) Foreign donors attempted to point out the importance of having independent and efficient election board for the democratization process, never the less their assistance can only be exerting financial and expertise allocation. For instance The EU sent election mission, which was one of the largest ever, with 160 observers. However the EU's 10-page election report express post-polling day irregularities, delays and questionable vote counting, as well as flawed handling of complaints and re-runs of elections in some constituencies had undermined the electoral process.(<http://www.IRIN>,2005;ETHIOPIA: EU observers criticize elections)

Under such circumstances democratization requires more time and patience, but real commitment from the ruling party could change the situation. Losing trust on the electoral board could damage particularly peaceful transition of power in general the democratization process.

The media similarly is a fundamental instrument to disseminate information, teach the people about their right and responsibility, exposing the mal administration of the government as well as to help formation of governance should be integrated in to the democratization process. Apparently free and independent media could accelerate pluralistic political culture, facilitate transparency among state officials and different political parties.

Nevertheless in Ethiopia most the freedom of this organs are at stake. Even though the constitution allows the existence of them the political situation of Ethiopia in fact is a deviation from democratic or authoritarian form of administration. It is purely single party dominance government. Thus fusion of deferent theories is required to explain my theoretical framework for democratization with the help of aid. Dominant-party systems - that is, states where opposition parties are allowed and free elections are held, but where the opposition has no real chance of winning. Sometimes the dominant party maintains power through election fraud, while other times the elections themselves are fair, but the electoral campaigns preceding them are not fair. Often, the governments that replaced them declared their allegiance to democracy and implemented genuine democratic reforms in the beginning, but eventually turned into semi-authoritarian regimes. (IFJ Annual Report 2006) (IFJ, Annual Report, 2007)

The other pervasive factor for African democracy is state and government sovereignty. The supreme and uncontrollable power by which an independent state is governed and from which all specific political powers are derived; provided more rooms for dictators to stay in power. The intentional independence of a state, combined with the right and power of regulating its internal affairs without foreign interference enabled the totalitarian regimes to extend their power with out any limit. (World Bank, 2002) (David H. Shinn 2006,p- 79) Thus foreign aid can only support their demands than the donors.

Sovereignty is the power of a state to do everything necessary to govern itself, such as making, executing, and applying laws; imposing and collecting taxes; making war and peace; and forming treaties or engaging in commerce with foreign nations.

Multi-party democracy: No one can deny that the country is new for this form of administration; “democratic”. The question is how far the country traveled in the journey of democracy, how much it succeeded and what was the role of foreign aid how could it be exerted and what was achieved.

Peter Bauer has argued that aid has serious, distorting consequences in the political life of recipient countries. Aid is generally transferred to the government of those countries, which tends to increase the government's power, resources, and patronage relative to the rest of society and, consequently, the stakes in any struggle for control of that power. People will spend relatively more of their time focused on the outcome of political and administrative decisions, thereby diverting attention, energy, and resources from more productive economic activities. That may encourage tension and disturbances that can lead to the outbreak of civil armed conflict. ([www.cbo.govt.showduk.com](http://www.cbo.govt.showduk.com)). In short it affects the balance of power in one region or country in favor of one pro western or pro donor group by disabling the rest people to protect themselves from domination.

In most cases foreign aid has sustained governments to stay in power. In addition foreign aid enables such kind of governments to pursuit of economically counterproductive political and economic policies. Donors target their foreign aid toward countries and policies that directly support their objectives. Thus Despite usefulness of recipient countries policies as long as it is compatible with their national interests’ donors extends aid. Helping all the poor people of the world, though laudable, is impractical. But providing assistance for last long transform is carrying great weight.

Foreign aid could improve the financial and administrative capacity of civic institutions that can affect the democratization process positively. NGO's require the assistance of foreign donor abrupt assistance( Theodros ,2006 pp-45-60).These Sectors however has shown no progress worth mentioning to promote policy legislation governing its existing operations .nor are there visible traces of achievement in terms of beneficiary empowerment originating from NGO’s involvement according to important scholars of aid politics (Ibid).

The contribution of NGO’s in Ethiopia towards emergence and consolidation of democratic values has even insignificant. This failure to enhance democratic values even

in favorable environments is quite strange. It seems that a policy of laissez fair is consider the fastest way of ensuring survival without antagonizing that wielders of power. As (Hovde,1992;p.8) noted the traumatic experience of the Dergue era caused NGO's in Ethiopia to be overly cautious,' enormously fearful, lacking in confidence and unsure of their mission . Hence there is a need to redefine heir role in a manner that necessitates shift of faces. Which means both NGO's and donors must push harder sacrifice for real change as (EHRCO) did. Forcing the government to bring the culprits to book and redress the wrong inflicted organized, bravery; Zealots, its pit discouragement and threat pressed from government bureaucrats and organs. (Kassahan , 2003;p 166)

According to Birhanu Nega a prominent scholar, politician and stated the industrialized West provide support of the democratization process lackadaisical. Particularly Western civic organization exerts tremendous effect in these fields. In fact the integration and fast growing technological and information technology advancement side by side with globalization necessitated passive change in formation of good governance in the third world countries. On top of these the collapse of socialism and ultimate and of cold war that helped for the declaration of "the new world order" by the remaining sole supper power "the US "extreme dictatorship was removed and couldn't get any support either from East or West. According to Berhanu the Western thinkers are not yet convinced developing countries including Ethiopia really need democracy. For them, the most priority of is eradication of HIV/AIDS, food self-sufficiency, expansion of communication and transportation economic growth but not Western style of democracy.

For donors, Brhanu continue belief in countries where there is no substantial middle class and independent society dreaming for democracy is a reverie and attempting to copy without realizing the situations on the ground (Birhanu, 2006 p-498). Thus their priority should be building country's economy. Otherwise the attempt of some returns and abroad could disturb the hard win peace and stability in their country.

Such kind of attempt in the eye of foreigners could disrupt the building of country's economy. Furthermore for them democracy is a long process and requires pliability and serenity from the people and opposition groups. For them democracy is not "urgent" rather it helps to achieve fast economic growth. Authoritarian form of government is vital because such states required authoritarian government now. Despite such erroneous conviction of Western donors democracy is urgent for Ethiopia since rapid economic growth couldn't materialize without democracy. Democracy according to Birhanu plays



key role to score fast economic growth. Rapid economic requires peace and stability rule of law, justice and free judicial order free and independent maid in which the right and privilege of development of investors. Otherwise the government could use aid money to strength its intelligence and military capacity hat could help it to stay in power for long time.

Another obstacle for the democratizations of Ethiopia in addition to absence of democratic culture is serious and struck party disciplined and extreme loyalty to political party. Absence of different views in a party shows absence of democratic culture and openness in the party. Party loyalty based on ethic solidarity and economic advantages is not the characteristics of form of democracy liberal, revolutionary or social democracy. Opposition for the sake of disagreement which seems the nature of Ethiopian opposition groups (Baheru ,2003 p- 212 ) is also not the nature of democracy. Both these trends are among the most devastating practice that damages democracy in Ethiopia. Thus democratic cultures such as tolerance, negotiations, pluralism and common vision ought to clinch.

## **5-2-Creating autocratic government,**

With the end of the Cold War, there was a steady development of movements towards democratization, liberalization and “marketization” throughout the world (Raffer, and Singer,2001 p-75). Developing a foundation of democracy encourages citizen participation in development and governance, enhances and protects human rights, and secures mid to long term stability of the State. International community recognizes the importance of democratization and tries to support democratization in developing countries.

As we have seen in the discussion foreign aid could have negative and positive impacts. In fact aid is a transfer of acuminated capital from one country or international financial institutions to receiving nation. It is a fundamental encouragement and shoves for developing countries that have no accumulated capital or technological advancement. Nevertheless it could also affect the balance of power locally. All nations had their own mechanism to achieve transfer of power either peacefully or through violence. Besides the role of alders, negotiation, regional alliance and development of new political power

are the most common methods of power transfer and transition of power. Copson 2002,p-45). However Aid could impede these natural ways of Ethiopian power balancing method. Even it changed the motion and internal aspiration of different political groups to look for foreign support either to remain in power or the oppositions to challenge the regime in power. (GCA,2004 )

Opposition parties particularly are heavily dependents on their support more from outside the country than internal financial backing as well as moral support. In fact the political history of Ethiopia tells that different regimes beginning from the imperial regime opposition were regarded as animosity thus opposition groups were up rooted with all cost. In deed Emperor Haile Sellasse eroded the financial and military background of his oppositions. The Dergue was more intolerant by nature military dictator so never tolerate democratic practices and good governance. All forms of pluralisms were disheartened. These processes couldn't beard fruit after without the help of foreign aid. The Emperor first with the help of British military assistance could crush the first wayane peasant rebellion in 1943. Later all forms of oppositions systematically curved with the help of the military apparatus that was constructed with the help of the Americans. Similarly the Degue built its military might with the support of the eastern block most essentially by Soviet Russia

Yet again the EPRDF led government even though promised to build democratic culture, pluralism, peaceful transition of power, sovereignty of the people and respect of human right as well as constitutionalism and rule of law it suppress opposition parties with all its power (<http://www.Ethiopia's Ethnic Federalism - A Dangerous Illusion.htm> )

As the Analysis of hard liners (opposition affiliated groups) the foreign assistance utilizes by EPRDF for strengthening its oppressive state machinery. Thus the role of foreign aid is indirectly employed for violation of democratic principals rather than up holding democratic doctrines. For EPRDF the donors are regarded as superficial supporters of democracy not that much committed for democratization, formation of good governance and protection of human right rather for their national inters. At this time it is collaboration against terrorism (Brehanu 2006,p-489).

### **5-3- Jeopardize the national Interest, the pride and dignity.**

Aid despite its positive aspects in some cases has repercussions. The national pride of the nation is highly affected by the backwardness of the state and poverty in the country. The public image of the nation in most public gathering on top of international political arenas is negatively affected. It has created an attitude of dependence that in the long run has contributed negatively towards both the potential for development, self-respect and attitude towards Ethiopians themselves. Aid in fact is flag ship of the country, thus receiving aid for along time damaged the national image of the county and damaged the pride of the people of Ethiopia world wide (Tisch, and Michael 2002p-51)( Schuftan, 2004,p-62).

In addition undeniably aid recipients are always up hold the desire of the donors and give up some of their interests. Thus accepting conditionalities impeded some how the some economic decision power of the government of Ethiopia in few occasions (Sintayoh 2006, p-34).The government is more accountable to foreigners rather than to their own citizens9Ibid,). One of the things would happen without foreign aid is that government would be much more responsive to its own citizens than is currently the case. One of the collateral, damage of foreign aid is the economic dependency (IRIN -2003 Interview with Berahanu-Nega.). The Ethiopian economy has become increasingly dependent on foreign aid for some of its economic activities, specific areas and sectors, security and emergency relief, foreign aid is very significant conversely in terms of overall development, the country's capital budget to the tune of 70 percent is foreign aid (IRIN -2003 Interview with Berahanu-Nega). Aid could be some how be used to influence the Ethiopia government because the government is heavily depend on international donors. Ethiopia dependent on foreign aid now that it makes up some 15 percent of GDP(ADDIS ABABA, 30 May (IRIN -2003 Interview with Berahanu-Nega). Some annalists including Dessalege argue "without foreign assistance government of Ethiopia couldn't undertake developmental programmed, feed its population, or even run its own administrative machinery" Desalegn,2002, p132), (Desalegn and Meheret 2004, p-87).

"I do not believe that any programme the Ethiopian government believes in will be implemented unless it gets a nod and a wink from the donor community" (Ibid). Such expression made by prominent economist of the country shows the extent of the fear that

aid could generate. It devours the independency of policy makers and their country sovereignty as well as national pride is innumerable.

Aid that is intended to foster development may enable some regimes to divert money to other, nonproductive activities. Aid is allocated to countries that do not have the technical or administrative ability to absorb and use it properly. Furthermore, the recipients of aid may use it to fund projects that are poorly conceived and planned. It follows, critics argue, that development should be left to market forces. The private sector in developing countries would be much more efficient in promoting economic growth than development specialists. Aid can be used to foster democracy, but may be with certain conditions. Aid could foster democracy in different form the first aspect is to facilitate situation for civic institutions. Providing financial and methodological assistance for institutions that work diligently for cultivation of democracy is one among many meaningful way of utilizing aid for democratization. Secondly using the carrot and stick strategy donors could influence directly or indirectly on the democratization process. Third cultivating the culture of democracy in the minds of the new generation is the most fundamental aspect of cultivating democracy and good governance. Sharing experience side by side with financial assistance could foster democracy in the minds of the future generation (build democracy in concrete ground). Providing assistance to civic education and democratic ethical value is fundamental to build democracy in solid foundation. Obviously, democracy in Ethiopia, as the rest of the continent, is a work in progress. But we have a very recognizably democratic system.

## Conclusion

Ethiopia's numerous problems originate from absence of democracy and governance. Absence of peaceful transition of power impede the nation from economic growth, better living condition and technological progress on the other hand it caused continuous and bloody civil wars and instability. Democracy and good governance are essential factor for the development, economic growth, better living condition and technological progress. In fact democracy is a recent form of political administration in Ethiopia. The country needed assistance for democracy and good governance more then any other form of assistance because the foreign aid given for other sectors could not bring sustainable development and betterment of society.

Since Ethiopia is highly dependent on foreign aid this assistance seems it could be used to influence either directly or indirectly to foster democracy and good government. The meid wife role of western powers could be used as a means to foster democracy. Nevertheless foreign aid could play so little to attain the most wanted result.

The hypotheses of this research was "even thought foreign aid could play to foster economic growth as well as democracy in most developing countries including Ethiopia the aid provide to Ethiopia couldn't bring the anticipated democracy and good governance." This is reflected both by absence of authentic democratic government and reaction of the regime despite the counsel and pledge of the international community and the people. In fact international donors couldn't make any influence to change the mind and endeavor of the regime no matter how much financial donation they made. This was due to so many reasons.

Foreign aid to the democratization process in Ethiopia has been comparatively negligible. Donors weighing up humanitarian and relief task, thus their effort for the democratization or building the capacity of institutions such as election, media, ombudsman, and human right protection is insignificant. The amount of assistance exerted for democratization is much below than environment and population and health.

The United States the biggest donor for the regime in power could have played great role exert its pressure but didn't show real commitment for the democratization and good governance of Ethiopia Thus foreign can do little in countries where the governmental

officials didn't take democratization seriously except as a device to secure more economic and humanitarian aid for smooth continuation of their regime.

Above everything else democracy is a domestic commitment and the task that can be successful when the fundamental imputes are existing such as pluralistic culture, strong civic institutions, culture of rule of law, constitutionalism and oodles of economically independent section of the society and most of all political willing leaders.

Economic backwardness hampered the democratization since the process requires independent economic group. In fact it has so many repercussions on the democratization and other form of social improvements. Independent political groups as well as civic institutions could manage to survive with the existence of plausible and financial autonomous society. Such kind of society could involve in to the politics with out the fear of the government domination. Thus economic growth for Ethiopia is multidimensional lead, among which, increasing the number of economically independent groups that could bestow for the process. Besides the increase in wealth of the nation also increases the number of educated elites who could contribute their share for the process

The west believe African doesn't need democracy as much as the West. According to most western donors democracy is less batter than bread and butter for Africans. Thus Africans need more of food and subsistance than democracy. The most genuin informants like Cluse GTZ head quarter representative said Africans needs a sort of "democracy" not like that of the west but developmntal authoriterain goveranmant which could distribute the donated food and keep the security. His idea parrelel with the idea of dominant party democracy of EPRDF for Ethiopia while his country enjoy multi parti democracy and pluralisem.

Among some factors that prevent western pressure from democratization the presence of principle of state sovereignty that impeded the function of democratization of most African countries. In deed state sovereignty is more important to less developing nations and small countries. State sovereignty is an old age international relation principle that has enumerable advantages except its limitation on government's undemocratic domestic administration. Even though due to globalization state sovereignty is in decline but its

still a weapon for developing nations. The outspoken acquisition for state interference and threat against sovereignty could be bought easily.

To conclude foreign aid could help democratization and formation of good governance only if favorable conditions such as democratic culture, large number of economically independent groups, society with pluralistic culture and above all political willingness of government officials. Other wise revolutionary democracy; obtaining democracy by forceful measures and foreign imposition can not be materialized.

Foreign aid can assist civic institutions to enhance their responsibility with out much financial constrains but can't help them to work with freedom without the will of the government in power. Donors might enable opposition parties to perform struggle in unruffled manner and according to the constitution but they can't force the government in power to be constitutionalists. Foreign assistance might help the media to be equipped with best materials and train them in latest journalists' ethics but can't force the government to use media fairly with opposition parties or to be dominated by one party. Foreign aid might help a recipient nation to develop democratic constitution but can't compel to be ruled by those laws. State sovereignty is one of the great obstacles for the democratization and a modus operandi for totalitarian regimes.

### **Recommendation**

The country needs more time and dedication to materialize democracy and good governance. Democratization requires meticulousness implementation and systematic and efficient effort. Based on many problems this research identified few possible elucidation can be proposed. Firstly regarding the political will of politicians' external pressure and internal persistence as well as patience is required. Democratization is a process that requires a combined endeavor of the professionals and economically robust groups.

Secondly the economic growth of the nation has so many implications including democratization. The economic growth could generate large economically independent society that demand more democratic privileges and persistently could win numerous concessions. Thus external and internal efforts must be exert to score economic growth.

Thirdly with or without the help of foreigner democratic institutions such as civic organizations, human right guardians, professional organizations, IGO and NGO ought to work to change the culture of democratic attributes hand in hand with government.

Fourthly the trepidation of humiliation after losing power that always existed in the mind of politicians and their affiliates ought to be curbed. African leaders fear tremendously losing power because their own wrong administrative measures and human right violation could make them accountable. After they lose power they might face trial and humiliation due to their dirty secrets and civility against humanity.

This could be addressed by providing constitutional protection for top executives and their family for any right or wrong decisions they made during they were in power. Providing substantial financial and security provision would make them to leave power on the expected time and dignity. Besides the Ethiopian's culture of contempt the ex officials should be changed. In deed this has so much more respect for the mulish along with self respecting society of Ethiopia. In short top executives should be sure fire for protection and glorify farewell.

Fifth foreign aid supposed to be in generous scale and should recognize democracy as well as good governance as prime need of the country. These could change the trend of the donors' commitment for democratization. Recognizing the need of Africa's real multi party democracy would make them to assist as much as they helped Japan and Western Europe.

Sixth the other form of disseminating and set down democracy in Ethiopia is enculturation of democratic attributes in the youth of Ethiopians. Providing Civic Education is a good beginning in most Ethiopian high schools and collages but providing financial assistance as well as sharing experience could make greater contribution in inculcating the idea and practice of democracy in the mind of new generation of Ethiopia. Expecting democratic citizens grown up under undemocratic society are expecting a bird from snake age. Thus concerned civic institutions for fostering democracy ought to target much of their efforts on nurturing the youngsters mind and culture. Ethiopians ought to learn to resolve differences through negotiation, dialog instead of use of arms. Heterogeneous population of the nation should no more be sign weakness or a loophole rather accepting deference, is a fundamental method for peaceful coexistence.

Seventh Civic institutions are at earliest or infancy stage of evolution. Foreign aid is vital in these aspects. They are required to shore up materially, morally, financially and technically assistances. Civic institutions are under the mercy of foreign donors; this has to be changed somehow. Most of all absence of political will among African leaders including Ethiopia is a vital factor for deficiency of good governance and democracy in

Africa. The political will of the government is fundamental without which nothing is possible. Democratizations are a necessity diligence

Eighth building the culture of democracy is the paramount task for the formation of democracy in any country. Most democratizing countries have to build a culture of political accountability and tolerance, and develop mechanisms to strengthen national unity, institutionalize political inclusion, and promote power sharing. Ways of ensuring peaceful political succession and facilitating alternation of power also need to be found. While there is no single democratic model that can be imported, there are nevertheless broadly universal principles and norms. Unless such norms are adhered to, countries run the risk of establishing elected dictatorships, with the form, but not the substance, of democracy.

Ninth African renaissance in highly need to craft endogenous form of democracy. Apparently Western democracy that was designed by Greco Roman civilization needed to be molded according to the contemporary and situation on African situation. At this juncture the dependability of African intellectuals is imperative. Their understanding of the political history of respective nations and the dynamics of the regional political situations African intellectuals like that of the philosophers of enlightenment and renaissance are expected to craft indigenous democratic form of political ideology.

Certain scholars recognize importing western form of democracy in all its nature and forms is either its impossible or undesirable. Scholars like McAuslan emphasize foreign intervention for democratization might led for greater crisis, this Africans and any developing countries should sort-out their own means of building democracy and good governance. This natural process of cultivating democracy could be at last long and sustainable even though might be require longer time. Still it could have more positive side than negatives.

Artificially created democracy and the attempt of foreign good governance using foreign aid couldn't last long. The superficial struggle to bring democratic form of administration could wither away by the time foreign aid decline or stop by external or internal factors. Naturally developed democracy based on cultural development could last long for generation. However once the root of democracy took shape and a nation began to struggle to foster his form of government foreign aid could help by assisting economical development that would fight any reversion to anti democratic elements. Economic degradation and stagnation infant are elements for conflict and undemocratic forms of

solving difference. It would be useful for donors to play appropriate role in least developing countries democratization process. Otherwise foreign aid in the name of democratization either for opposition groups or party on power could create or precipitate autocrats to hold power and mercilessly exploit the situation for their ends. How ever much of the aid goes to developmental projects, capacity building of the old bureaucrats whose mind already shaped by antidemocratic culture and totalitarian and authoritarian for of administration.

Nevertheless these doesn't mean foreign aid is entirely irrelevant for democratization and formation of good governance but realizing the condition on the ground; studying political culture of the society and contemporary socio- political situation ought to be evaluated first. In fact identifying the genuine swayed party or government is difficult to identify. Another criterion raised by many experts is the peaceful transfer of power from one political party or coalition to the form opposition. Such a transition is critical because it indicates that the major political forces in a country are prepared to settle their disputes without violence and to accept that they will all spend periods of time out of office.

Donors should reach out to the wide spectrum of opposition groups both within Ethiopia and in the Diaspora and encourage them to pursue strategies of peaceful electoral competition, rather than armed struggle.

The democratization in Ethiopia most has to build a culture of political accountability and tolerance, and develop devices to strengthen national unity, institutionalize inclusion, and promote power sharing. Ensuring peaceful political succession and facilitating alternation of power as well require are fundamental.

There is often a tension between high expectations of democracy and limited public representative politics or governance. Similarly highest expectation and promises of the opposition parties mislead the political aspiration of citizens and jeopardize the democratization by polarizing the regime for undemocratic practices. In addition to forming coalition oppositions must acquainted with principles of democracy such as tolerance, negotiation, and pluralism. Besides they should have farsightedness and national vision. For long period of time opposition parties used to boycott election just because of few unfulfilled conditions for election. At this time emotionality is widely read among top opposition executives thus the people they suppose to lead and the political situation of the country is at stake. Thus farsightedness and acquiring long lasting vision for the nation's democracy require.

The challenge is how to support and deepen democratic openings, to maintain progress and guard against reversals. Building democracy is neither easy nor quick, and that it requires both political will and commitment on the part of governments and societies, as well as support from the international community predominantly experienced democratic states and donors. Plummeting expectation from democratization must be attain.

The single-party political systems that most Africa countries experienced since independence have entrenched non-democratic principles and practices that now need to be overcome if democracy is to be institutionalized. The ability of democratizing countries to define and craft appropriate and relevant institutions that promote participation and inclusion and protect individual rights will affect how far and how quickly democracy is institutionalized. In short the strategies of democratization supposed to be endorse serene political succession developing democratic institutions and culture. Regarding to building democracy the stratagem ought to be building democratic institutions such as the parliamentary liberalization and the freedom of judiciary, internal administrative and financial independence of the civic institutions that includes opposition parties' autonomy is vital. On the other hand rule of law and constitutionalism could be achieved by liberalization the rigid and unbendable control over the army by the executive.

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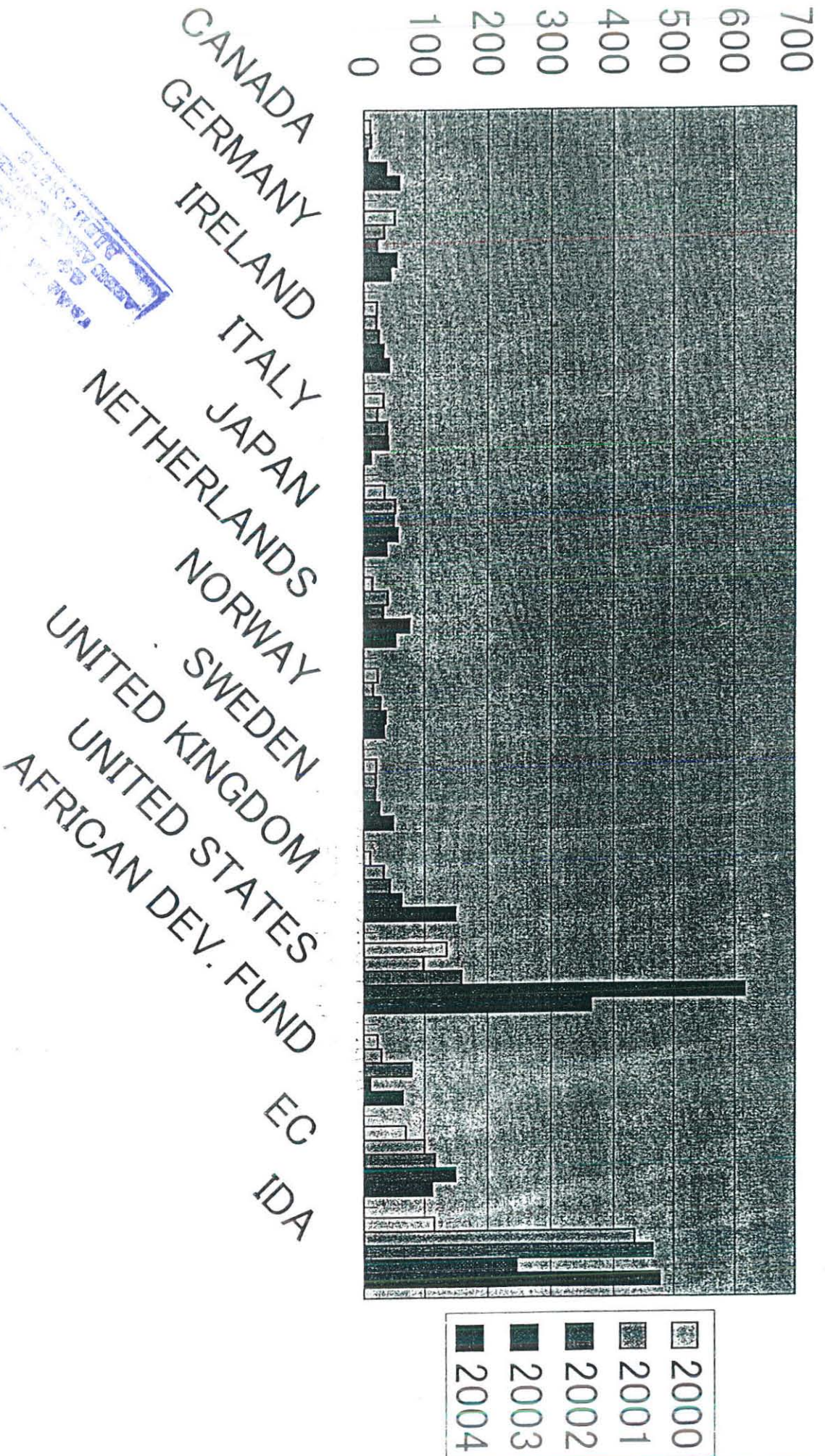
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Total Receipts Net (単位: 百万USドル)

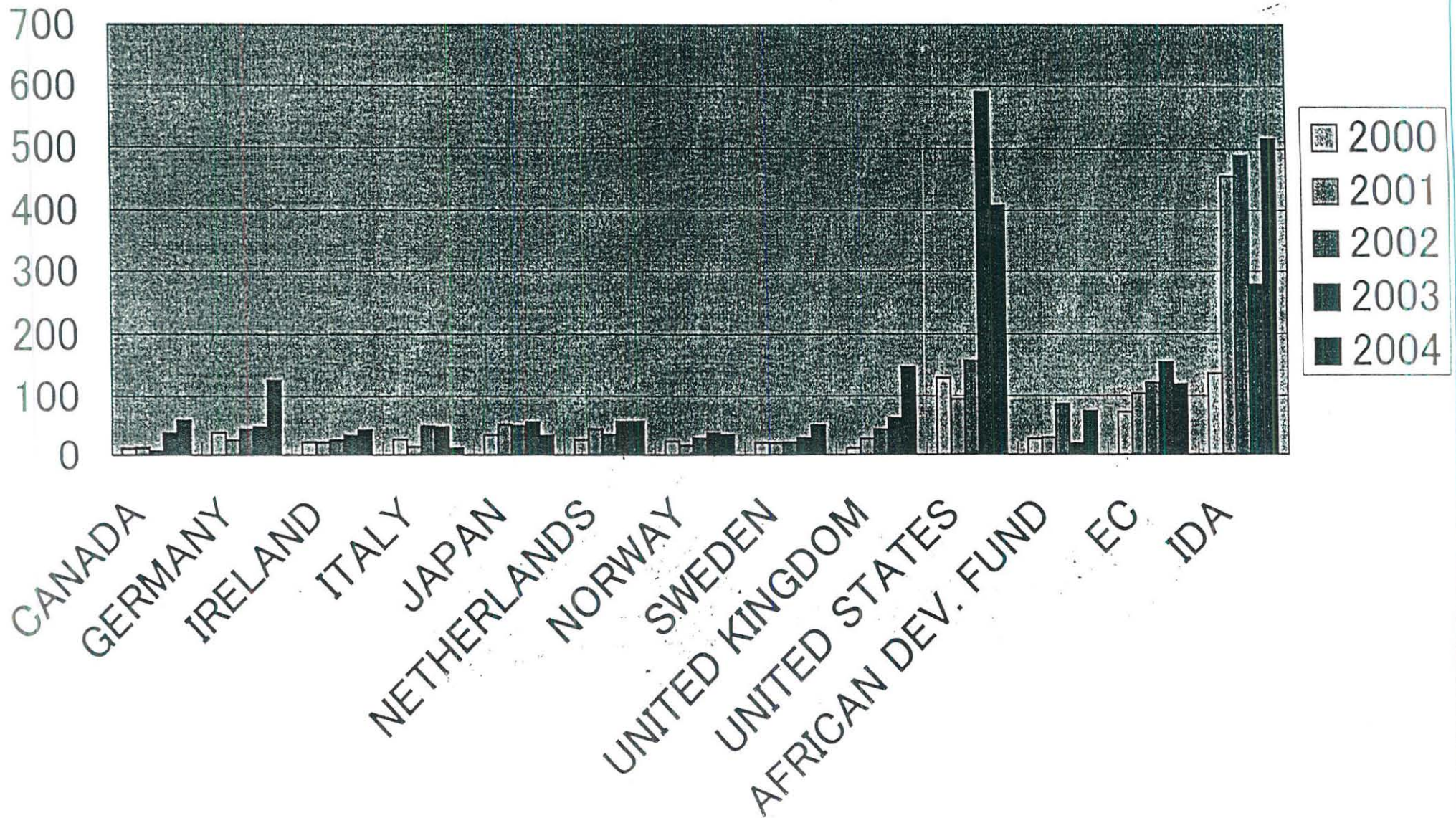
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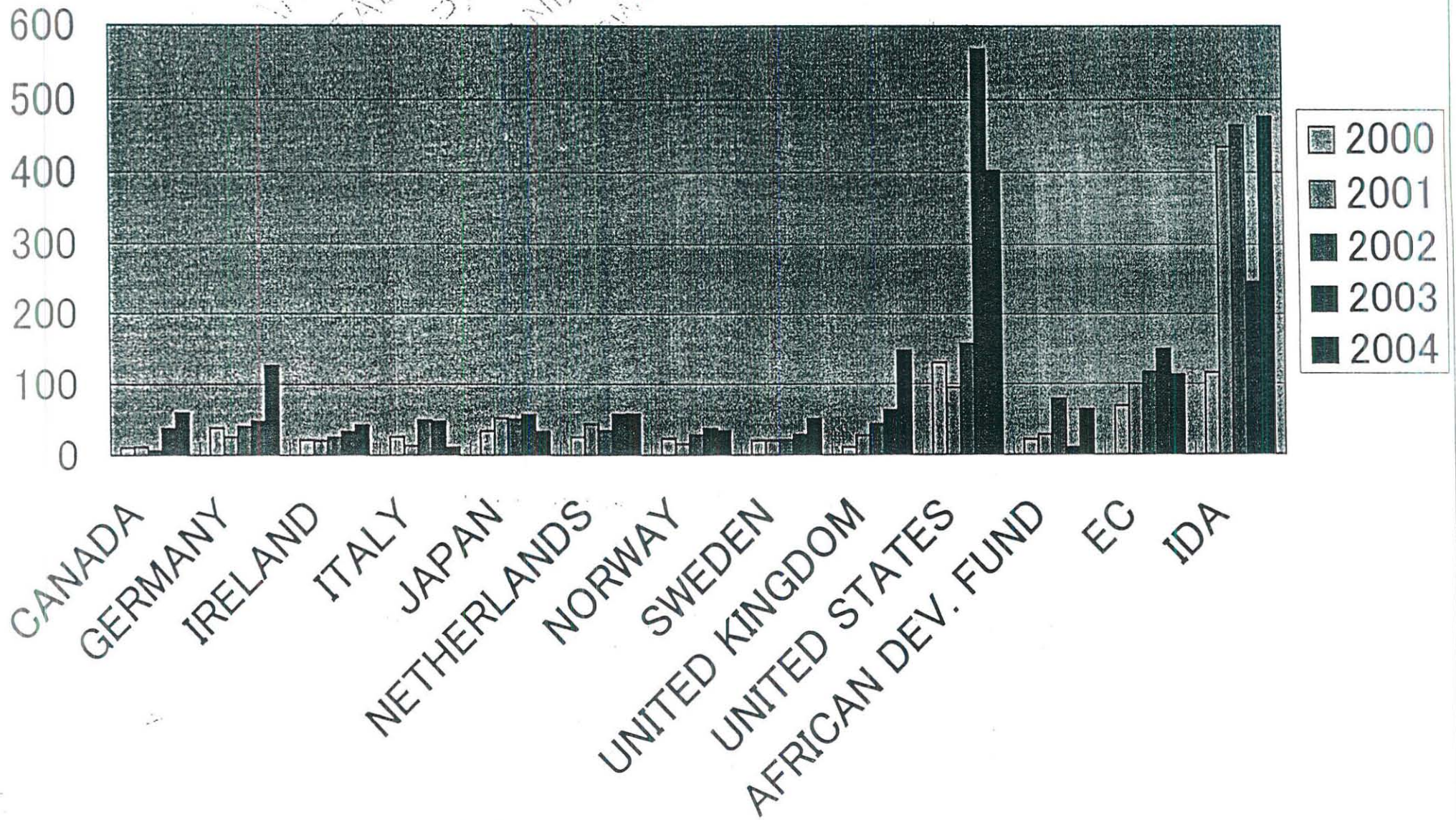
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Total ODA Gross (単位: 百万USDドル)

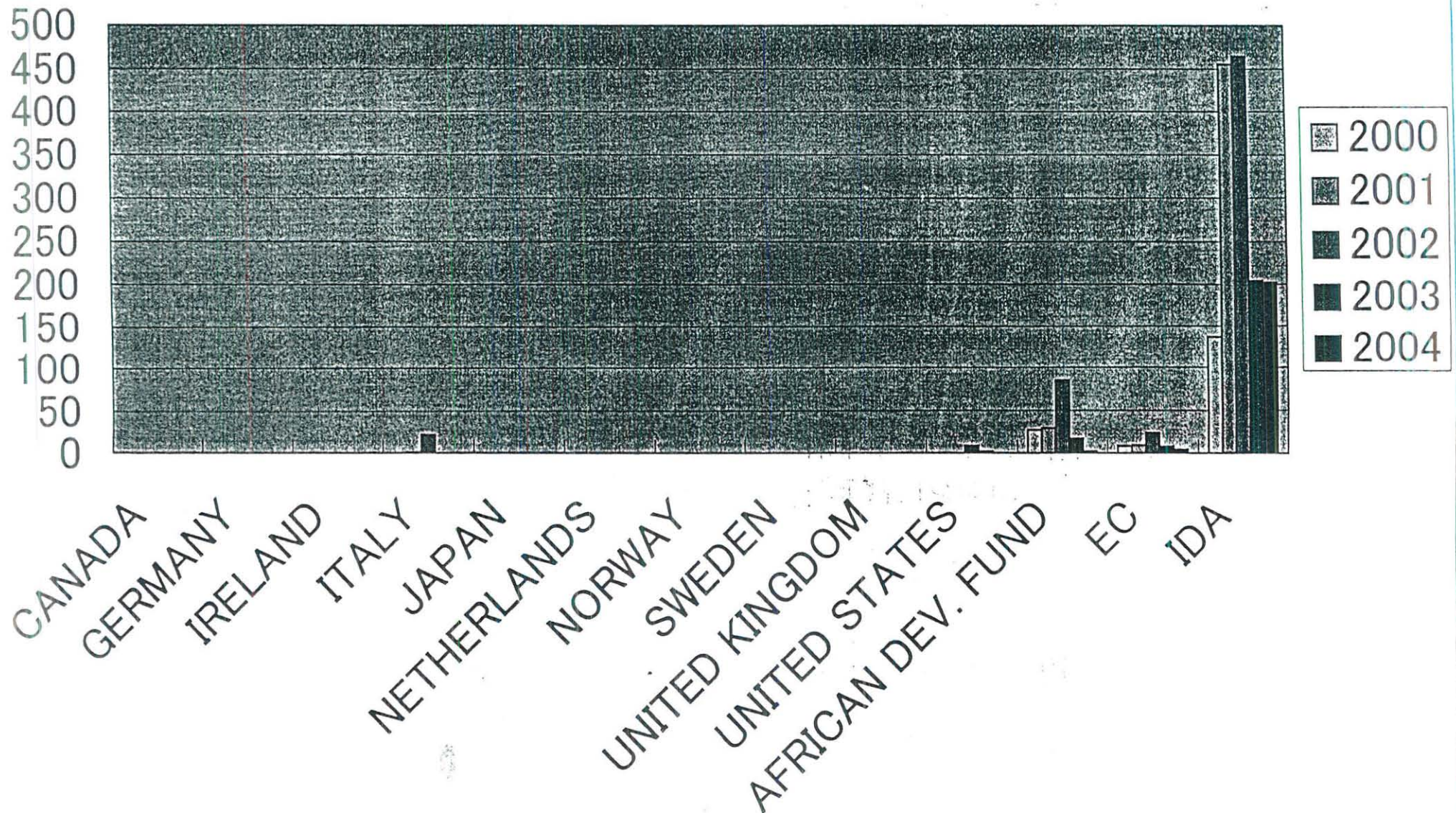
Unit: USD million



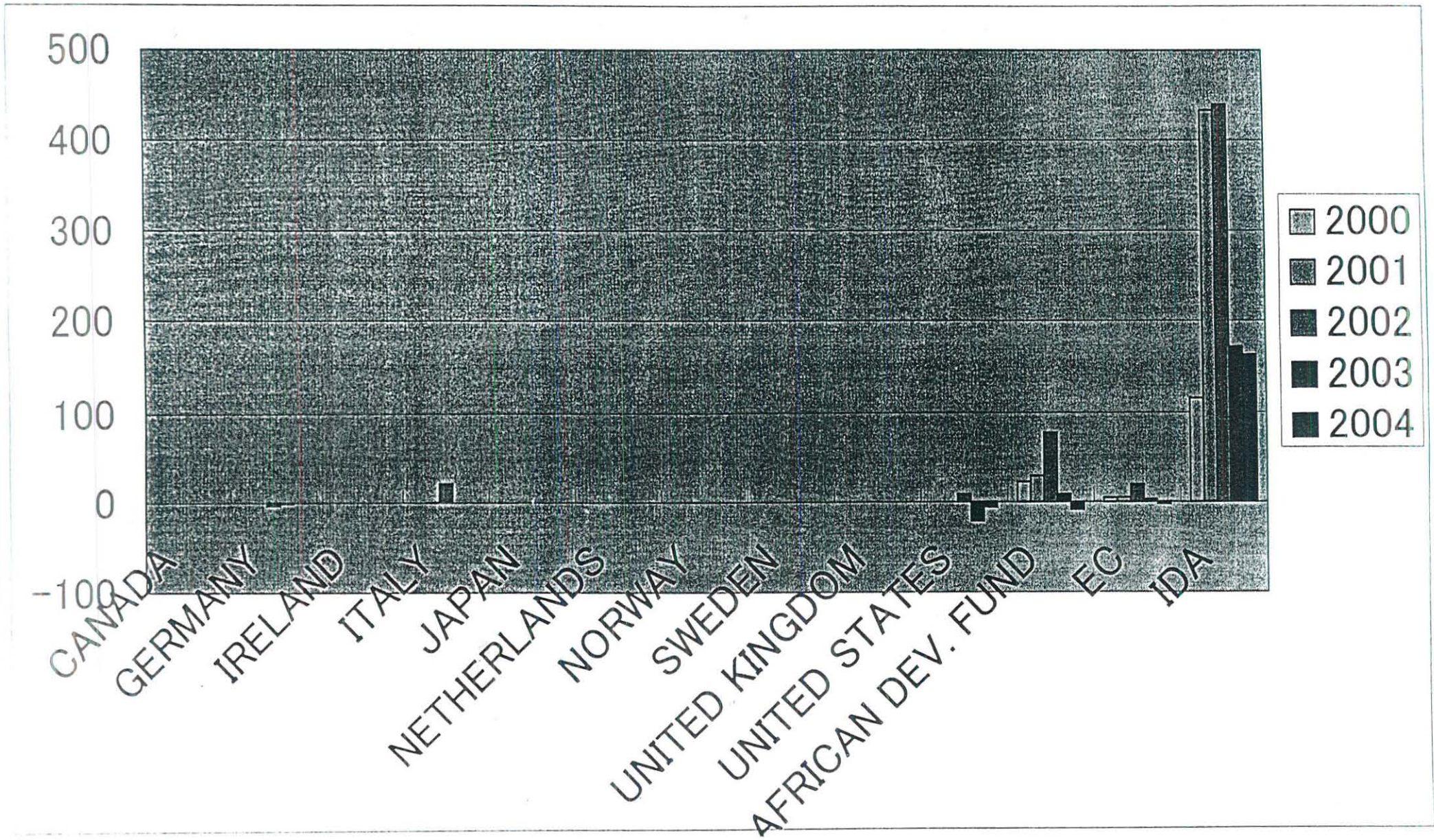
Geographical Distribution of Financial Flows in Ethiopia  
 Total ODA Net(単位:百万USDドル)



Geographical Distribution of Financial Flows in Ethiopia  
 ODA Lones Gross (単位:百万USDドル)

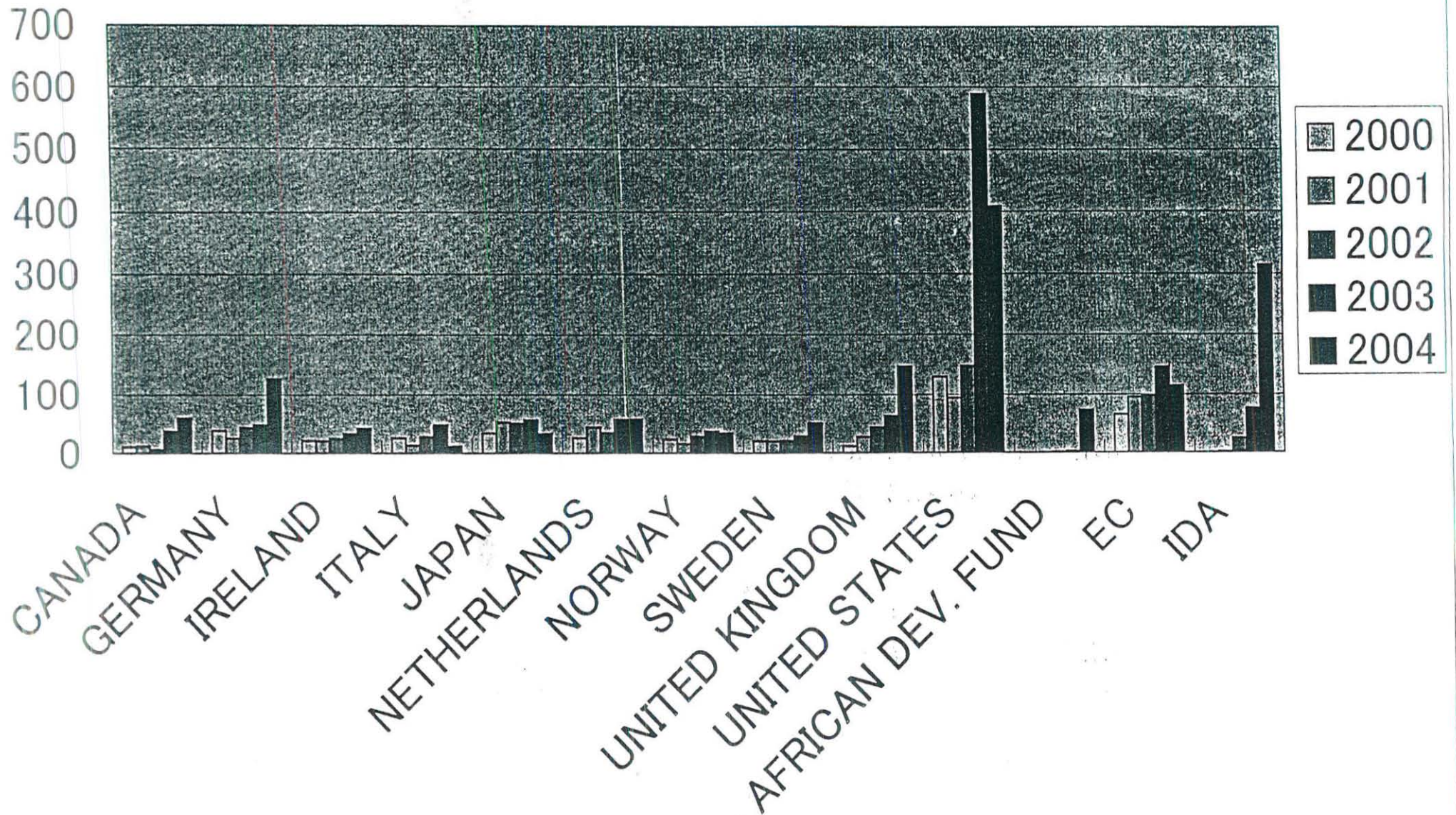


Geographical Distribution of Financial Flows in Ethiopia  
 ODA Lones Net(単位:百万USDドル)



# Geographical Distribution of Financial Flows in Ethiopia

## ODA Grants (単位: 百万USDドル)



# Geographical Distribution of Financial Flows in Ethiopia Technical Cooperation Grants (単位: 百万USDドル)

