



**ADDIS ABABA UNIVERSITY
COLLEGE OF SOCIAL SCIENCES
DEPARTMENT OF POLITICAL SCIENCE AND
INTERNATIONAL RELATIONS**

**THE POLITICS OF FOREIGN AID IN ETHIOPIA AND ITS
IMPLICATIONS ON HUMAN RIGHTS AND DEMOCRACY: THE CASE
OF UNITED STATES SINCE 1991**

**BY:
TSEDAL ANDUALEM**

*October 2023
Addis Ababa, Ethiopia*

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**ADVISOR
DR. FIREHIWOT SINTAYEHU**

**ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
COLLEGE OF SOCIAL SCIENCES DEPARTMENT OF POLITICAL
SCIENCE AND INTERNATIONAL RELATIONS AND DIPLOMACY**

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ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES IN THE DEPARTMENT OF
POLITICAL SCIENCE AND INTERNATIONAL RELATIONS

This is to certify that the thesis prepared by Tsedal Andualem entitled “The Politics of Foreign Aid in Ethiopia and its Implications on Human Rights and Democracy: The case of United States since 1991” submitted in partial fulfillment of the requirements for the Degree of Master of Arts in International Relations and Diplomacy complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiners

Chairman of the Dep.
Of graduate committee

Signature

Date

Firehiwot Sintayehu (PhD)
Advisor

Signature

Date

—

Internal Examiner

Signature

Date

External Examiner

Signature

Date

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ABSTRACT

Since 1990 donors, particularly the USA and World Bank have started increasingly to focus on political conditions for providing aid. Basically, human rights performance and democratization were formally brought into the program of negotiations with recipient countries. This research aimed to analyze the politics of foreign aid in Ethiopia and its implications on democracy and human rights: the case of United States aid since 1991. The paper looked at the link between foreign aid and Ethiopia's government, political, and diplomatic dynamics and implications. The findings of this research demonstrated that the US democracy aid has little/no implication on governmental transitions to democratization, multiparty system, and HR promotion in Ethiopia since the 1991, and continued throughout 2000's and the study also founded a contradictory results on the allocation, flow, aim, and implication of US aid in Ethiopia. The research further analyses the Ethio- US bilateral relations focusing on the issue of democracy, human rights, and good governance (DRG) assistance and its implications in the aftermath of the establishment of the transitional government of Ethiopia in 1991. The study provides an extensive analysis of the US foreign policy towards human rights and democracy and political conditionality and the US's suspension of assistance to Ethiopia, its objective, and its impact on the economic, political, and humanitarian aspects of Ethiopia.

Keywords: Politics of Foreign Aid, Democracy and Human rights, Aid Conditionality

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Chapter One: Introduction

1.1 BACKGROUND OF THE STUDY

According to K.V. Bryant 2014, Foreign aid is one of the most debated topics in foreign policy. Scholars like T. Hattori 2001 and McKinley (1984) have explained foreign aid's controversial concept and purpose depending on the basic international relations theory. McKinley (1984), claimed that the provision of aid postulates a visible disparity between the donor and the recipient, shaped by the donor's greater military advancement and economical influence, and he points to the rivalry among superpowers as the primary reason for foreign aid (McKinley, 1984). In the 20th century, following the end of WWII, western foreign aid donors endeavored to use aid to reshape the political structure and institutions of the recipient states. (Farah & Onder, 2018). This foreign aid policy initiative sought to "enable peoples to empower themselves" (Hackenesch, 2019; p9). However, the implementation of the policy initiatives and strategies reveals a stark contrast to the notion of self-empowerment; instead of promoting development programs and strategies, it fostered the political-economic dependency of the recipient states (Hackenesch, 2019).

Bayu and Gebremariam 2018 have concluded that due to the unequal feature of the political influence, economic development, and technological advancement of the world countries,s, foreign aid has almost always been highly politicized, which flowing imbalance to the developing countries with significant strategic and political significance to the donor states (Bayu &G/Mariam 2018). Farah and Onder (2018) conferred that during the Cold War, development assistance was used as a political tool between the two world blocs to get control of the rest of the world into the political, economic, and diplomatic spheres of influence. Moreover, following the end of the Cold War, these politics of aid became a crucial instrument for creating a unipolar superpower in the global political-economic system (Farah & Onder, 2018). In the late 1990s and early 2000s, the political dynamics surrounding foreign aid experienced a significant paradigm shift, primarily driven by the neo-liberal policies that shaped global governance.

The structural adjustment programs (SAPs) the IMF and World Bank promoted were not merely economic strategies; they were deeply intertwined with political agendas to address fostering democracy, human rights, and governance in developing countries (Logan, 2015; Thompson, 2010). These initiatives emerged from a framework that positioned foreign aid as a moral endeavor, with donors believing they had a duty to alleviate poverty and promote development (Meyer, 2013). However, this framework cannot be divorced from the political realities that underpin it. The delivery of foreign aid increasingly reflects a complex interplay of political dynamics, where considerations of power, security, and ideology dominate. Aid becomes a tool of foreign policy, often manipulated by donor countries to advance their own geopolitical interests, reinforcing the notion that its effectiveness is secondary to political strategic objectives (Adane, 2015). The international assistance framework operates as a tool for global influence, yet it remains a contentious topic in political and economic discourse. Debates regarding the intent and impact of assistance underscore major ideological

clashes, as donor states frequently emphasize their national priorities over recipient countries' altruism or actual necessities. The factors that shape the origins, implementation, and outcomes of foreign aid are rife with power struggles, framing it as a political tool that illustrates the complexities of global relations and the frequently self-serving motives of the donor states nations (Montgomery, 2009; Logan, 2015).

By 1990, foreign assistance to enhance the reform initiatives of democracy, human rights, and good governance in Africa had emerged as a vital agenda for the donor states, particularly the United States, with African governments. (Robinson 1995). In 1993, the World Conference on Human Rights enacted the Vienna Declaration, asserting the interconnectedness of democracy, economic advancement, and human rights. During the 2000 U.N. Summit on the Millennium Development Goals (MDGs) and the 2005 U.N. World Summit, the global community reiterated its dedication to human rights, the rule of law, and democracy as universal and inseparable foundational values and principles of the United Nations (UNHCR 2013). Since 1991, various African nations have ranked among the top beneficiaries of foreign assistance; notably, around two-thirds of all international developmental aid and support for democracy and human rights enforcement globally originates from the United States (Knack, 2004; Hassan, 2010). Nevertheless, very few have effectively executed democratic governance, and democratic institutions have often failed to successfully perform their roles, resulting in aid misuse, violations of human rights, corruption, and maladministration, which have characterized aid dysfunctionality over the past three decades (Moss & Peterson 2006 Abegaz 1999).

In sum, in the aftermath of the end of the Cold War in 1991, the political-economic structure of foreign aid in Africa, which can be traced back to colonialism, has become entwined with shifting economic and political motives. The increasing humanitarian movement and the emerging global powers have changed the game. Henceforth, securing political interest and economic domination became the modern version of neocolonialism (Philips, 2013). Additionally, it is posited that foreign democracy assistance bears no significance in fostering democratization (Moyo, 2009).

Ethiopia stands out as an African country greatly reliant on foreign assistance to support its diverse developmental programs and governmental policies. Furthermore, the country has consistently ranked as one of the largest aid recipients within Sub-Saharan Africa, having received over \$42 billion in the last twenty years (Alamirew 2013 & Abegaz 1999). Research conducted by Smith (2007) indicates that in the 2002/3 annual public expenditure review, Ethiopia garnered around US\$ 800 million in aid, alongside an additional similar amount from off-budget sources. These off-budget funds encompass various bilateral donors who do not channel their funds through the government budget, NGOs, and, increasingly, new semi-official funders, including the Global Fund (Smith, 2007). Flores (2013) reported that Ethiopia ranks at the top of the global list of countries receiving aid from the USA, the U.K., and the World Bank. The country has averaged \$3.5 billion in support from international contributors, accounting for 50 to 60 percent of its annual national

budget. A significant portion of this substantial funding is derived from the government of the USA (Farah & Onder, 2018; James, 2007).

Since establishing the EPRDF government in 1991, American financial and developmental aid has significantly influenced Ethiopia's governmental policy strategies and economic efforts. U.S. aid has proven essential in addressing the country's investment and foreign exchange deficits. Its significance as a funding source for the capacity building and development of human resources, administrative capabilities, and institutional reform is also undeniable (Alamirew, 2013). Following the constitutional formation in 1993, the EPRDF government launched a three-year adjustment initiative in mid-1996, entering a new phase of reform that encompassed 'rehabilitation, liberalization, and stabilization' under the IMF's Enhanced Structural Adjustment Facility (ESAF). In addition to this stabilization initiative, the regime received support from a Structural Adjustment Program loan provided by the IMF and implemented structural reform measures geared towards economic liberalization (Abegaz, 1999).

In 2011, the United States, Ethiopia's principal bilateral donor, allocated \$847 million in assistance, with over a third being designated food aid. In 2010, 34% of its assistance was directed to social sectors, 17% was programmatic, and 16% was humanitarian (U.S. Department of State, 2012; Furtado and Smith, 2007). The U.S. assistance to Ethiopia can include direct USA government grants and loans and the United States participation in the United Nations, the World Bank, IMF, Foundations, and other international agencies. (Hackenesch, 2019). According to Abegaz, the overall strategy for U.S. economic assistance to Ethiopia has focused on four policy clusters. The first cluster emphasizes policy dialog and economic and sector work to highlight the significance of macroeconomic stability, private sector growth, and enhancing project or policy implementation capacity. The second cluster focuses on the development of infrastructure, notably on expanding the road network and electricity supply. The third cluster centers on growth-enhancing support for agriculture and exports. The fourth cluster aims at eradicating poverty through ambitious sector investment programs in education, health, and modest projects in population, gender equality, food security, and water supply (Abegaz, 1999).

However, the U.S. aid for democracy and human rights protection is the primary focus of this paper. Since 1993, support for democratic government and human rights has become the primary goal of the U.S. aid programs; in this case, the USAID alone invests more than \$700 million annually in democracy-related initiatives, including 'electoral support, bolstering parliaments, judicial systems, political parties, and civil society organizations (CSO) such as labor unions, associations focused on women's and human rights' advocacy (Robinson, 1995; Adane, 2015).

Various American financial and donor organizations, including USAID and Action Aid, have funded Ethiopian human rights institutions to uphold individual integrity, civil liberties, freedom of expression and speech, press, freedom of peaceful assembly and freedom of association, religious freedom, electoral rights,

and political participation rights. (S. Ayalew: 2018). Accordingly, the USA has financed and supported democratic and human rights institutions in Ethiopia to serve the people effectively and efficiently. However, these donor organizations have failed to hold the Ethiopian government accountable for human and political rights, governmental corruption, arrests, and pervasive human rights abuses (Flores, 2013).

The U.S. State Department and independent bodies that have conducted assessments have recognized the increasingly oppressive policies of the ruling EPRDF party. Regulations restricting and limiting the function and execution of civil society organizations and freedom of the press have been justified under the guise of combating terrorism (USAID 2012.1, Flores 2013). Nevertheless, despite the country's undemocratic authority and widespread human rights infringements, U.S. donor organizations continue to support the development of a democratic system, reinforcing institutional functions, and protecting human rights in Ethiopia (Abeselom, 2018).

This paper aims to analyze the politics of foreign aid in Ethiopia and the case of American aid, donations, grants, and subsidies. The paper also discusses the political conditionality of American aid and its implications on democracy and human rights in Ethiopia since 1991. The "politics" of foreign aid refers to using foreign aid as a strategic tool to interfere with a country's sovereignty by manipulating the state's economic, political, and social conditions that benefit from the foreign aid (Abeselom, 2018; Moss & Peterson, 2005).

Starting from the formation of the 'transitional government of Ethiopia' in 1991, the country has experienced a widespread socio-economic and political transformation. Along with the shift in the global political-economic paradigm, the Ethiopian diplomatic and political context has been changed (Goshu, 2014). Along with the shift in the global political-economic paradigm, the Ethiopian diplomatic and political context has been changed (Goshu, 2014). Moreover, the country has been one of the fastest growing countries of the sub-Saharan in the last decade; in this aspect, the country has received a more significant amount of foreign aid and loans to implement sectoral development and to build democratic and human rights institutions. On the other hand, the U.S. politics of foreign aid and political conditionality in Ethiopia aimed to target the U.S.'s political, strategic, security, and hegemonic interests in the region (Salama, 2021; Meyer, 2013). Suspending aid, grants, and loans, as well as imposing economic and political sanctions, are the principal instruments of the United States to developing countries to make them dependent on foreign aid to realize their economic goals. For example, in 2021, the U.S. State Department halted \$130 million in assistance to Ethiopia due to a lack of positive advancement in negotiation and deals regarding the construction and the dam-filling process of GERD. As per officials from the State Department, the choice to reduce aid stemmed from explicit direction given by President Donald Trump.¹ (Gulf News, Middle East News 2021). The research studies the

¹USAID Ethiopia, "Country Development Cooperation Strategy 2011-2015: Accelerating the Transformation toward Prosperity," March 2012, p.121

Ethio-U.S. bilateral relations focusing on the issue of democracy, human rights, and good governance (DRG) assistance and its implications in the aftermath of establishing the transitional government of Ethiopia in 1991. The study also provides an extensive analysis of the U.S. foreign policy towards human rights and democracy and political conditionalities, suspension of assistance, its objective, and its impact on Ethiopia's political and humanitarian aspects.

2. STATEMENT OF THE PROBLEM

Since their diplomatic relations in 1903, the partnership between Ethiopia and the United States has evolved significantly. Moreover, following the Derg regime's collapse and the establishment of the EPRDF regime in 1991, Ethiopia has emerged as a crucial ally of the United States on politics, regional stability, and counterterrorism initiatives. The American development aid to Ethiopia aims to alleviate vulnerability to famine, hunger, and poverty, highlighting the necessity for reforms in economic, governance, and social sector policies (USAID2012, Abeselom 2018).

This research paper will discuss the political dimension of American aid in Ethiopia and its implications on the transition to democracy and human rights protection. The answer to why this Research Paper is needed is that the US aid in Ethiopia's political and human rights aspects does not solve the political and social problems of the country (Abeselom, 2018). The US democracy and human rights aid engagement for over thirty years has not effectively addressed its aim of creating good governance, promoting human rights, and supporting democratic transition in Ethiopia (Farah & Onder, 2018; Bayu & G/Selassie, 2018). In contrast, the widespread human rights violations, displacement, governmental and systemic abuse, conflicts and civil war, and domestic political and economic policy changes (against the will of the people and national interest) suspension of loans and grants have been some of the harmful features of US political aid in Ethiopia. In addition to the above, the US's political and strategic aid has exacerbated the lack of accountability of the EPRDF government, institutional corruption, democratic and human rights institutional dysfunctions, and maladministration. However, the real goal of the donor countries, particularly the US, is a question: Is it really to support the democratic and human rights institutions of Ethiopia? Or to achieve the strategic and political interest of the US in Ethiopia and the region? The US support for democracy, human rights, and good governance in Ethiopia and the political conditionality of aid has also been controversial and problematic for the past three decades.

For instance, the Human Rights Watch (1999) research indicates that the coercive mechanisms by which the EPRDF government maintains control of the country have included the politicization and manipulation of aid. Researchers like Flores (2013), Farah & Onder (2018), and Abeselom (2018) have argued that foreign aid hurts Ethiopian politics. Rather than addressing democracy, right and good governance (DRG) aspects of the country aid became a political instrument to achieve the political interest of the donor, and it is also a

systematic means of controlling domestic politics, security, and economic system of the country (Bayu & G/Selassie, 2018; Farah & Onder, 2018).

Therefore, this failure of foreign aid in Ethiopian political, democratic, and institutional aspects and the political dimension of US aid and its implications on political and human rights issues remained in question, and the political conditionality of the US aid and its implications on domestic politics is another problematic concept that needed deep investigation. However, several studies have been done on the impacts of foreign aid on the country's economy and developmental issues. However, very few studies have been done on the political aspects of aid and the interrelation between US aid, its political conditionality, the politics of foreign aid, and its impact on democracy and human rights in Ethiopia. For instance, Abeselom (2018), Moss & Peterson (2006), Flores (2013), and the World Bank Group (2020). However, research has not been found on the contemporary politics of US aid in Ethiopia. There is a lack of adequate literature examining foreign aid conditions in Ethiopian politics and democracy. Therefore, this research paper will study the practical relations between US aid and political conditionality and the conditions of human rights, institutions, and democracy in Ethiopia since 1991.

3. CORE ARGUMENT

Foreign aid has a valuable and considerable impact on the domestic political and economic aspects of the country. The US aid on the other hand took the lion's share in financing and assisting the developmental plans and strategies of the country, which brings a significant prejudice to governmental policies, strategic development, institutional reform, adjustment, and humanitarian support in Ethiopia. However, this paper argues that every state has its own political and socio-economic interests that would have been proposed to be achievable through diplomatic relations. The same is true in Ethiopia, the widespread significance of foreign assistance in various sectors of the country, particularly the US financial and technical support on the economic development, health, infrastructure, and agricultural sectors can be seen as a good version and achievement of its diplomatic collaboration. However, the issue of democracy, human rights, and political stability are the most crucial concerns of Ethiopia that seeks a larger amount of financial budget, concentration, and support in addition Ethiopia wants to build its own strength in economic and political aspects through minimizing its level of dependency upon foreign aid, therefore, as a strategic partner the US diplomatic support and financial assistance is needed but with full respect of the fundamental, unrestricted and non-deniable aspects of the country's sovereignty, governmental jurisdiction and political decisions, the political conditionality of the US aid provision is also another problematic concept, that must be revised in accordance with the fundamental diplomatic principles of bilateral collaboration. For that matter, US foreign assistance must be supported by deeper structural adjustment, plan, and supplementary policy roadmap in parallel with the domestic political and governmental decisions, programs, and strategies.

4. OBJECTIVE OF THE STUDY

4.1. The general objective of the study is to examine the political dimension of foreign aid, by particularly looking into the American aid in Ethiopia, and its implications on democracy and human rights since 1991.

4.2. Specific objectives:

- To analyze the overall features of politics of foreign aid and its impact on the political and governmental system in Ethiopia, since the establishment of the EPRDF in 1991.
- To examine the implications and performance of the US aid in the democratic and human rights institutions of Ethiopia.
- To explore the determinant aspects of Ethio- US partnership particularly, in the relevance of US foreign aid inflow to Ethiopia and its implication in political, social, and institutional aspects and Ethiopian policy adjustments and reforms.
- To identify opportunities and challenges related to US Democracy and human rights assistance.
- To analyze the impact of US aid suspension and political conditionality over Ethiopia.

5. RESEARCH QUESTION

1. What are the natures and determinants of the Ethio-US bilateral relations? What are the implications of US aid funding and assistance upon the democracy, human rights, good governance, and political transitions of Ethiopia in the last three decades?
2. What is the political and strategic significance of US aid to Ethiopia?
3. What are the influences of US aid in political reforms and governmental policy?
4. What are the impacts of the US suspension of AGOA and another form of aid in social, political, economic, and diplomatic aspects?

6. SIGNIFICANCE OF THE STUDY

The research discusses the politics of foreign aid in Ethiopia and its implications on its domestic political, human rights, and governmental aspects. The topic encompasses multiple issues directly or indirectly related to the problematic issues of American aid in Ethiopia and its relation with the concept of state sovereignty, good governance, political freedom, and human rights protection. So, this study is expected to be one of the significant works on the political impact of foreign aid in Ethiopian good governance, human rights, democracy, and policy development. The study also examines the most important agenda of the political conditionality of American aid that aimed to achieve a political, systematic, and strategic interest in Ethiopia and the region.

7. RESEARCH METHODS AND METHODOLOGY

7.1 METHODOLOGY

Methodologically, this research adopts a qualitative framework. This qualitative framework uses quotes, remarks, or narratives to support arguments and provide evidence (Johnson, 2008). The qualitative approach is commonly applied within social sciences and humanities, such as Political Science and International Relations (IR); this method yields explanatory insights through interviews or focus group sessions (Colton & Covert, 2007). The primary aim of qualitative research is to grasp and analyze the situation at hand mainly from the viewpoint of the participants rather than extrapolating the findings to the whole research population (Hancock & Algozzine, 2006). Given that qualitative research draws/depends on a range of theoretical perspectives and techniques from Political Science (PS) and International Relations (IR)—including descriptive, explanatory, interpretive, and critical methodologies to comprehend the event, circumstances, or phenomenon being studied (McNabb, 2017)—the literature involved is persuasive, substantiating, and rational. It focuses on uncovering issues, understanding phenomena, and acquiring clear insights into individuals attitudes, actions, concerns, motivations, aspirations, and cultures or lifestyles’ (McNabb, 2017). In this context, as the research delves into the dynamics of foreign aid politics in Ethiopia and its implications for human rights and democracy, particularly concerning US aid since 1991, this approach will yield compelling elucidations for the matter under scrutiny. This methodology, involving data analysis, categorization of that data, and ultimately making the verbal interpretation and conclusion of their significance, proves to be especially advantageous for this study.

7.2 METHODS OF DATA COLLECTION

The study utilizes both primary and secondary sources of data. The primary sources of data will be communicated through unstructured interviews, which will be conducted with key informants face-to-face with critical officials, experts or specialists from Industry political science experts, and scholars from Addis Ababa University, delegates of democratic institutions like election board, officials from Ethiopian human rights commission and other non-governmental democracy institutions. The study has also used secondary data sources from books, journal articles, research papers, newspapers, other official documents, governmental proclamations and publications, annual reports, and outlets to realize its objectives. Accordingly, an in-depth analysis of books, websites, and selected internet sources will be used.

8. SCOPE OF THE STUDY

This research focuses on the exploration of foreign aid politics in Ethiopia, particularly examining the effects of U.S. aid on democracy and human rights over a period of thirty years (1991-2021). While the main emphasis is on U.S. assistance, the study may also touch upon issues related to democratic and human rights

institutions, civil society organizations, non-governmental organizations (NGOs), political entities, and individuals involved in these dynamics.

9. ORGANIZATION OF THE STUDY

The research paper is structured into six distinct chapters. The introductory chapter outlines the background of the study, identifies the problems, and details the research approaches. This includes the statement of the problem, objectives of the research, the key questions guiding the study, its importance, the hypotheses formulated for testing, the scope, limitations of the study, methodology including types of data sources, and the organization of the ensuing chapters. The second chapter provides definitions of key terms and delves into the historical and theoretical aspects of foreign aid and its political and economic implications, while also assessing the motivations underlying aid within the context of bilateral and multilateral relationships. This chapter includes an analysis of aid allocation and a comparative evaluation. The third chapter reviews existing literature on U.S. foreign aid policies, connecting them to human rights and democratic norms. The fourth chapter examines how foreign aid enters Ethiopia through both bilateral and multilateral channels, discusses the role of human rights within Ethiopian government structures, and evaluates the core elements of foreign aid and its impact on Ethiopian diplomacy, governance, human rights, democracy, and political affairs. The fifth chapter focuses on interpreting and analyzing the empirical data collected in this study, presenting findings that include conflicting interests, obstacles, compromises, and the effects of U.S. assistance on human rights, democracy, and governance in Ethiopia. Finally, the sixth chapter provides a critical examination of the challenges and limitations faced by the U.S., particularly regarding the political conditions associated with its aid and the repercussions related to the suspension of AGOA on the social, political, economic, and diplomatic fronts.

CHAPTER TWO

LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

2.1.1. WHAT IS FOREIGN AID?

What is foreign aid? How does it influence the advancement of democracy and human rights within recipient countries? This inquiry has emerged as an essential research matter, accompanied with significant policy recommendations, however, the impact of foreign aid on domestic political structures remains widely debated. Researchers in the aid field have tended to highlight the concerns of practitioners, thereby framing foreign aid primarily in terms of political interests or developmental policy goals (Hattori 2001, Dunning 2004). This chapter will conceptualize foreign aid within a broader systemic context of international relations, initially addressing the meaning, essence, and conditions associated with the principal political dimensions involved in foreign aid operations, followed by an exploration of its specific functions and impacts on democracy and human rights issues.

Foreign aid is the resources one country provides to another to foster development and solidarity. These resources can encompass financial support, materials, and human resources that governments, organizations, or individuals offer to assist people in other states (Malacalza, 2019). The definition established by the Organization for Economic Cooperation and Development (OECD) in 1985 provides clarity on this notion, characterizing foreign aid, or "overseas development assistance" (ODA), as financial loans and grants directed toward developing countries. This aid must be aimed at achieving three critical criteria: 1) the funding must originate from the public sector, 2) it should promote economic development, and 3) it needs to have a concessional nature, with at least a 25% grant element (OECD, 1985; Brown, 2000).

Scholars' opinion and assertion differed considerably regarding what aid signifies for states to be revisionist or maintain the status quo (Lyell 2005; Johnston 2003; Ali & Zeb 2008). Systemic politics scholars often characterize foreign aid as military assistance in their analyses. In Lake's (2009) transactional perspective of hierarchy, military and alternative forms of assistance are crucial pillars of order that a dominant state must guarantee in exchange for legitimacy. Cooley and Nixon (2013) contend that military assistance constitutes a decisive binding strategy enabling "dominant states to uphold international hierarchies through both cognitive and material signals to other state leaders."(Cooley and Nixon 2013,12).

Historians have also highlighted this perspective by delving into the profound geopolitics of the Cold War foreign aid and conceptualizing aid as a geopolitical instrument (Engelmann 2018). Some have framed "aid" as a dimension of politics, but as one among various forms of economic statecraft (Baldwin 1985). A small number of exceptions, like Roeder (1985), Farris and Meernik (2013), Bouton and Carter (2014), and Zimmerman (2016), have either implicitly or explicitly connected aid distribution to systemic international politics". However, Moyo defines aid as the "sum total of both concessional loans and grants, suggesting it

involves substantial systematic cash transfers from wealthier nations to poorer governments, typically structured as concessional loans" (meaning financial resources lent at below-market interest rates and often for significantly longer periods than ordinary commercial lending) or grants (which signify "essentially funds given without expectation of return" (Moyo 2009,46)). On the other hand, Chenery and Stuart describe foreign aid as the inflow of external resources in the form of international economic and developmental assistance, and it refers to a capital inflow that ordinary market incentives fail to provide (Chenery, Stuart 1966, Narziss, Rodon 1961).

In addition to these monetary flows, foreign aid comprises technical cooperation, grants, loans, and credits (excluding military purposes). Most of these definitions highlight that the central objective of aid is to foster development and progress in recipient countries. (Ali & Zeb 2008). In sum, the above definitions underline that foreign aid/ODA can be conceptualized as the transfer of resources, including finances, military support, materials, human resources, and knowledge from one country to another or from one state to the other states for the purpose of development, cooperation, and mutual benefits.

Goldstein and Pevehouse (2014) classified foreign aid into six broad dimension, (a) Bi-Lateral Aid: Aid from one nation to another, in a direct manner without the intervention of any third party.(b) Multilateral Aid: Aid provided by multiple nations or organizations usually embedded into one consolidated fund that is handled by one specific organization for the purposes of distribution. (c) Tied Aid: Aid that has a stipulation to be used in a specific way, usually in the donor nation or on its goods and services. (d) Project Aid: Aid that is provided specifically to a particular project usually infrastructural (For instance aid for the construction of roads, dams, and canals). (e) Military Aid: (Military aid is not regularly included in development assistants but in a broader sense it belongs in to two major types; the pure capital and financial aid to fund and support arms contracts emanating from the donor states and secondly, the manpower assistance for the purposes of international peacekeeping, military logistics, or military training (Bindra 2018). (f) Voluntary Aid: Aid that comes from international organizations with a clear backdrop of charity, (for example Doctors without Borders and Red Cross) (Goldstein and Pevehouse 2014, Bindra 2018 *et.al*). Foreign assistance can take various forms, including financial support, military aid, and emergency or humanitarian aid, especially in response to natural catastrophes and during or after wartime. In his book "Political Theory of Foreign Aid" (1962), Morgenthau strongly argued that foreign aid is highly political² and the modern political tool used by donor states to secure and advance their interests. However, he also claimed that humanitarian assistance can carry political implications when it serves a specific political agenda (Morgenthau, 1962).

², For instance, Morgenthau explored the concept of bribery as a means of political leverage offered by one government to another, which remained a key strategy in diplomacy until the early nineteenth century. This form of assistance was delivered directly as a bribe to ministers, chancellors, and political figures in the receiving nations. No politician was reluctant to admit the widespread custom of both giving and receiving bribes, despite their eagerness to conceal specific dealings. (Morgenthau 1962, pp 4-5).

Moyo (2008) has classified Postwar aid into seven distinct types:

[I] The Bretton Woods conference in the 1940s, as a beginning of political aid, provided for restructuring the global financial landscape, establishing a multilateral trade framework, and promoting economic cooperation to alleviate economic crises like the Great Depression of the 1930s. This initiative led to the establishment of critical institutions like the International Bank for Reconstruction and Development (World Bank), the International Monetary Fund (IMF), and the International Trade Organization in the 1940s (Numbi T.C. (2013), Moyo, 2009). [ii] The period of the Marshall Plan in the 1950s was a primary significant facilitator for creating the world economic block. It was a radical US proposal and financial support through the provision of a \$20 billion rescue fund for a war-ravaged Europe. [iii] The 1960s decade of industrialization as a means of expanding donor owned industries. In this period donor countries have financed over \$100 million in developmental sectors to the newly independent countries of Africa. [IV] The era of ideological spreading in the 1980's. Foreign aid as the tool for spreading neo-liberalism through the Structural Adjustment Program (SAP) in the 1980s. [V] The era of economic and political conditionality in the 1990's. Donors used aid as a conditionality for addressing democracy, human rights, and good governance in the 1990s. [VI] A period of aid obsession since 2000's. The poor countries have become obsessed and dependent on foreign aid as the only solution to operate the basic governmental, economic, political and foreign relations (Moyo, 2009).

To this end, various international organizations were established to promote global economic stability, several key institutions were created, with the Bretton Woods Institutions (BWIs) being particularly significant. This group encompasses the World Bank (WB) and its regional branches, which include the Inter-American Development Bank (founded in 1960), the African Development Bank (established in 1964), and the Asian Development Bank (created in 1966). The International Monetary Fund (IMF) was also formed as part of this framework. In 1956 the World Bank launched the International Finance Corporation (IFC), and the International Development Association (IDA) followed in 1960. The United Nations (UN), along with its specialized agencies such as the IMF—established after the Bretton Woods Conference in 1944—works to foster international monetary cooperation, stabilize exchange rates, and improve access to hard currencies. It is noteworthy that the United States wields considerable influence over these institutions, holding a voting share of 17.16% in the IMF and 16.41% in the World Bank, enabling it to exert veto power over important decisions about their operations and structures (Kato, 2011, p. 53).

The UN report (2000) indicated that the provision of foreign aid can manifest in various tangible forms. It can appear as capital assets, technical support, agricultural products, or military assistance. Additionally, it might be either bilateral or multilateral (such as IMF, AfDB, assistance from international and development banks), and foreign aid can consist of hard or soft loans. When the reimbursement of a loan requires foreign

currency, it is referred to as a 'hard loan.' In contrast, repaying a loan in domestic currency is termed a 'soft loan.' For example, 'the World Bank loan is classified as a hard loan.'³

2.2 THEORETICAL FRAMEWORK

2.2.1. POLITICS OF FOREIGN AID

The "politics" of foreign aid refers to the use of foreign aid as a strategic tool to interfere with a country's sovereignty by manipulating the economic, political, and social condition of the state that is benefactor from the foreign aid (Masaki 2015). In the words of Farah & Onder (2018) during the Cold War, the politics of aid reached its height. During this period foreign aid was provided to other countries not to support human rights, democracy or development but rather to tilt countries away from Soviet influence (Farah & Onder 2018). Since 1960 research on political explanations of foreign aid has centered either on the international political interests of the donor government (defense, political influence, strategic interest, etc.) or on the domestic political behavior of the recipient government ('democracy vs dictatorship, fungibility of aid, corruption', etc. (Boone 1996)).

The term 'politics' in the foreign aid refers to the strategic utilization of aid as a means to interfere upon the states sovereignty by manipulating the political, economic, and social condition of the countries receiving the assistance (Masaki 2015). As noted by Farah and Onder (2018), the significance of aid politics reached its height during the Cold War era. In this era, foreign aid was provided to other countries not to support human rights, democracy, or development but to tilt countries away from Soviet influence (Farah & Onder, 2018). Since the 1960s, studies on the political motivations behind foreign aid have predominantly focused on either the international strategic interests of the donor nation (for example, military, political leverage, and strategic motivations) or the internal political dynamics of the recipient country (including aspects like democracy versus tyrant, fungibility of aid, and aid misuse/corruption) (Boone, 1996).

Malacalza identifies three primary attributes of aid politics. To begin with, foreign aid can be perceived as 'the carrot,' a diplomatic tool, implying that it should be regarded as subordinate to the overarching foreign policy (Malacalza, 2019). Analysts such as Morgenthau (1960) and Kabonga (2017) view aid as a mechanism for elucidating concrete patterns in foreign policy. Aid can also be envisaged as having an independent status, detached from geopolitical and security motivations. From this perspective, foreign aid possesses rationalizations that transcend and exist independently of foreign policy considerations (Malacalza, 2019). Scholars like Keohane and Nye (1977) posit that aid typically operates within an international system characterized by its principles, norms, and regulations, coupled with a moral imperative to assist impoverished citizens in underdeveloped nations (Keohane & Nye, 1977). Thirdly, aid can be the result of governmental policy and political dynamics that engage participants at various levels: individual

³ See UN, United Nations Millennium Declaration 2000 (2000) "the concept of human rights and democracy". Available at: <http://www.un.org/millennium/declaration/ares552e.h>

policymakers, bureaucratic structures, and advocacy groups. "International assistance is neither solely reliant nor entirely autonomous; instead, it is an intrinsic component or contentious area in the development of domestic foreign policy" (Malacalza, 2019). Mayer (1999) concludes that the political motivations behind foreign aid have focused on the global political interests of the donor state (security, political leverage, strategic priorities, etc.) or on the internal political conduct of the recipient nation (democracy versus authoritarianism, aid fungibility, corruption levels, etc.).

2.3 POLITICS OF FOREIGN AID IN THE INTERNATIONAL RELATIONS THEORY

Since the early 1960's the discourse of foreign aid in relevance with politics has been a controversial figure among scholars (Malacalza 2019, Kabonga 2017). Theorization of the politics of foreign aid needs to understand the significant political and economic aspects of the global system. Therefore, this paper has adopted four basic international relations theories in order to structuralize the political version of aid. In the theory of political realism, Foreign aid functions as a tool of foreign policy and purely a political innovation of the Cold War, that was designed to swaying the political and economic decisions of recipient states within the context of global power dynamics (Morgenthau 1962, McKinley and Little 1977, Thérien 2002). In contrast, the theory of liberal internationalism conceptualizes aid as an essential economic program that emerged in the post World War II, intended to foster democracy, cooperation, diplomacy, and stability. It serves as a financial and economic strategy for both state and non-state actors to improve the socio-economic and political progress of recipient countries while striving to establish a unified global social, political, and economic framework (Baldwin 1966, Chenery and Strout 1966).

In world system theory aid is an international order constructed during the Marshall plan to enforce, influence, and classify the political and economic manner of the world, it also occupies a central and institutionalized role in the development of the global economy by promoting the unequal accumulation of capital and political influence in the world system (Wood 1986 Wallerstein 2003). Finally, the dependency theory conceptualized foreign aid as a means of systematic manipulation of the economy, diplomacy, and politics of the poor countries by the developed (donor) countries, it's also the political economic strategy of developed countries to create the economic and political classifications of states in the global system and making poor nations dependent on industrialized states (Moyo 2009, Kabonga (2017)).

2.3.1. Political Realism

In the paradigms of realism and neorealism, international relations are fundamentally rooted in a Hobbesian state of nature, where national security and self-preservation take precedence (Malacalza, 2019). This perspective compels realists to highlight the significance of systemic and structural factors, often summarized by the core principle of "interest characterized by power." To realists, power is the quintessential goal of international politics, intricately linked with the ability to influence and direct the actions of others (Morgenthau, 1950, p. 9). An ample example of this can be observed during the Cold War when U.S. foreign

assistance was primarily used as a tactical tool to safeguard national interests amid East-West hostilities (Morgenthau, 1962). From a realist standpoint, foreign assistance transcends acts of kindness; it is deeply influenced by existing power relations and (a means to consolidate the state power and securing interests) within the anarchic international landscape.

Baldwin (1966) contended that foreign aid functions as a tool of statecraft, similar to military engagement, diplomatic ties and propaganda. Its aims include advancing diplomatic ties with beneficiary states, to improve stability in strategically decisive countries, to export and secure strategic imports, and to boost reputation in international settings, among other political and economic objectives of secure exports and essential imports, and elevate a state's reputation on the global stage, among other political and economic aims. Additionally, aid can provide a moral or rhetorical rationale for a donor's foreign aid decisions. Morgenthau (1962) claimed that the predominant figure of the cold war aid was "bribes" that provided as a payment for political and strategic loyalty to the donors. In the post World-War II, such bribery in the guise of foreign aid was portrayed as essential for the 'economic development of the recipient' (McKinley & Little, 1977). Early realists further argued that foreign aid was exercising political power to pursue national interests, aligning with the fundamental tenet of political realism: the ongoing struggle for power at the heart of international relations (Liska, 1960). Morgenthau (1962) found no evidence that indicates the link between foreign assistance and development, stability, transition to democracy and foreign policy advancement

Realists also advocate that the bilateral aid is primarily driven by the donor's interest. For example, the United States aims to secure votes in the UN General Assembly, while France seeks to maintain its dominance in its former colonies (Werker 2016, Malacalza 2019). In his political and economic analysis Hook (2008), illustrates how aid conditionality is employed as a legitimate tool to encourage good governance, democratization and free market economies in the developing world. The Realists frameworks have been effective in elucidating the historical and structural foundations of the oversea assistance strategies, viewing states as rational entities that perform cost-benefit analyses of their choices within an anarchic international setting. Nonetheless, they face challenges in addressing the complex nature of states, where various domestic stakeholders compete for resources and influence the primary motivations in practicing aid policies (Malacalza 2019).

2.3.2. Liberalism and Neo-Liberal institutionalism

In the late 1970s and early 1980s, the influential schools of thought, liberalism and neoliberal institutionalism, emerged with interpretations of the international system that differed from those of the realists and neorealists. Neoliberal institutionalists argued that the growing necessity of states and the complex nature of interdependencies has led to the need for international cooperation (Keohane & Nye, 1977). Central to Keohane's arguments is the idea of political coordination and the evolution of policies, suggesting that international cooperation is a dynamic process of mutual adjustment (Keohane, 1984). He defines this as how

other states perceive governments' policies as conducive to achieving their goals (Keohane, 1984). Similar to realists, neoliberal thinkers acknowledged the idea that states are rational actors struggling to maximize their self-interest in the anarchical system. However, liberalists emphasize the essentiality of cooperation under international organizations, established laws, regulations, and standards, and they assert that cooperation can take various forms of reciprocity that change depending on the context and over time (Keohane, 1985).

Held (2006), conceptualized that foreign aid serves as an essential instrument for advancing global governance through cosmopolitan democracy and the development of new political institutions. The notion of cooperation is significant in maintaining international coherence under the rights and onus of states in the era of globalization. However, in the globalized world the state's interests in norms and international interactions are extended beyond the traditional analysis of neoliberalism and institutionalized structure; yet embrace a more cosmopolitan or international discourse that recognizes the significance of "global public goods" (GPGs). Kaul, Grunberg, and Stern (1999) conceptualizes GPGs as "whose benefits or damage can potentially encompass and affect all citizens all over the world." This broad concept has facilitated the categorization of three types of GPGs which are assumed as global natural commons, such as the natural environment and oceans, which require collective management and protection; the second includes human-made commons, like the global stock of cognition and knowledge, which consists of scientific information and technological advances, along with universal norms and standards that shape international interactions; and the third category involves policy frameworks for global peace and security, sustainable environmental and health protection, impartiality and equality in terms of finaWorld systems theory is a thought that emerged in the 1970's, it refers to a combination of interdependent parts of a social system guided by existing world political and economic rules, whereby the main components include division of labor and numerous cultural systems or it is a system analysis of the world order. This means that countries from different geographical regions are divided based on production capacity, availability of raw materials, skills and level of capital investments, social, political and resource utilization.

Recently, discourses have broadened the concept of GPGs to encompass shared policy actions that resonate with the Millennium Development Agenda (Kaul, 2005). This transition emphasizes the significance of worldwide cooperation in realizing developmental objectives that aid communities across the globe. The complex interplay of foreign assistance, democracy, and human rights has been a central theme for academics like Knack (2004) and Cornell (2013). These scholars contend that foreign assistance can be crucial for fostering democratization. They stress that backing democratic institutions can take various forms, such as improving the integrity of electoral systems, empowering legislative bodies and judicial systems to function as adequate checks on executive authority, and encouraging the emergence of civil society organizations and educational initiatives that nurture civic participation. Conversely, Nye (1990) provides a different viewpoint by framing foreign aid within the soft power paradigm and appealing influence. He asserts that aid serves as a

tool for delivering economic assistance and a means of public diplomacy. By cultivating goodwill and forging connections with other countries through aid, nations can bolster their global reputation and sway while advancing their values and interests internationally (Nye, 1990). This layered comprehension of foreign aid highlights its capacity as a means of direct socio-economic assistance and a strategy for shaping global affairs. In conclusion, diverse theoretical paradigms, such as liberalism, neoliberal institutionalism, and the cosmopolitan view of international relations, provide significant perspectives for examining aid systems, concepts, and associated institutions. As per Keohane (1984), interaction within states inherently encompasses a diversity of participants, such as civil society organizations, businesses, charitable entities, and local authorities. Conversely, neo-Marxism and frameworks of underdevelopment and imperialism perceive aid as a mechanism that perpetuates exploitative North-South relationships, thus intensifying economic disparities between capitalist hubs and the Global South (Schraeder, 1998). Cox's (1981) 'Neo-Gramscian' outlook primarily views aid as a tool for perpetuating control within historical contexts. This perspective illustrates the evolution and eventual collapse of the global structure through an amalgamation of material resources, ideologies, and institutions. Cox articulates world hegemony in terms of universal principles and institutions that dictate the general behavior of states and transnational civil society entities (Cox, 1981).

2.3.3. World system theory

World systems theory is a school of thought that emerged in the 1970s as a framework, exploring the intertwined aspects of social systems shaped by international political and economic frameworks. This theory's fundamental elements incorporate labor distribution and diverse cultural systems. It investigates how various countries, grouped by geographic position, are categorized based on their production capabilities, resource accessibility, skill sets, and investment capital levels. (Kohli 2004, Kerkmez 2003, Daniel 1985, Wood 1986). Basically the world system theory is a critique of capitalism, strongly argued that the main objective of capitalism is accumulation and maximization of profit, this profit was a crucial to build a huge economy and creates the so called “developed states (the global north states)” which characterized by monopolizing, classifying and influencing the world economy and proved to be very detrimental to the former colonies, called the Third World (Malacalza 2019, Kerkmez 2003, Wood 1986).

According to Wallerstein (2003), states and regions are classified into three basic political, economic and social structural positions which are through the world systems theory, core, periphery, and semi-periphery. In this concept, the core countries are the developed westerns or the global north, which provides aid by using the established colonial economic, political and social platform. The periphery are the global south regions which are aid recipients and characterized by underdeveloped and dependents (Wallerstein 2003, Kerkmez 2003, Daniel 1985).

Like theories of underdevelopment and dependency, world system theory has also interpreted foreign assistance as a strategic mechanism that reinforces exploitative dynamics between the global North and South.

It states that aid often serves to maintain or amplify economic inequalities between capitalist centers and the developing world (Kerkmez 2003, Wood 1986). From the concept of world system theory of “North and South” or core/periphery structural relationship, aid is seen as another capitalist instrument (WST considers capitalism as the source of inequalities in the modern world), It gives emphasis to use by the elite/core to exploit the marginalized periphery (Weissman, 1975). For Woods foreign aid is an international order constructed during the Marshall Plan to enforce and influence the world economy. Woods (1986) also extended his explanations conceptualizing aid as a central component of the world economy that occupies a centralized and institutionalized role in the global economy. For WST aid is a political structure and it doesn't contain economic development quite contrary the world economy contains political structure or states. The world system theory understands foreign aid as a systematic political and economic program by core regions to exploit the peripheral regions through unbalanced exchanges (Woods, 1986; Petras, 1981; Afriye, 2008). While structuralists primarily focus on inequivalent reciprocity in economic and financial dealings, Afriye (2008) points out that moving value or financial resources from one area of the global capitalist state to another is a fundamental accumulation method. This process is essential for sustaining the existing structures of capital monopoly capitalism at the core. According to Woods (1986), the Marshall Plan's experience suggested that it is "not the limit of the foreign aid and policy, but it is the infinite possibilities of influencing the policies, attitudes, and actions for other countries by donor states" (Woods, 1986).

2.3.4. Dependency theory

Dependency theory developed in the 1950s as a direct reaction to shortcomings of modernization theory which emphasized that the growth of industrialized states failed to correspond to growth in poorer countries (Hattori 2001). The concept of dependency in global affairs underscores how assistance from affluent countries can foster dependency in developing nations. Kabonga (2017) posits that this connection perpetuates a cycle of reliance, wherein donor support is fundamentally tied to the persistent dependence of Third World countries. Hattori (2001) delineates three fundamental characteristics of this issue, observing that the international arena comprises two categories of states: authoritative and reliant. The authoritative states are generally the wealthy, industrialized nations found within the Organization for Economic Cooperation and Development (OECD). In contrast, reliant/dependent states mainly in Latin America, Africa, and Asia exhibit low per capita Gross National Products (GNPs) and frequently depend on a singular commodity for their foreign exchange income.

During the 1950s, an era dominated by ongoing colonization, dependency theory surfaced as a lens to comprehend the political subjugation of less affluent nations. Moyo (2009), in her publication 'Dead Aid,' contends that many African and other developing nations persisted under the sway of wealthier countries, with reliance becoming deeply rooted in their socio-economic frameworks. She elaborates on how, despite gaining independence, these nations continued selling raw materials and resources to their former colonizers,

who offered considerable aid and significant political and strategic benefits. Kabonga (2017) highlights that external assistance often results in advantages for developed nations at the expense of the sovereignty of poorer countries.

This situation enables wealthier states to develop massive economies and maintain more advanced living conditions. Rodney (1972) argues that colonization was driven not merely by exploitation but also by repatriating profits to the colonizers'. In his world systems theory, Wood (1986) concentrated on the disparate political and economic interactions between the global north and south, contending that wealthier nations depend on their superior military strength and economic development to uphold the prevailing political and economic order, which marginalizes poorer countries in the global system. Moyo asserts that foreign aid arises from a fundamental material disparity between givers and receivers; any efforts to disrupt the imbalanced relationship, which views poorer countries primarily as resource providers for more prosperous nations, are often met with resistance from these more powerful countries. (Hattori, T. 2001; Moyo 2009).

In sum, for the dependency theorists, foreign aid is the political, economic, and diplomatic strategy of developed countries to create the economic and political classifications of states and make poor nations dependent on industrialized states.

2.4 Debates and critiques

2.4.1 Aid dependency

Since the 1960s, over \$600 billion has been transferred to Africa as foreign aid (UNDP 2005).⁴ The OECD research (2019) also shows that from 1990 to 2017 the USA alone spent (35-48%) of all amount of foreign aid given in a bilateral disbursement in Africa (OECD 2019).⁵ Despite the continuing and increasing amount of aid for more than 50 years, little has been accomplished in terms of continent's development. The purpose and effectiveness of foreign aid have been highly debated for about half of a century, particularly in the last three decades (Murat & Onder 2018). The critical analysis of Boone (1996) implied that foreign aid is inefficient and ineffective in Africa because of a lack of democratization, authoritarianism and high corruption rates. This brings up the question of whether international assistance bolsters corrupt and tyrannical leaders, benefits affluent elites in underdeveloped states, and sustains the tenure of corrupt administrations. 'Although Africa has garnered substantial aid totaling \$600 billion, the region remains one of the most impoverished compared to other continents' (Hattori, T 2001, Boone 1996;20).

The end of the Cold War with the disintegration of the USSR in the 1990s has markedly shifted the global political and economic system. Firstly the USA became the world's superpower and dominated the political economic setting of the global system and secondly, 'the US and other Western powers have shifted the geo-

⁴ See: UNDP – United Nations Development Program, Human Development Report, 2005, p. 5; http://hdr.undp.org/sites/default/files/reports/266/hdr05_complete.pdf; access: 12.02.2022.

political consideration of aid flow to political conditionality (under the pretext of human rights and democracy) and strategic consideration (Weissman 2013). The post-Cold War strategic shift of the donor states was highly manifested in African politics (Dunning 2004). According to Moyo (2009), since the 1950s the foreign aid flow to Africa had three features, (the era of FDI in the 1950s, the era of prompting neoliberalism in the 1980s under the Structural Adjustment Program (SAP), and the era of conditionality by emphasizing human rights, democracy, and good governance as a pretext for aid provision since 1990s)'. Nevertheless, Matunhu (2011) argued that Africa has historically been and still is economically and politically subjugated by foreign power centers. These powers were the former colonial rulers as well as perpetrators of the slave trade and those who exploited natural resources in the era of colonialism. Furthermore, in the post-independence these same powers became the primary providers of aid to the countries of Africa devastated by colonialism. However, the continent's economic, political, and cultural dependence/ reliance on America and Europe persists (Matunhu 2011, Moyo 2009), and donor assistance being leveraged as a tool for solidifying political and economic control over Africa by these donors. Countries that oppose Western dominance are often coerced into acquiescence through threats of withdrawing donor support from Western powers. For instance Countries like Malawi have been implicitly coerced into accepting homosexuality through the threats of suspending a substantial budgetary support from the USA and other funders will be withdrawn if homosexuality were criminalized (Matunhu 2011, Kabonga 2017). Therefore, donor assistance has effectively served as an exceptional instrument of control for wealthy states over poorer countries (Kabonga 2017).

Africa's political, economic, and social dependency on Europe and the US has emanated from its aspects of politics and governance system that's dependent on neopatrimonialism (characterized by the principles of individualistic political power, feeble checks and balances, and clientelism) and patronage (the politically driven distribution of benefits to ethnic groups)(Meyer 2012). And political and institutional dysfunction has also arisen from colonialism and financial interventions, given the staggering sums of money into Africa as donor aid (Moyo 2009). The inflow of aid to Africa surged from \$6 billion in the 1960s to approximately \$46 billion in 2011 (Kabonga 2015). The OECD (2011)⁵ The report indicates that Africa received the largest proportion of Official Development Assistance, totaling \$28 billion. This clearly illustrates that many African nations are heavily dependent on donor funding. For example, countries such as 'Malawi, Nigeria, Tanzania, Ethiopia, and Rwanda' receive about half of their budgets from donor aid (Matunhu 2011).

Rather than promoting tailored solutions that address specific regional issues, foreign assistance frequently fosters dependence on fragile, externally derived ideas (Matunhu 2011). This interplay leads to the consistent

⁵ OECD; 2011 Report on Financial Resource Flows; the report compiles and analyzes the official development assistance (ODA), which mostly flows from 2005-2009 in Africa. Available on https://www.oecd.org/dac/conflict-fragility-resilience/docs/2011report_financial_ressouces_flows.

extraction of resources from disadvantaged countries, yielding considerable wealth for affluent nations due to the conditions associated with aid and the dependence on international specialists. This circumstance has, consequently, exacerbated the economic difficulties faced by developing countries (Rodney 1972, Moyo 2009). Moyo (2009) noted that the 1990s were characterized by two prominent trends in foreign aid. The first was the increasing power of multilateral organizations, such as the World Bank and the United Nations Development Program (UNDP), which saw their contributions grow from 23% in the 1970s to 30% by the early 1990s (Moyo 2009). The second trend was the onset of donor fatigue as the decade concluded. By the early 1990s, annual official donor aid to Africa averaged around \$15 billion, a substantial rise from about \$5 billion in the 1970s. Nevertheless, the proportion of official foreign aid gradually dropped to just over 30% of total disbursements from 1993 to 1997 (Moyo 2009). The Millennium Summit held in New York in 2000 launched the Millennium Development Goals (MDG), with the international community pledging to increase their assistance for the advancement of developing countries. The implementation of this initiative aimed to reduce extreme poverty by half in 2015. Additional objectives included improving universal primary education, eliminating gender disparities in education, reducing child and maternal mortality rates by two-thirds, ensuring environmental sustainability, and fostering global partnerships for development (Dunning 2004). Nevertheless, the Millennium Development Goals (MDGs) remain largely unachieved in Africa. As per the Human Development Report published by the United Nations Development Program in 2014, Africa comprises 34 of the 48 nations designated as Least Developed Countries (LDCs) worldwide. Furthermore, almost half (48%) of the individuals residing in Sub-Saharan Africa endure extreme poverty, living on less than \$1.25 daily (Farah & Onder, 2018). Consequently, certain scholars deem international aid initiatives a "failure." The World Bank's (2018) assessment underscores that the institution has allocated over \$50 billion towards various projects and undertakings, primarily targeting structural reforms, throughout the last thirty years. Regrettably, more than fifty percent of these endeavors have not succeeded in Africa, a failure rate that surpasses the 40% encountered in other destitute areas across the globe.

A report published by the Independent Evaluation Group (IEG) in 2010 revealed that almost 39% of World Bank initiatives were classified as failures (Chauvet et al., 2010). There is a broadly acknowledged consensus that the strategies and developmental policies employed by the World Bank in Africa have predominantly been ineffective in alleviating poverty, posing a major obstacle for the continent. A significant evaluation carried out in 1994 reviewed the results of 29 African nations that had received more than \$20 billion for structural adjustment programs (SAPs) from 1981 to 1991. The outcomes, detailed in the report titled *Adjustment Lending in Africa* in March 1994, showed that merely six of these countries experienced favorable results, leading to an astounding failure rate exceeding 80 percent. Both Kabonga (2017) and Dunning (2004) have inferred that foreign aid typically does not bolster the economic development (GDP) of impoverished nations. After the Cold War ended in 1991, the dynamics of foreign aid in Africa, historically

tied to colonialism, have transformed to mirror shifting economic and political priorities alongside the emergence of humanitarian movements and rising global powers. As a result, the quest for political dominance and economic leverage has evolved into a modern embodiment of neo-colonialism (Philips, 2013).

2. 5 AID CONDITIONALITY

Political and policy frameworks linked to financial assistance from international monetary institutions and donors have sparked debate in global financial exchanges among states (Kahler 1992). In the 1980s IMF began to associate its assistance with structural adjustments, which also encompassed reforms in the public sectors and extensive privatization ventures (Montinola 2010). As noted by Kellick (1996) aid conditionality pertains to domestic legislative modifications mandated by a donor organization that a government must implement to secure or maintain access to the donors's funding ; it constitutes “ transaction of funds for policy implementation” In the words of Carey (2007) ‘aid conditionality’ denotes the imposition of specific requirements linked to aid that must be fulfilled by a recipient country to establish an aid agreement or continue receiving assistance that aid can function as “ strategic instrument to encourage particular shifts in developing states.”

Aid conditionality primarily emerges in the attachment with the “policy and structural adjustment” initiatives of the International Monetary Fund (IMF) and World Bank, though bilateral donors have increasingly utilized it in the wake of the 1990s (Zormelo 1996). The issue of aid conditionality has been one of the contending aspect of foreign aid policy and strategy. Writers like Kellick see it as an intrusion upon the sovereign rights of recipient states by international financial institutions (IFIs) as well as donor states and organizations (Kellick 1996). In the 1980's conditionality related to the allocation of some IMF funds necessitated that a member government demonstrate to the Fund that it would utilize the credit to support a program of domestic policies, strategies and economic advantages aimed at rectifying payment imbalances (Killick 1984).Although the policies required for utilizing the Fund's resources differ from situation to situation, they invariably consistof set of macroeconomic strategies that borrowing states are anticipated to excute. ‘These commonly involvelimitations on monetary increment, public spending, alongside frequent inclusion of currency devaluat ion, tax hikes, or increases in public utility prices or wage controls’ (Mosley 1991).

In recent years, stipulations regarding political systems have been increasingly tied to aid through the principles of good governance and democratic practices, which has become a widely accepted component of numerous bilateral aid programs (Alesina & Dollar 2000). Despite the lack of definitive evidence indicating that Western democratic structures render development objectives more achievable (Moyo 2009, Alesina & Dollar 2000, Collier 1997); the dynamic nature of conditionalities has raised apprehensions regarding the connection of aid to political conditions, the bilateral assistance has consistently been harnessed by donor governments to advance political, military and strategic motives (Collier 1997, Kellick 1996). In sum, aid conditionalities are donor's tools to secure political and economic interests. For instance, the European Union,

led by Britain, clearly leveraged the withdrawal of donor aid as a strategy to ensure the cessation of the land reform initiatives in some African countries (Moyo 2009, Kabonga 2015).

Researches underlined that, the case of Ethiopia is the most ample example or evidence of aid dependency in Africa.(Ali and Zeb 2018, Flores 2013, Bayu and Gebremariam 2018). For instance between 1950 to 1970, Ethiopia has received almost \$600 to \$700 million. Meanwhile in the mid 1985 famine the Soviet Union, US and other eastern and western donor states provided a massive amount of aid including humanitarian and emergency assistance. Since the early 1990's the World Bank, IMF and other multilateral and bilateral donors have allocated about \$1 billion in 1990 and \$1.2 billion in 1994 in grants and loans for the purpose of political stabilization and reconstruction (World Bank 2020). The post 2000 was marked by a large disbursement of grants and loans from the US, EU, China and other donor states. These funds totaled \$1.6 billion in 2001. This figure has dramatically increased from \$3.584 billion in 2014 to \$5.304.7 billion in 2020 (The Global Economy 2021).

However the report of the WB (2001) shows that Ethiopia is a highly indebted poor country in the world. The report of the global innovation index (2020) implies that Ethiopia ranks 13th among the 16 low-income group economies, or 127th among the 131 countries' economies in 2020. Hence the amount of foreign aid to the Ethiopian annual budget has reached about 50 to 60% which is almost half/more of the total national budget. In this context Ethiopia is the most aid dependent country in Africa but a largest aid recipient in the world due to the political, and strategic means. "Aid dependence is a term used to refer to a situation in which a country cannot perform many of the core functions of governmental and economic aspects, and public services without foreign aid funding"(Stanford 2015, Adane 2015). In sum, the donor's rhetoric of supporting people to people and mutual economic development is not measured by the actual reality on the ground.

Donors' Right-based conditionality in the global political/economic dynamics

In the post-2000s, the donors' discrimination and lack of consistency in aid strategy implementation continued, and security motives suited a principal aspect. For instance, since 2001, the US 'war on terror' has become a determinant US foreign assistance strategy to advance geopolitical and security interests (Crawford & Kacarska, 2017). Furthermore Howell and Lind (2009) claim that the global "War on Terror" arose from a complex mix of discourses, this political debates and dilemma including alliances, policy changes, and institutional practices influenced by two main factors.

1. The political conditionality and sanctions are often used as an alternative measure in dealing with unacceptable regimes because as a rule, the official goal of sanctions is to enforce a regime. But, the reality is far from the expectation, and primarily, it is the civilian population that suffers more, as a result of aid suspension and sanctions whereas the regime and elite are much better protected from the effects of sanctions (Dasandi, Erez 2017; Finnegan 2011; Hansen, Borchgrevink 2006).

2. The geo-strategic and security issue should be considered because foreign aid has limited potential to influence the regime behavior and the rise of China and its involvement in the ODA system is a danger that many recipient states may turn completely to Eastern, which requires no human rights conditions, as an alternative source of foreign aid if Western and the UN sources apply human rights conditionality too strictly (Finnegan, 2011, Davis 2009, Crawford & Kacarska 2017).

2.6 THE NEXUS BETWEEN FOREIGN AID, DEMOCRACY, AND HUMAN RIGHTS

Since the early 1990's, the strategic support for democratic transition, human rights protection, and good governance initiatives has increasingly emerged as a predominant agenda/goal of Western donors, particularly the institutions of the European Union (EU), EU member states, and the United States in relation to African countries (Hackenesch 2019). However, the implication of foreign assistance on democratic political systems, the influence of aid on human rights in the countries receiving assistance, and the impact of ID on local political institutions remain a subject of extensive debate (Knack, 2004; Brown & Fisher, 2020). Certain studies indicate a favorable connection between aid and political liberalization, especially during the post-Cold War period. (Bermeo 2016; Dunning 2004; Fearon, and Weinstein 2009), other researchers contend that foreign assistance either loses impact (Knack, 2004) or adversely/negatively affects rights and democratic structures (Alesina and Dollar, 2000, 2013; Schraeder et al., 1998; Burnside & Dollar, 2000). Additionally, some researchers argue that aid's efficacy is conditional based on the motivations of both domestic and international actors (Krasner and Weinstein 2014). Numerous foreign aid organizations prioritize promoting democratic governance as a central aim of their support strategies. The USAID invests over \$700 million each year in democracy-focused initiatives, which encompass areas such as 'election support, enhancing the functions of parliaments, judiciaries, and political parties, as well as promoting the development and influence of civil society organizations like labor unions and groups advocating for women's and human rights' (Carothers, 1999).

The existing studies on the effects of foreign aid in the process of democratization have been categorized into three broad categories, which sometimes overlap: "Pessimistic, Optimistic, and conditional. The pessimists assert that "foreign assistance negatively affects democracy of the recipient states by reducing governmental accountability to citizens (Wright and winters 2010; Knack, 2004). In contrast, the optimists assert that foreign assistance tailored to enhance governmental transparency and bolster democratic institutions seems to yield beneficial outcomes. (Aronow, Carnegie, and Marinov 2012; Nielsen and Nielson 2010; Scott and Steele 2011). A number of the positive (optimistic) studies on aid effectiveness are part of a specific subset that proposes that various factors influence the impact of aid on democratization. These include the conditions tied to the aid, the characteristics of the recipient country's regime, the intentions behind the donor's actions, and the duration required for the aid to produce meaningful outcomes (Bermeo, 2011; Dutta et al., 2013; Kono & Montinola, 2009; Montinola, 2010; Morrison, 2007; Wright, 2009; Licht, 2010). Although conditions

tied to assistance can encourage governments to improve their policies and strategies, they may also diminish these governments' responsibility towards their citizens. This alteration in accountability redirects attention to donor states instead of fostering a direct relationship between the government and its citizens. (Kersting and Kilby 2014).

The effectiveness and validation of foreign aid and conditionality has been a center of debate for nearly half of a century (see Hansen & Tarp, 2000b for a summary), Dutta, Leeson, and Williamson (2011) summarized the two blocs in the literature (that aid demolishes the political and institutional policy frameworks, or that within the good governance agenda, aid might render governments more democratic) while some analysts, like Wright (2009), suggest that aid "conditionality" may promote the adoption of democratic reforms in recipient countries by supporting the political institutions and through encouraging the policy reform and liberalization (For instance, the study of Goldsmith, 2001, indicated that aid facilitates democratization by endorsing political and economic liberty). However, few researches address aid's influence on the political landscape of the recipient states, and those that do typically align with the neoliberal paradigm or critique it by arguing that aid can undermine institutional functionality and political reform. The study of Knack (2001) highlights aid's influence to diminished regimes accountability within political institutions critical to development (termed "an aid-institutions paradox" by Moss, Pettersson, & Walle, 2006) by 'fostering corruption and rent-seeking (Svensson, 1996) in aid-dependent countries'(Moss & Subramanian, 2005). Svensson (1999) has examined the connection between foreign aid and economic growth. He also assessed the influence of political factors on development and in contrast to Boone's conclusion Svensson discovered a "positive relationship between aid and growth." But in contrary Abbink (2014) contend that there is no necessarily connection between aid and growth that helps to bring democratization and good governance by mentioning numerous autocratic regimes both in Africa and globally that spur economic growth often paired with 'human-rights violations rent-seeking, patronage and corruption, repressive and state-led politics, and significant social inequality. Ethiopia, Angola, and Equatorial Guinea exemplify such developmental autocracies in Africa'(Abbink 2014).

In his investigation Svensson (1999) further discovered how democracy alongside civil and political liberties impact the effectiveness of aid and found that conditionality of aid positively influences the democratization process in recipient nations where checks on governmental authority are institutionalized. These checks are upheld by democratic institutions, which include 'political parties, elected officials, freedom of expression, and the right to organize' (Svensson 1999). He concluded that the effectiveness of aid is contingent or conditional upon the degree of political and civil freedoms present in a country. The analysis of Knack claimed that aid "creates a moral hazard" (Knack, 2004) for authoritarian local politicians, whose objectives often conflict with the intentions of foreign donors. For these analysts, aid merely serves as a financial resource that enables autocratic rulers to suppress their people (Knack 2004). Bauer (1976), an economy

expert who was among the early scholars ‘investigated the negative correlation between foreign aid and corrupt regimes;’ concluded that aid only supports corrupt and undemocratic regimes in maintaining their authority or ‘stay in power.’ Alesina and Weder (2002) found no evidence to support the idea that less corrupt governments receive more aid and indeed, it appears that more corrupt and undemocratic governments tend to receive more foreign assistance.

The study of Lancaster and Dusen (2005) observed that the proliferation of democracy in developing countries during the 1990s, particularly in Sub-Saharan Africa and Latin America, led to the utilization of aid to advance democratic institutions. Ju Lee (2011) vigorously opposed the notion that many ongoing civil conflicts in Africa and beyond, which resulted in immense death, destruction, and displacement, were exacerbated by aid being utilized not just for relief but also to support post-conflict transitions and humanitarian support (Ju Lee 2011).

Hackenesch (2019) noted that, during the 1990s, the amount of democracy aid, both in absolute terms and as a proportion of total aid, was relatively small and focused on electoral assistance. However, the tools for promoting democracy were somewhat backed by aid sanctions. Furthermore, support for democracy was not uncontested among several scholars (Milner and Tingley 2010, Hackenesch 2019, Ju Lee 2011, Knack 2004, Alesina and Weder 2002). Security, political and economic concerns regularly affect considerations for democracy and human rights, for example, France, in particular, provided political aid for its former colonies aimed to avoid outside pressure and to defend its own interest (Emmanuel, 2010). Despite this, the critical study of Dasandi (2019) outlined that donor states grapple with a dilemma when extending development aid to impoverished states that violate human rights, and the donor’s aid may inadvertently contribute to the violation of democratic and human rights, diminish the accountability of recipient governments to their citizens, and exacerbate issues of good governance and corruption (Dasandi 2019).

In conclusion, the debate over whether foreign aid can enhance human rights and democracy has garnered significant attention, and rightly so. The considerable amount of foreign aid directed towards developing countries and its potential to foster good governance, political freedoms, and the promotion of rights is seen as a favorable outcome. However, researchers, practitioners, and policymakers often express divergent views regarding the overall impacts of foreign aid. This raises a critical ‘question’ “Does foreign aid improve human rights and democracy?”(Carnegie and Marinov 2014, Ju Lee 2001, Dasandi 2019, Farah and Onder 2018) founded negative implications of foreign aid on democracy and human right in recipient states and argued that “aid has no significant effect on rights and democracy, whereas it is used to secure the political and economic interest of the donor states” (Dasandi 2019, Emmanuel 2010).

CHAPTER THREE

THE PLACE OF HUMAN RIGHTS AND DEMOCRACY IN UNITED STATES FOREIGN POLICY

3.1 THE US AID AND ITS POLICY TOWARDS HUMAN RIGHTS AND DEMOCRACY

In chapter two, the major foreign aid principles have been analyzed based on the core international relations theory. This chapter then delves into the factors influencing U.S. aid distribution and the function of foreign aid in policy implementation and political dimensions, with emphasis on American aid concerning human rights and democracy. Foreign aid constitutes the massive segment of the global financial transaction and serves as a crucial instrument of U.S. foreign strategy, grounded in national security, commercial, and humanitarian justifications.

The United States is the top foreign aid donor in the world, contributing nearly 23% of overall official development support disbursed by significant donor states (USAID 2021,5). Various scholars and authors have posited that U.S. foreign aid commenced during World War II (Cornell, 2013; Cox, R.W., 1981; Dollar & Svensson, 2000; Dunning, 2004). Before the war erupted, the government initiated the transfer of resources and materials to allied nations under the “Lend-Lease program,” totaling \$50.1 million by August 1945 (Moyo, 2009). The United States aid had a crucial impact on post-war recovery, disbursing \$2.7 billion through the United Nations Relief and Rehabilitation Administration (UNRRA). Between 1943 and 1948, under the Marshall Plan, it distributed around \$13 billion in assistance to various European nations affected by the conflict, including the United Kingdom, France, and West Germany. The Mutual Security Act of 1951 initially permitted foreign assistance that totaled about 2.2% of the U.S. gross domestic product (GDP), corresponding to roughly \$7.5 billion annually until 1961. Since 1991, the U.S. has routinely allocated \$37.68 billion annually in foreign aid, establishing itself as the foremost donor worldwide (Moyo, 2009; Dunning, 2004). The distribution of U.S. foreign aid has been ‘affected by internal and global paradigms. The use of foreign aid as a US foreign policy instrument remains steadfast.’ The US’ aid allocation during the Cold War, was primarily directed at countering the Soviet military threat and bolstering U.S. allies. Following the disintegration of the bipolar world structure, which mirrored the confrontation between the communists under the Soviet Union against the western capitalism under the US, both the global system and the aid framework underwent significant restructuring (Lee 2011).

Post-1991, the US shifted its focus towards utilizing foreign assistance to advance democratization and human rights globally through targeted aid allocation (Lai 2003). The U.S. dispenses economic assistances using two major methods: uses the USAID and its various agencies to provides the direct official donations of finance tand through international monetary organizations such as the World Bank, the International Monetary Fund (IMF), and the United Nations; and through non-governmental organizations (NGOs) (McLaughlin, Kitchel 2011). Since 1991, roughly 1% of the American budget has been transferred to aid, including military assistance (McLaughlin, Kitchel 2011, Pawson 2005). Among the nations receiving aid,

Egypt and Israel are the largest recipients (due to U.S. strategic and military interests in those regions), while Afghanistan, Jordan, Iraq, and Ethiopia also rank among the top beneficiaries of U.S. aid (Pawson, 2005; USAID, 2019). Furthermore, 80% of the funds disbursed by USAID are directed to American NGOs and corporations (USAID, 2011). As noted by Pawson (2005), U.S. aid aims to show solidarity and economic collaboration with developing nations; however, it is also part of the U.S.'s imperial foreign strategy, which has tended to shape global politics, economy, and market dynamics, especially in the post-Cold War. According to the CRS report (2019), After the September 11 attack in 2001, U.S. foreign assistance became remarkably interlinked with security efforts. By the 2019 fiscal year, the U.S. foreign aid amounted to about \$48.18 billion, constituting 1% of the total budget. Approximately 41% of this aid budget was allocated for bilateral initiatives, including economic development; 35% was directed toward security military nonmilitary support, 20% was intended for humanitarian efforts, and 4% supported the operations of multilateral institutions. Most U.S. aid is administered through NGOs rather than foreign governments (USAID, 1999; CRS 2019, 2020, 2022).

3.2 THE U.S. FOREIGN AID POLICY

In Terms of the American foreign assistance framework; it has consistently been anchored on pursuit of U.S. national interests. When advocating for the formation of USAID in 1961, President John F. Kennedy asserted that aid agenda ought to be motivated not solely by ethical, economic, and political factors' but should also acknowledge that addressing the security efforts in other countries has the essentials for the US's sustainable prosperity.⁶ Numerous studies have found the connection between geo-strategic interests and security concerns and U.S. aid distribution throughout the Cold War (McKinley and Little 1979; Poe 1991; Poe and Meernik 1995; Meernik et al. 1998, Lebovic, 1988). The study of Lai (2003) also identified a substantial link between U.S. aid allocation and security matters post-1991. Furthermore, the examination by Travis (2010) concluded that the overarching characteristics of American foreign aid policy towards Africa aligns with two prominent International Relations theories. He argued that U.S. aid allocations are reflective of the realists' perspectives on security motives, where the objective of the United States is to amplify and sustain its power status. His assertion, relating to foreign assistance, indicates that nations with closer strategic relationships with the United States, or those situated in regions of strategic importance, receive more aid than others. This assessment utilizes indicators such as military cooperative agreements and alliances with the U.S., the presence of American military bases or personnel, or the volume of U.S. arms sales to operationalize strategic connections (Travis 2010).

⁶ John F. Kennedy, "Special Message to the Congress on Foreign Aid," March 22, 1961, American Presidency Project, www.presidency.ucsb.edu/ws/?pid=8545.

3.3 THE U.S. FOREIGN AID POLICY AND HUMAN RIGHTS

As the study encompasses the US aid and its implications on human rights; it also considers the US policy towards human rights. The context of the link between US aid and human rights has become an issue of both theoretical and political interest in the 1960s and 70s. A number of studies investigated the impact of aid allocation on human rights efforts. Mainly the U.S. assistance (McCormick 1988; Meernik, Krueger, and Poe, 1998; Apodaca, 2001). The outcomes of these researches vary considerably, with researchers reporting positive, negative, or neutral results across different examinations. When analyzing the correlation between U.S. foreign aid and human rights, the research categorizes into two primary motives. The first motive, examined by most studies of the relationship between U.S. foreign aid and human rights, is whether the human rights situations in prospective recipient countries significantly influence U.S. foreign aid allocations. Lee (2011) encapsulates human rights as a key factor in U.S. foreign aid allocation, starting with the foreign policy reform agenda of governments.

In 1961, the U.S. government Congress adopted a new policy incorporating human rights into foreign aid initiatives. ‘Congress’ enacted the ‘Foreign Assistance Act (FAA),’ which differentiated between military and non-military aid and laid the groundwork for the establishment of the ‘U.S. Agency for International Development (USAID)’ in 1961 (Miller, 1999; Ali, 2015; Lee, 2011). Consequently, gradual policy amendments to the 1961 FAA occurred in 1973, 1974, and 1976 and were explicitly formulated to tie U.S. assistance to human rights standards in recipient states. The U.S. Congress enacted that foreign aid must be directed toward governments that uphold human rights and fundamental liberties. This tenet has emerged as a central theme in U.S. foreign policy discussions. The U.S. Congress decreed that foreign aid should be allocated to governments that respect human rights and fundamental liberties. The principle seizes a predominant discourse within U.S. foreign policy (Miller, 1999; Ali, 2015; Lee, 2011; Gibler, 2008; Demirel-Pegg & Moskowitz, 2009).

The congressional legislation also included the provision for economic and human rights aid from U.S., “known as the Harkin Amendment”, which banned allocation of economic aid to countries that violate human virtues Under section 116 of the Foreign Assistance Act, signed into law in 1974, states: no aid shall be offered to any country’s government that commits serious abuses of internationally acknowledged human rights, including torture, brutal treatment or punishment, unlawful confinement without charges, the vanishing of individuals through kidnapping and secret detention, or other blatant violations of existence, freedom, and individual safety unless such aid is specifically intended to assist the disadvantaged population in the recipient nation torture or cruel, inhuman treatment or punishment, detention without charges, the disappearance of individuals via abduction and clandestine detention, or other flagrant denials of life, liberty, and personal security unless such assistance is aimed primarily at benefiting the population in need (U.S. Government, 2003, p. 59, Ali 2015).

Nevertheless, Schultz's (1981) discussions regarding 'the United States foreign assistance strategy' and 'aid distribution' are well-acquainted with the "accusations and rebuttals" that the U.S. government has backed authoritarian regimes accused of human rights abuses through its aid programs during the Carter administration (Schoultz 1981). In a research study on this subject, Schoultz (1981) revealed that 'the U.S. has provided increased assistance to nations that infringe upon the human rights of their people.' Stohl, Carleton, and Johnson (1984) illustrated that during 'the Nixon and Ford administrations, governments charged with human rights violations received a greater level of U.S. support. Similarly, throughout the Carter and Reagan periods, Carleton and Stohl (1985) found that human rights considerations had minimal impact on the distribution of U.S. aid to developing nations. Their research also showed that numerous countries viewed as vital for furthering U.S. foreign policy aims secured U.S. assistance irrespective of their dismal human rights records or constraints on political and civil freedoms' (Carleton and Stohl 1985). The writers determine that states or regimes essential to US international policy goals are granted assistance irrespective of their human rights conditions and records.(Regan 1995, Meyer 1996).

Several studies indicated that the allocation of U.S. foreign assistance significantly influences human rights practices in recipient nations (Regan 1995, Meyer 1996, Ali 2015, Miller 1999). Gibler (2008), and Lee (2011) asserted that U.S. aid distribution showed no correlation to human rights respect, suggesting that USAid aid distribution showed no correlation to human rights respect, suggesting that U.S. assistance could modify human rights policies in countries not receiving aid due to their human rights mishandle, due to their assessment of opportunity costs or potential income losses, as they anticipate future assistance. Regan (1995) evaluated 32 developing nations from Asia and Latin America, discovering that the impact of U.S. economic assistance as a mechanism to influence the human rights policies of recipient states was "nonexistent." (Regan 1995).

The study of Lee (2011) found that the "U.S. foreign aid did have an impact on a government's respect for human rights in recipient countries, and having a negative affiliation or an increment in foreign aid from the United States is associated with less protection of human rights" (Lee 2011;41). The research conducted by Ali (2018) examines the U.S. military and economic support to Israel, along with top U.S. aid beneficiaries, and asserts that the allocation of U.S. assistance to developing countries is not motivated by the advancement of democracy, freedom, and human rights. He also highlighted the situations in top U.S. aid recipient countries like Afghanistan and Iraq, which were politically and economically devastated and concluding that when U.S. foreign policy interests such as political, security, and geostrategic objectives are involved, human rights do not play a crucial role in U.S. aid distribution (Ali, 2018). Conversely, Smith, Bolyard, and Ippolito's study (1999) revealed some conflicting outcomes regarding U.S. economic assistance and human rights practices in beneficiary nations. On the other hand Gibler (2008) contended that U.S. foreign assistance influences human rights practices in states that do not receive aid, though in an indirect manner. He asserted

that while the documented U.S. aid allocations showed no correlation with human rights observance, 'U.S. aid would impact the human rights policies of countries not receiving assistance, which were deemed ineligible due to their human rights violations, as they would weigh their opportunity cost, or potential income loss, in anticipation of receiving future aid (Gibler, 2008). Nonetheless, in a broader investigation into the link between U.S. foreign aid and human rights, Callaway and Matthews (2008) determined that U.S. foreign assistance had a "detrimental" effect on human rights. Thus, these empirical investigations yield opposing and ambiguous results concerning the impacts of U.S. foreign aid distribution on human rights practices in beneficiary states. In conclusion, these diverse discoveries in the literature illustrate varying viewpoints on how human rights situations in recipient countries are influenced by U.S. foreign policy and associated interests.

3.4 THE US DEMOCRACY AID, AND CONGRESSIONAL LEGISLATION

The scale of U.S. aid for democratic initiatives is significantly substantial. The U.S. legislature has historically demonstrated a keen interest in fostering democratic governance and associated rights abroad to showcase American ideals, bolster U.S. security, and advance U.S. economic objectives (C.R.S. 2019). Research conducted by the U.S. Congress (2019) indicates that over \$2.5 billion each year has been designated from foreign aid funds over the past ten years for activities aimed at promoting democracy (with approximately half of this aid directed towards Iraq and Afghanistan (USAID, 2009)), encompassing support for good governance (defined by participation, clarity, accountability, efficiency, and fairness), the rule of law, and the advancement of human rights..⁷ The C.R.S. report (2019) outlines that the Foreign Assistance Act of 1961 (F.A.A.), the foundation of U.S. foreign aid, articulates 'democratic engagement' and 'effective democratic governance institutions' as fundamental principles guiding U.S. foreign assistance policy. The F.A.A. endorses measures to foster good governance by fighting corruption and enhancing clarity and accountability, conditioning some aid on adherence to human rights standards (C.R.S. 2019).

Moreover, the legislation has been revised over the years to incorporate more explicit democratic promotion mandates for specific regions through laws such as the Central America Democracy, Peace, and Development Initiative (FAA 461: U.S.C. 2271), and the FREEDOM Support Act of 1992 (C.R.S. 2019). USAID's Political Party Assistance Policy states that such support should advocate for representative, multiparty systems and not aim to influence election results (USAID, 2003).

The terms of authorization also prohibits the National Endowment for Democracy (NED) from utilizing fund resources for partisan and electoral objectives encompass financing national party activities and backing

⁷ "The report focuses on U.S. foreign assistance activities, which are only part of U.S. democracy promotion activities. Including diplomatic efforts, international broadcasting, economic sanctions, military aid, and other policy areas related to international engagement. See also CRS Report R45344, Global Trends in Democracy: Background, U.S. Policy, and Issues for Congress, by Michael A. Weber. Congressional Research Service <https://crsreports.congress.gov>."

particular candidates.⁸ The legislative powers of Congress regarding democratic support have additionally established requirements for the aid distribution. For instance, Congress has enacted laws that deny or impose requirements on assistance to states that do not fulfill specific criteria related to human rights, counterterrorism, debt obligations, freedom of religion, the involvement of child soldiers, or human trafficking. Statutes implementing such conditions grant the executive branch the authority to designate nations for sanctions or overlook such conditions. In FY2020, various African administrations are under aid suspensions due to their failure to meet standards associated with human rights, democracy, and security.⁹ The research by Carothers (1999) illustrates that U.S. assistance for democracy is merely one segment of a substantially larger array of democracy-related support originating from multiple governments, international entities, and private organizations. Over recent decades, approximately 95%-99% of U.S. aid aimed at fostering democracy has been financed through the Department of State and USAID budgets, while 11 other agencies provide the rest. Funding for programs in U.S. democracy promotion is primarily funneled through the Economic Support Fund (ESF), Democracy Fund (DF), Development Assistance (DA), and the National Endowment for Democracy (NED)' (CRS, 2019; Carothers ,1999).

Several researchers have mentioned that the assistance democratization is exclusively planned to encourage extensive political freedom. (CRS 2019, Resnick 2011, Dietrich 2012, CRS 2020, and Carothers 2009). Hence assistance for development promotes democratic advancement through economic and social alteration. (Dietrich 2012), democracy aid concentrates more on domestic entities to drive change. U.S. democratic assistance is a unique form of aid that significantly contributes to the strengthening, reform, or empowerment of 'judicial systems, prosecutors, law enforcement, legal efforts, regional authorities, human rights advocates, electoral commissions, election monitors, political parties, media, civic educators, anti-corruption bodies, labor organizations, business coalitions, civic advocacy associations, reform-minded think tanks, and countless other stakeholders in over hundred states (Carothers 2009).

Figure 3.1. The analytical framework of US democracy aid and developmental aid.

US DEMOCRACY AID

US DEVELOPMENTAL AID

⁸ 22 U.S.C. 4414 (a).

⁹ “For instance: The use of child soldiers, under the Child Soldiers Prevention Act and related legislation, with DRC, Mali, Somalia, South Sudan, and Sudan subject to potential security assistance restrictions in FY2020.58, based on Determination and Certification with Respect to the Child Soldiers Prevention Act of 2008, <https://crsreports.congress.gov>” .

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|---|---|
| - Electoral institutions | - Health sector |
| - Civil society organizations | - Education sector |
| - Supporting political parties | - Agriculture and food program |
| - Legislatures | - Industry and manufacturing sector |
| - Media institutions | - Urban and rural development and projects |
| - Supporting judicial reforms and rule of law | - Financial sector development |
| - Supporting human rights commissions | - Economic and social welfare sectors |
| - Support and observe free and fair elections | - Environment protection and social service |
| - Support peace, security and conflict prevention | sector development |
-

Source: author based on the analysis of USAID's report 2011 and UN working paper (2022).

3.5 THE USAID

The 'United States Agency for International Development (USAID)' is an essential part of US foreign policy framework. It was established during the Kennedy administration in November 1961. The agency consolidated several American foreign assistance organizations and programs. Carothers (2009) notes that from the 1990s onwards, USAID's commitment to democratic support intensified and was embraced, particularly with introducing a global "Democracy Initiative" in 1990. The worldwide spread of democracy and support of democracy became firmly embedded within the U.S. foreign structure (CRS, 2009). President Clinton established a 'Democracy and Governance Office at USAID and the Office of Transition Initiatives to leverage democratic efforts in states undergoing transitions. Concurrently, in 1998, congress enacted the State Department's Human Rights and Democracy Fund to advance democratization and right-based advocacies with a capital fund¹⁰

The USAID's democratic assistance encompasses four primary subcategories of democratic development. 'These focus areas are the rule of law, civic organs, good governance, electoral and administrative aspects. The rule of law segment addresses both constitutional and practical guarantees of fundamental human rights and the essential principle of equal treatment before the law. Three interrelated key sub-areas include supporting legal reform, improving justice administration, and increasing citizens' access to justice (McMahon 2020). Since 1991, USAID's investment in democracy and governance programs escalated from \$165 million in 1991 to \$635 million by 1999, with funding widely distributed across all regions where USAID operates. For instance, the 1999 regional allocation for democracy and governance assistance included \$288 million for Central and Eastern Europe, \$123 million for sub-Saharan Africa, \$111 million for Asia and the Middle East, and \$27 million for global initiatives. Over the last twenty years, Africa has increasingly captured a significant portion of annual U.S. foreign assistance funding in FY2018, the region received 37% of aid obligations administered by the State Department and USAID, rising from 28% in 2008

¹⁰ See: "the State/DRL home page at <https://www.state.gov/j/drl/p/>".

and 16% in 1998 (CRS 2018). Over the past decade, the agency has spent over \$800 million in human rights and democracy-related programs, with the majority directed towards sub-Saharan Africa and Middle Eastern countries. According to a CRS study (2020), approximately 70% of total U.S. assistance to African countries has focused on health programs, aiming to foster economic growth, bolster food security, improve good governance, and improve security aspects' (Carothers 2009, McMahon 2002, CRS 2020).

Nevertheless, as discussed in Chapter Two, the effectiveness of democracy aid in promoting democracy remains a subject of debate. Various researchers have found divergent results regarding the relevance, effectiveness (see Chapter 2), and impacts of foreign aid in Africa. For example, Resnick's (2012) research identifies twofold impacts of aid within the continent. In the case of the United States, the objectives and motive of democracy and governance aid as a separate category in development assistance has also changed over time. During the Cold War, U.S. aid was primarily perceived as a tool to counter Soviet influence as opposed to representing a desirable political and strategic goal, however, following the end of the Cold War, U.S. aid began to focus on the democratic and political aspects which targeted at the political and economic policy exchange of the recipient states (Ake 1996; Crawford 1997; Dunning 2004).

Conversely, some political analysts argued that "foreign aid became a crucial element of American national security policy during the Truman administration" (Radelet 2003). This indicates that U.S. aid often prioritizes its political interests over the genuine promotion of democracy and human rights. For instance, President Bush initiated a novel foreign assistance initiative called the Millennium Challenge Account (MCA), aimed at offering an incentive-driven enhancement to other U.S. aid efforts. Bush claimed, "It seems illogical to allocate resources to corrupt nations." Nonetheless, in reality, the Bush administration persisted in channeling billions of dollars to numerous corrupt regimes globally. By 2004, the Bush administration found justifications to extend MCA aid to some of the world's most corrupt governments. (Bovard 2019, Radelet 2003, McLaughlin, and Kitchel 2011). Additionally, the Obama administration also continued spending tens of billions of dollars on corrupt governments, such as Afghanistan, where, in 2016, President Ashraf Ghani acknowledged that it was "one of the most corrupt countries on earth" (Mann 2017, Riedl 2017). This scenario further empowers the undemocratic regimes to gain additional authority and to be more corrupt, even if this ultimately leads to conflict and civil war, as witnessed in Afghanistan and Iraq.

Dietrich (2012), posited that the US democracy aid provides a "carrots" or "sticks" approach compared with development aid. Since the 1990s, the rapid growth of democracy promotion reshaped donors' priorities for assistance. Now, it is vital to factor in political aspirations when crafting foreign aid policies and strategies. For instance, the annual budget allocated by USAID for democracy promotion surged from \$121 million to \$722 million between 1990 and 2003 (Scott and Steele 2011). In fiscal year 1999, USAID recorded a total expenditure of \$637 million for democracy assistance, with \$123 million directed towards Sub-Saharan

Africa. Since this period, democratization has become central to the U.S. foreign aid discourses (Carothers 1999).

3.6 SUMMARY

To summarize, the findings above indicate that U.S. aid decisions are driven not by the advancement of democracy, governance, liberty, and human rights in recipient countries but rather by U.S. economic, political, and strategic interests. Some studies have concluded that the implication of U.S. aid on the promotion of human rights and good governance in recipient countries is virtually ‘insignificant or nil’ (Ali 2018, Regan 1995). Furthermore, the U.S. foreign aid, irrespective of its nature, has had a ‘harmful’ “detrimental” impact on the process of democratization, good governance, and human rights advocacy in recipient nations (Lee 2011, Ali 2018, Regan 1995, Meyer 1996, Ali 2015, Miller 1999). Conversely, ‘Foreign aid is a crucial instrument of American national security and U.S. policy’ (Radelet 2003). The Freedom House report (2018) indicates that in 2017, 71 countries experienced net declines in political rights and civil liberties, in comparison to 35 that noted improvements, marking the twelfth consecutive year in which declines surpassed improvements.¹¹ The US democracy promotion efforts are questioned by many political experts on whether they genuinely address the political and economic hurdles faced by recipient states or merely exacerbate the instability, sectarian conflict, political polarization, economic downturn, extremism, support the corrupt regimes, and creation of Western-style democracy (CRS 2019).¹²

¹¹“Freedom in the World, 2018,” “Freedom House, available at; <https://freedomhouse.org/report/freedomworld/freedom-world-2018>”.

¹² Diamond L., “Democracy in Decline,” *Foreign Affairs*, July/August 2016.

CHAPTER FOUR

ETHIOPIA; FOREIGN AID FLOW; HUMAN RIGHTS AND DEMOCRACY

4.1 ETHIOPIA, A POLITICAL OVERVIEW

4.1.1 A KEY EXPLANATORY VARIABLE

The 1991 political transition in Ethiopia was a result of domestic and international factors. The Derg regime collapsed due to a national crisis stemming from years of political repression, a declining economy, and a festering civil war (Vestal 1999, Ottoway 1995). According to Mengisteab (1990), the economic crisis worsened by a costly war and droughts in the 1980s was exacerbated by the Derg regime's failed land reform and devastating collectivization and resettlement (villagization) policies (Mengisteab 1990). Later on, "the political demand for a permanent democratic change in Ethiopia began with the adoption of a provisional Charter in July 1991 that established the Transitional Government of Ethiopia (TGE) (Freedom House 2018). The charter was adopted at a peace conference convened in early July 1991 under the leadership of the Ethiopian People's Revolutionary Democratic Party (EPRDF) and political groups at the US-led peace negotiations". The mediation was held in London on May 27, 1991. US Assistant Secretary of State for African Affairs, Herman Cohen, who chaired the meeting in London, stated at the conclusion of the peace agreement that, "the EPRDF would lead the federal government in Addis Ababa, hold a national conference including all existing political and ethnic organizations in the country and afterward form a coalition government" (Engdayehu 1993, Waal 1992).¹³

Post- 1991 the newly established government EPRDF made radical changes to the institutional and political structures of the government, most notably among the fundamental paradigm shift of the political structure in this period was the establishment of a federal arrangement centered on ethnolinguistic identities (Troupin 2016, UNHCR 2014), the governmental formation of the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) as a ruling and dominant party in 1993(Lemu 2018), 1993 the Eritrean referendum on independence (Abbink 1995), the scheduling of multiparty elections in late 1993 (Engdayehu 1993) and the writing of a new constitution in 1994/5 (Bayu 2020).

In 1994, the EPRDF enacted the 'Constitution of the Federal Democratic Republic of Ethiopia' which became effective after the 1995 election (Vibhute 2012). Following the Transitional Government Charter, the 1994/1995 Constitution designated 'Ethiopia as a federal state' (Cohen 1995, Kjetil 2008), consisting of nine autonomous Regions (based on ethnic identities) and two 'Chartered Cities' with significant powers and

¹³ The Charter remained in effect until a definitive constitution was created and received public endorsement in 1993. This Charter established provisions for elections to form a Constituent Assembly tasked with approving the proposed Constitution for the emerging Ethiopian nation, as well as national parliamentary elections based on the guidelines of the new constitution (Harbeson 1996). Furthermore, it conferred the entitlement to self-determination, encompassing the option for secession (Engdayehu 1993). These elections were scheduled to take place upon completion of the transition, no later than two and a half years following the conference held in July 1991.

responsibilities concerning regional development, along with a complete tri-branch governmental structure. ‘Regions/City Administrations differ greatly in terms of size, population, development/poverty status, and potential’. As stipulated under the 1995 FDRE constitution, there exists a principle of separation of powers and horizontal checks and balances among the three branches of government: ‘the legislative, the executive, and the judiciary, as well as a vertical separation of power between the federal government and the federating bodies’. At the federal position, the legislative arrangement includes a bicameral parliament, acting as ‘the center of power’ in a parliamentary system, comprising the ‘House of Federation and the House of Peoples Representatives’. The authority to formulate the countries overarching policies and strategies resides with the ‘House of Peoples’ Representatives’ (Adane 2015)¹⁴ and strategies resides with the House of Peoples’ Representatives (Adane 2015). Since 2002/03, the Ethiopian Government (GOE) has initiated a decentralization strategy that devolves fundamental service delivery duties to districts/woredas at the regional or city level (encompassing planning, budgeting, and management). These districts/weredas also function with fully established tri-branch governments.

In 1994, the EPRDF government publicly pledged to undertake three broad reforms in alignment with global political-economic transformations: Economic/market liberalization within a neo-liberal global framework (Vaughan & Gebremichael 2011, Steve 2016), ‘decentralization of state power’ through the introduction of ethnic federalism, and the ‘democratization of politics’ under a multi-party electoral framework. The EPRDF’s economic liberalization reform was essential for obtaining the international financial support necessary for driving socio-economic progress. Advances in socio-economics, decentralization, and democratization were viewed as strategies to mitigate conflicts and eliminate their deep-rooted causes (Abbink 2011; Steve 2016). decentralization of the state power, through the introduction of ethnic federalism and democratization of politics, under a multi-party electoral system.

The EPRDF’s reform of economic liberalization formed a prerequisite for the international financial support needed to power socio-economic development. Advancements in ‘socio-economics, decentralization, and democratization’ were perceived as strategies to address conflicts and eliminate their deep-rooted origins (Abbink 2011; Steve 2016). However, Waal (1992), noted, the initial measures of the EPRDF failed to establish the institutionalization of democratized government by the 1993/94 national election as a result of the EPRDF’s victorious party political mobilization, the one-party control of the political process, (Waal 1992) and the occurrence of ethnic divisions with a contradictory and divided political scene of the competing ethnic parties, The Ethio-Eritrean war of 1998 followed by a significant degeneration of the international funding rate and critical socio-economic and political crisis were another feature of the EPRDFs early political miscalculation (Harbeson 1996, UNHCR 2014). Some scholars such as Abbink (2011), Bach (2011),

¹⁴ See: Constitution of the Federal Democratic Republic of Ethiopia: available online at: <https://www.refworld.org/docid/3ae6b5a84.html>

and Steve 2016 argued that from its beginning the EPRDF's political and structural arrangements have failed to address fundamental aspects of democratization. For instance: Abbink (2011) stated that the legal framework of Ethiopian politics after 1991 is an elaboration of the political ideology of the party that won the civil war in 1991, the TPLF/EPRDF, and the ruling party that emerged victorious in the civil war, revealing little alteration from the 1991 Transitional Charter, which signaled a robust ethnic foundation for the future political arrangement of post-conflict Ethiopia. The political arrangement of the post 1991 EPRDF, proclaimed a democratization strategy rooted in the concept of 'revolutionary democracy,' an ideology derived from Marxist-Leninist thought, which conferred an overarching role to the party in national politics and complete control over the political and economic domains of the country (Bach 2011). In the political sphere, the regime has decided to transform a highly centralized one-party arrangement into a radical federation of States designed to be extensively decentralized, underpinned by a competitive multiparty electoral system, formal separation of powers among the legislative, executive, and judicial branches, and adherence to international legal standards related to human, economic, civil, and political rights (Clapham 2006, Abbink 2011, 2015).

Within the domain of rights, the key commitments of “the EPRDF regime amid the transitional agenda and the formal adoption of the new constitution centered on the rehabilitation of those adversely affected by the previous regime, the promotion of democracy, and the affirmation and safeguarding of human and minority group rights (Abbink 1995). Similar to the transitional Charter,¹⁵ the 1995 Constitution is derived from the Universal Declaration of Human Rights and additionally establishes safeguards for group rights (Cohen 1995). Articles 14 through 44 of the 1995 Constitution enshrine "fundamental rights and freedoms," with Articles 14 through 28 focusing on "human rights" and Articles 29 through 44 delineating "democratic rights" (Cohen 1995, Abbink 1995)". “The FDRE constitution of 1994/5 detailed the essential democratic and human rights and freedoms, which encompass freedom of speech, press, and assembly; freedom of consciousness and religion; as well as the rights of the accused and arrested individuals and various socioeconomic and cultural rights, including the right to free education, access to healthcare, and the freedom to engage in science, technology, and the arts” (Tsegaye 2009).

Ideologically, based on domestic and international political and economic changes and motives, literature categorized the EPRDF's government into two major sects.

¹⁵ Note: “For instance, the Transitional Period Charter adopted many of right based articles deriving out of Universal Declaration of Human Rights from the United Nations, Article 1 of the Charter ensures fundamental rights and civil freedoms, notably the liberty of expression, association, and assembly; the freedom of conscience; and the entitlement to 'unlimited' political engagement and party organization, 'as long as the utilization of such rights does not violate the rights of others.' Furthermore, Article 17 of the Charter discussed interethnic relations in Ethiopia. (see: Cohen 1995, Tronvoll, and Kjetil 2008)”.

1st The ideology of “Revolutionary Democracy” (1991-2000); it is the combination of deep-rooted ideological conviction¹⁶ or the mixture of Marxist Leninist concepts with liberal democracy that culminates in a democratic centralism under a leading single party (Bach 2011, Troupin 2016). According to Vaughn & Tronvoll (2003), the central motive of the revolutionary democratic concept is to ensure a foundation for the inherently collectivistic character of society through social movements composed of a “homogeneous mass with shared needs, interests, and political perspectives” (Vaughan & Tronvoll 2003).

For the EPRDF government, this combinational ideology was a tactical paradigm shift aimed at legitimizing the political and economic structure internally and pursuing acceptance from the international community followed by a broad provision of foreign assistance from numerous bilateral and multilateral donors (Troupin 2016, Brown and Fisher 2020).

2nd The introduction of “Developmental State (DS)” by Meles Zenawi (since 2000). DS is an authoritarian development-oriented governance framework that facilitates inclusive strategic decisions for sustainable economic development, and it also serves as the EPRDF’s tactic to shield itself from short-term political pressure (Wade 1990, Troupin 2016). Initially, the notion of 'developmental state' was introduced to depict the rapid economic growth and industrialization in East Asian countries. Subsequently, the early interpretation of the concept became closely tied to bureaucratic rule, the political supremacy of “pilot agencies” and authoritarianism (Brown and Fisher 2020). The EPRDF's adherence to the political economic notion of a developmental state has been provoked by two major aims (internal and external)- firstly, to establish a centralized political system and authoritarian governance and secondly, to attract and maintain the support of donors, particularly China and other non-western donors and thereby integrating the concept into their rationale for backing the EPRDF regime (Brown and Fisher 2020, Troupin 2016).

4.2. FOREIGN AID INFLOW TO ETHIOPIA SINCE 1991

Ethiopia, positioned in the ‘Horn of Africa region’, is an “Aid dependent” country (Ali and Zeb 2018:5). The phrase "aid dependence" signifies "a condition in which a nation is unable to maintain fundamental governmental and economic functions, like management, operation, perpetuation, or the provision of essential public services, without the backing of foreign aid funding and expertise, or it refers to the share of government expenditure provided by overseas donors" (Stanford 2015, Adane 2015). Ethiopia is known to have started receiving foreign aid, in its official form, in 1950, when it became the first African recipient of

¹⁶Note; “the concept of revolutionary democracy is a Marxist and Leninist revolutionary thought and it emerged as an opposition to the Western capitalist ideology. However, the Marxian idea of “Proletariat dictatorship” was assumed to be an antithesis of the “parliamentary bourgeois democracy” and the social revolution that would not permit any internal factionalism was designed to be led by a vanguard party in a “democratic centralism”. Therefore, following the end of the Cold War, the revolutionary democracy has been interpreted as a bridge and a mixture between capitalist political and economic principles of liberalism and socialist ideology” (see Bach J.N 2011, Brown & Fisher 2020, Troupin 2016).

World Bank assistance (OECD 2005). As noted by Adane (2015), the initial aid inflow to Ethiopia grew gradually as Western states increased positive relations with the country, and these ties intensified due to Ethiopia's strategic significance to the West (notably the Kagnew Station established by USG in Asmara in 1943 to get a geo-political and strategic access in the Horn of Africa and the Middle East) (Adane 2015). Subsequently, developmental and humanitarian assistance was given to the country based in line with its bilateral or multilateral relations. However, in the 1980s International donors were hesitant to assist Derg regime, directly (due to its pro USSR political attribute) leading to aid being funneled at an exceptional rate through the NGO's and non profit sectors (Vaughan & Gebremichael 2011: 62). Despite this, the majority of "the western donor contributors to Ethiopia and the volume and nature of assistance that the nation has acquired have experienced fluctuations over time due to ideological, historical and poor human rights record of the country" (Furtado and Smith, 2007:58).

When the EPRDF took control of the political power in 1991, donors' relations with the country (which has been halted in the Derg regime for the aforementioned factors) was revitalized with larger vigor and potential. Since 1991, the EPRDF government has been involved in serious and extensive reform projects, which have brought high levels of support from the international community (Bayu and G/Mariam 2018). Accordingly, the range of international assistance has been expanded, and new priorities have been given to other areas such as democracy and human rights within the broader development framework (Adane 2015). As discussed in chapter two, following the end of the cold war the political and economic ideology of neoliberalism has become a new world order, (especially regarding foreign relations and aid) which was mainly promoted by international donor agencies like IMF and the World Bank, through structural adjustment programs (SAP).¹⁷ This approach advocates for a limited governmental role that embraces neoliberal policies as a universal strategy for advancement and urges reform of the recipient nations' policies to adhere to expected 'conditionalities,' which are closely linked to the principles of neoliberalism (Stiglitz 2002; Summers and Pritchett 1993; & Toye 1994). The SAP has been mainly centered on reforming domestic policy, including implementing free market policy and privatization such as; free trade and opening international finance, privatizing state-owned enterprises and natural resources, deregulating economic activities, Devaluing currencies to reduce the balance of payments deficits, and reforming the provision of social services (Zack-Williams & Mohan 2005, Headey 2009, Girma 2020).

¹⁷ Note; Structural adjustment programs (SAP) originated from the Bretton Woods organizations, (the IMF and the World Bank) which have been imposing specific conditions on their loans since the early 1950s. Initially, these conditions predominantly concentrated on a nation's macroeconomic strategy. The term SAP, as it is recognized today, came about due to a series of global economic calamities during the late 1970s; these included the oil crisis, debt crisis, numerous economic downturns, and stagflation. Such financial setbacks compelled donors to take more intensive actions regarding countries' economic, democratic, and human rights dimensions. In 2002, SAPs experienced another evolution with the introduction of Poverty Reduction Strategy Papers. PRSPs were developed as a consequence of the bank's belief that effective economic policy initiatives must be anchored in substantial national ownership. (Asabu 2017, Stiglitz 2002; Summers and Pritchett 1993; & Toye 1994).

According to Pelev (2017), and Bach (2012), by the end of the 1970s & 1980s, the TPLF-EPRDF emerged from the Marxist Leninist League of Tigray (MLLT) under Meles Zenawi, which was highly influenced by the socialist mode of political and economic ideology, and during the struggle (civil war) (1980s) period the notion of liberalism and neoliberalism has always been defined as a part of western of capitalism. However, the post-1991 period has marked the EPRDF's shift of ideological conviction from traditional Marxist Leninist to revolutionary democracy (*Abyotawi democracy*) and Neoliberalism economic policy reform. These ideological shifts were influenced by internal and global pressures (Pelev 2017, Abbink 2011).

- Internally
 - To consolidate political power within the party
 - To legitimize the economic structure, policy, and reform measures
 - seeking domestic support to establish a party centralist system
- Externally
 - The fall of the USSR and the communist allies (with the end of the cold war).
 - SeThe impact of global funding organizations such as the World Bank and IMF compelling a political and policy transformation grounded in the principles of neoliberalism, including their prerequisites for offering foreign assistance (Pelev 2017, Abbink 2011).

The EPRDF's commitment to neoliberal political and economic ideologies has been pivotal in the consistent rise of overall ODA inflow to Ethiopia since the 1990s. Moreover, through the advocacy of the governmental policy of “developmental state” the EPRDF government has been actively formulating and executing the development policies and strategies since the early 2000s, which has won the favor of the US, China, and various Western and Far-Eastern officials/donors, who view it as an instance of “African 'ownership” of aid and a long-term sustainable approach towards the country’s economic progress (Brown and Fisher 2020, Abbink 2011, Troupin 2016). As the twenty-first century progressed, the total aid inflow to the country has surged (this increase has been notably fueled by the country’s’s commitment to eradicate poverty, aimed at achieving the Millennium Development Goals (MDGs) and Poverty Reduction Strategy Papers (PRSPs) (Demmers et al., 2004). The series of development policies and strategies, including the Sustainable Development and Poverty Reduction Program (SDPRP 2001/02-2004/05), the Plan for Accelerated and Sustainable Development to End Poverty (PASDEP 2005/06-2009/10), Growth and Transformation Plan GTP I (2010/11-2014/15), and GTP II (2015/2016-2019/20), illustrate the government's strong desire to elevate the state to the status of a middle-income country by 2025, following the developmental state pathway (Eyob, 2017; Fisseha and Abtewold, 2017, Hauge and Chang, 2019, Brown & Fisher 2020).curitization of international aid. The influence of global donor organizations such as the World Bank, and IMF to undertake a policy and political reform based on the notion of neoliberalism, including their preconditions for providing foreign aid (Pelev 2017, Abbink 2011).

According to the OECD report (2019), Ethiopia ranks among the foremost aid recipient in Africa, having secured approximately 4,117 million, representing 8% of the total dispensed aid by the international donors, followed closely by Nigeria, which received 3,359 million or 6% (OECD 2019). Ethiopia also as one of the globe's beneficiary of international economic assistance. Annually, it secures approximately US\$3 billion in financial support, accounting more than third of the country's yearly budget, sourced from international contributors such as the World Bank, the United States, the European Commission, the United Kingdom, Germany, the Netherlands, Canada, and Japan. (WB 2023, UNDP 2023)¹⁸. Ethiopia is also stands as one of the the world's largest recipient of foreign development assistance. "It receives about US\$ 3 billion in funding annually, accounting morethan a third of the country's annual budget, sourced from external donors including the World Bank, United States, European Commission, United Kingdom, Germany, Netherlands, Canada, and Japan" (OECD 2020:16).

Top ODA donors of Ethiopia: The World Bank ---\$1,742 Billion (the largest multilateral donor), **United States** ---\$866.0 million, **United Kingdom** ---\$382.3 million **European Union (EU) institutions** ---\$200.9 million, **African development bank (AfDB)**---155.6 million '(World Bank 2022).

The World Bank report (2011) notes that since the 1990s, the largest bilateral donors have been the US, UK, Netherlands, Germany, Canada, Italy, and Japan. However, multilateral donors have prevailed, with the World Bank, European Commission, and AfDB ranking among the top ten donors to Ethiopia, (constituting 37% of the overall ODA inflow). For instance, within the period from 1999 to 2009, the share of AfDB in the total ODA inflow to Ethiopia was 4% (World Bank 2011).

Top Donor Partners

World Food Program -\$193.1M, Catholic Relief Services: \$115.616 million, 'United Nations Office of the United Nations High Commissioner for Refugees': \$101.089 million, U.S. Government - Department of Health and Human Services: \$52.84 million, Relief Society of Tigray: \$46.9609 million, Save the Children Federation, Inc.: \$35.1308 million, Creative Associates International: \$31.7279 million, Pathfinder International: \$30.4598 million, Church and Faith-Based - United States Redacted: \$29.4601 million, Enterprise - United States Red- \$26.22M (OECD 2022, USAID 2022).¹⁹

The study of Hansen and Borchgrevink (2006) investigated the ten years of total aid inflow to Ethiopia by dividing it into bilateral aid and all aid and they found that the gross level of aid received by Ethiopia over the period 1992–2002, showed great fluctuations. Spiking at US\$1,178 million in 1992, aid levels saw a consistent drop until 1997 when it plummeted to US\$579 million, marking a reduction of over 50% from the peak of 1992. The year 1997 signified the low point. Following a slight decline from 1998 to 1999 (from

¹⁸ World Bank. (2023). "Ethiopia Overview." Retrieved from [World Bank website link] or United Nations Development Programme (UNDP). (2023). "Ethiopia: Development Aid." Retrieved from [UNDP website link]

¹⁹ <https://www.foreignassistance.gov/cd/ethiopia>.

US\$660 million to US\$643 million), a year-on-year increase was observed for the rest of the period. Significant aid cut and reductions occurred prior to and throughout the Ethio-Eritrean conflict, reaching as low as US\$579 million (Borchgrevink 2008).

Figure 4.1 the total aid inflow to Ethiopia from all multilateral and bilateral donors (1991-1999).

The fiscal year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
(USD)	1111	1178	1090M	1071	883M	818M	579M	680M	643M	693M	1080
	M	M		M							M

Prepared by author based on the OECD (2001) DAC Statistics <http://stats.oecd.org/Index.aspx>.

The study by OECD (2011), which covered the evaluation period from 1999 to 2010 has found that the approximate aid surged from US\$680 million in 1999 to US\$3.32 billion in 2008, representing nearly a fivefold increase. This growth was significantly driven by the cessation of the conflict between Ethiopia and Eritrea in 1997/8, during which time bilateral donors had substantially pulled back their support. Following this, there was a consistent rise year on year, except for 2006, thus showing a remarkable uptick until 2005. By that point, General Budget Support (GBS) constituted a considerable share of the overall total, leading to a minor decline in 2006 when GBS was halted (due to the EPRDF's inadequate human rights situation in post 2005 general election) and it took several months for Development Partners (DPs) to evaluate and establish alternative aid mechanisms. Subsequently, aid has continued to grow (World Bank 2009). According to Brown & Fisher (2019), after the end of the Ethio-Eritrean war in 1998, the flow of foreign aid to Ethiopia was dramatically increased following the radical transformation of the state of affairs.

However, Adane (2015) underlined that, by the late 1990s and early 2000s, the Ethiopian government, under the leadership of Meles Zenawi, aligned itself more explicitly around two key US and World Bank/IMF policy agendas. First, Ethiopia adopted neoliberal economic reforms prescribed by the Bank (1990s to 2000). Second, Ethiopia has positioned a decisive Western security ally in the Horn of Africa during the period of The Global War on Terror (GWOT) that centered on the Western geopolitical interests in the region which encouraged consolidation and scaled up of the foreign aid to Ethiopia in particular. In the mid-2000s, the region gained strategic significance in coping with the Western donors against Islamic fundamentalists (Feyisa 2012). For instance: Ethiopia was the main US ally in East Africa against the regime of Omar al-Bashir in Sudan and Ethiopia has played a great role since 2006 in counterinsurgency by supporting a peacekeeping force and state-building efforts in Somalia and securing a considerable increase in US military and economic aid as a result (Adane 2015, Brown & Fisher 2019). However, since 2002, the total aid received

by Ethiopia has more than doubled again from the 1997 level, up to US\$1,306 million. (Hansen and Borchgrevink 2006). On the other hand, the study of Brown and Fisher (2019), indicates the total ODA flows to Ethiopia between 1997 to 2008 escalated over 500% (Brown and Fisher 2019). (See Table 4.2). Figure 4.2 the total aid flow to Ethiopia from all multilateral and bilateral donors (2002-2012).

Fiscal year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
(USD)	1.32B	1.62 B	1.83B	1.93 B	2.03 B	2.61 B	3.32 B	3.82 B	3.46 B	3.49B	3.24B

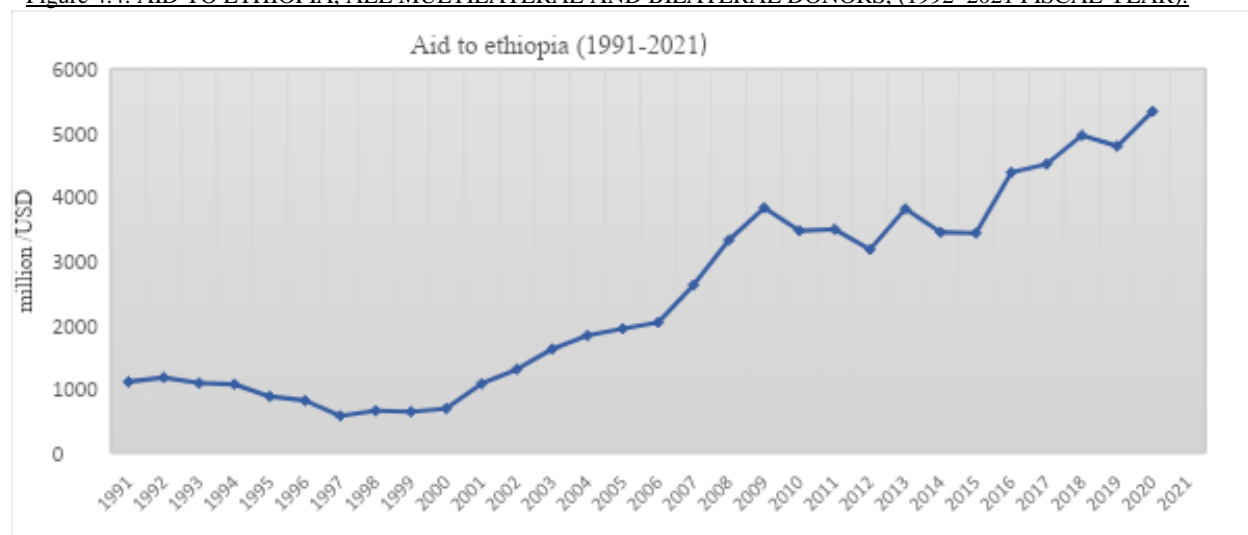
Source: The World Bank database: 'available online at <https://data.worldbank.org>'.

Figure 4.3: the total ODA disbursements, total official development aid inflow, and total aid receipts by Ethiopia (2012-2021)

Budget year	Total ODA disbursements to Ethiopia. Allocation of Official Development Aid Disbursements. Regional distribution by donor, recipient, and for certain forms of assistance (e.g., grant, loan, technical cooperation) based on disbursement (real expenditures). The flows from all bilateral and multilateral donors.	Total official development aid inflow .Official Development Finance (ODF), calculated exclusively for recipient nations, represents the total of their incoming bilateral ODA, both concessional and non-concessional funds from multilateral entities, and bilateral additional official resources provided for purposes not linked to trade, especially loans aimed at debt refinancing.	Total aid receipts by Ethiopia,. Besides Official Development Assistance, this section specifically comprises: alternative official bilateral dealings that are either non-concessional or, although featuring elements of concession, mainly aim at facilitating trade (i.e., "Other Official Flows"); variations in the long-term bilateral assets of the private non-monetary and monetary sectors, particularly guaranteed export credits, private direct investments, portfolio investments, and, loans from private banking institutions. Contributions from the multilateral sector
2012 F/Y	\$1810.55M	\$3176.370M	\$1915.87M
2013 F/Y	\$1900.54M	\$3810.470M	\$1871.15M
2014F/Y	\$1861.08M	\$3446.460M	\$2223.29M
2015F/Y	\$1933.41M	\$3431.540M	\$2648.32M
2016 F/Y	\$2191.33M	\$4379.380M	\$2718.70M
2017 F/Y	\$2327.28M	\$4510.400M	\$3194.02M
2018 F/Y	\$2087.48M	\$4956.770M	\$2276.84M
2019F/Y	\$2210.44M	\$4790.530M	\$2312.44M
2020F/Y	\$2346.89M	\$5332.770M	\$2518.19M
2021F/Y	\$2360.72M	\$3918.850M	\$2260.34M

Source: Author; based on the OECD/DAC database [https://oecd.org.stats/index.aspx.datasetcode \[DAC2a\]](https://oecd.org.stats/index.aspx.datasetcode [DAC2a]).

Figure 4.4: AID TO ETHIOPIA, ALL MULTILATERAL AND BILATERAL DONORS, (1992–2021 FISCAL YEAR).



Prepared by researcher, ; based on the OECD/DAC Development Database (2023), the World Bank Group report (2022).
<https://worldbank.org/indicator/ODA>.

4.3 ASSISTANCE FOR DEMOCRATIZATION AND GOOD GOVERNANCE IN ETHIOPIA (1991-2021)

In Ethiopia, it remains challenging to find a comprehensive document or research exclusively done on the subject of democracy and human rights aid, and its implications for governmental, political, and rights-based dimensions, particularly, in the aftermath of the establishment of the EPRDF regime in 1991 to the 2005 elections (Dessalegn & Ayenew 2004, Adane 2015). However, “the study of Adane (2015) asserted that in the post-1991 era, the democratic support to Ethiopia has faced considerable challenges due to the issues of ideology, national interests, sovereignty, and geopolitical factors. These difficulties have led to poor management systems, feeble rules, regulations, and legal frameworks, rampant corruption, and ineffective mechanisms to govern the relationship between the Ethiopian government and international donors that shows the detrimental/negative impact of foreign aid in the country. His findings also indicated that the role of foreign aid in promoting democracy in Ethiopia has been “minimal” or “negligible” and increasingly sparse, particularly in the mid-1990’s”. According to Brown & Fisher (2019), a significant factor contributing to this issue is that donors have repeatedly reverted to direct budgetary support owing to various local political and governmental dynamics, opting to depend on general development efforts when faced with unconvincing democratic governance (for example: the Ethio-Eritrean conflict and political turbulence during the mid-1990s, as well as the popular unrest after the 2005 national elections). In this aspect the institutionalized form of democracy assistance, which has been provided by the Democratic Institutions Program (DIP) to some governmentally established institutions, underscores the evolving face of democracy assistance in Ethiopia (Adane 2015).

Since 1991, major ‘bilateral and multilateral’ donors have indeed provided support to the government and democratization programs of the EPRDF: USA, UK, Norway, Sweden, Netherlands Canada, Germany, and Italy are among bilateral and the World Bank, UNDP, AfDB are the major multilateral donors of Ethiopia (CRS 2018). The study of Dessalegn & Ayenew (2004) shows that democratic aid in Ethiopia is grouped into five broad categories:

- Support for election and electoral process: These areas of assistance include financing election campaigns and the UNDP funding to civil society, providing operational support to National election board to enhance the conduct of transparent, efficient and inclusive elections, support NEBE and other key stakeholders to respond to electoral crisis. For instance, the UNDP only spends 40, 004,000 USD for the election and related projects in Ethiopia in 2021.²⁰
- Support for the legal system: improvement in the justice and court system.
- Funding the capacity-building program for the parliament and national election board. Support NEBE and the parliament to strengthen capabilities to operate public engagement and external communication initiatives.
- Assist to civil society
- Support media (Dessalegn & Ayenew 2004, UNDP report 2022).

The World Bank report (2013) noted that support for the democratic governance sector constitutes a significant portion of developmental assistance in Ethiopia. Donors are actively involved in improving governance and institutional development through projects like the ‘Public Sector Capacity Building Program’ (PSCAP). The ‘European Commission (EC) and the United Kingdom (UK)’, both allocate substantial funds to support good governance. The program is intended to boost the public service efficiency, the participation of the citizens, and advance good governance and accountability (World Bank 2013). The ‘Democratic Institutions Program (DIP)’ was designed to promote and protect the citizens rights, good governance, and increase public involvement (UNDP 2010). Funded by ‘Canada, the EU, Ireland, Sweden, the UK, and the US’ among others, DIP is part of these donors’ democratic institutions promotion agenda (EU 2008).

Nevertheless, the scale and extent of democratic aid directed towards the democratization efforts and the fortification of democratic institutions in Ethiopia are relatively small compared to other forms of foreign assistance, such as development aid during the Era of EPRDF (Bayu and Gebremariam 2018). The study of Dessalegn & Ayenew (2004) indicates that post-1991 democratic aid to Ethiopia constitutes a negligible fraction of the total foreign aid inflow to Ethiopia; in other words, major donors place minimal or no

²⁰ See: <https://www.undp.org/ethiopia/projects/electoral-support-project/2021/>.

emphasis on democratic and governance support. This situation arises due to two primary factors: Firstly, some of the key donors have reduced their governance assistance for various reasons, such as political or governmental challenges. For example, after the 2005 political unrest, the World Bank and donor coalition in the Development Assistance Group (DAG) (which encompasses all major donors to Ethiopia) ceased their direct budgetary assistance to the Ethiopian government in favor of Protection for Basic Services (PBS) funding, directed towards five sectors: roads, health, education, water, and agricultural extension (Adane 2015). Secondly, there is a noticeable shift by donors from focusing on ‘democratization and governance to economic and humanitarian assistance’ (Dessalegn & Ayenew 2004).

As discussed in the aforementioned studies, donor assistance for democratization and governance in Ethiopia (post-1991) have limited implications in enhancing the local democratic process and progress. According to Adane (2015), the process of democratization that has been supported by the donors has been less practiced and the issue of democratic aid remains contentious in Ethiopia, especially in the post-1991 context. Whereas, it is essential to consider Ethiopia's local political and historical realities and dynamics, such as the country's poor democratic culture, public awareness, economic resilience, transformative capacity, and the pace of global changes (Adane 2015). According to the USAID report on democracy and governance (2013), the essential guidelines and principles laid out in the constitution are largely unexecuted. A significant challenge, in this perspective, is the absence of institutional independence, and a failure to ensure the separation of powers and the necessary checks and balances among core government organs; for instance, the judiciary lacks autonomy, the executive is not accountable to the parliament, and exerts control over all state affairs. Furthermore, because of the deep entanglement of the state and the ruling party, the actions and objectives of the government and the ruling party (EPRDF) have become indistinguishable, and the ruling party dominates the political and socio-economic aspects of the country (Human Rights Watch, 2010). The primary contributor to these problems is that the EPRDF government has increasingly adopted autocratic and totalitarian rules and practices, particularly following the 2005 national elections, and demonstrates little political will or intention to facilitate substantial political reform and authentic democratic progress (Adane 2015). Conversely, the political atmosphere in Ethiopia has also been drastically restricted. In the 2010 Parliamentary Election, which took place under conditions unfavorable to free and fair elections, the ruling party claimed victory with 99.6%. Consequently, the EPRDF maintained control of 545 out of 547 parliamentary seats, securing its hold on power until 2015. The 2010 election gives “ample evidence that Ethiopia is an authoritarian dictatorship that holds elections every five years (CHRG 2013).

Despite numerous reports and investigations revealing the undemocratic nature and political and electoral dominance of the Ethiopian regime, the donors have done little or no to support the democratization efforts or to halt their political support to Ethiopia's authoritarian government. For example, in a 2023 article by the Guardian, it was reported that “aid agencies have been aware for a long time that corrupt Ethiopian officials

were misappropriating and stealing donated funds, and they accepted this as the cost of operating in the country.” ‘Ethiopia's oppressive regime has misused foreign aid for nefarious purposes, as leaders within the ruling party manipulate their influence to grant or withhold financial support from citizens based on their political alignment. Even more alarming, international donors seem to focus more on denying these violations than on addressing them’ (HRW 2010). Research conducted by Human Rights Watch (2016) also indicated that foreign aid has evolved into one of the government's most effective tools for stifling and punishing dissent. ‘Local officials frequently deny assistance to those they view as political adversaries.’”

4.4 FOREIGN ASSISTANCE FOR HUMAN RIGHTS PROMOTION IN ETHIOPIA

As discussed earlier, various international donors and most of its regional governments have released widespread support for Ethiopia, recognizing its contributions within the African Union (AU), its role in ‘United Nations peacekeeping operations, its efforts in regional negotiations and counterterrorism, as well as its migration collaborations with Western nations’ (OECD 2019). In Ethiopia, the support from donors aimed at human rights is encompassed within the ‘Democratic Institutions Program (DIP)’. Under this program, key funders, including the EU and UN agencies operating in Ethiopia, have unified in their commitment to enhance the capabilities of the principal democratic and human rights entities in the country, such as the ‘Ethiopian Human Rights Commission’ (EHRC). The primary goal of this initiative is to elevate the EHRC's effectiveness to fully align with international standards established for national human rights institutions, like ‘the Paris Principles’. The initiative intends to:

- A. Fortify national capacity to uphold, safeguard, advocate, and address human rights;
- B. Train the skill development regarding duty reporting, documentation, public engagement, and project management; and performance evaluation.
- C. Amplify the community consciousness about human virtues and bolster the capacity of ‘Ethiopian Civil Society’ to engage and collaborate in the advocacy, safeguard and awareness creation on human rights (Cassidy, Regassa &Hodge 2010, and Negalign 2019).

Supporting the Commission entails various action plans executed to fulfill specific activities aimed at achieving the Commission's overarching objectives. Below are distinct activities planned under each program:

- 1) **Human Rights Education**- The essence of this program is to foster public consciousness regarding human rights or specific rights through direct interactions or media outreach, publications; promoting educational efforts on awareness by acting as a repository for human rights resources/materials, as well as through training pivotal personnel.
- 2) **Human Rights Protection** – This includes initiatives focused on resolving inherited backlogs, processing filed grievances, handling essential or prioritized cases, addressing systemic or group concerns; ensuring

solutions are applied, striving for amicable case resolutions, and guaranteeing the execution of strategies and settlements.

- 3) **Human Rights Monitoring** – In this domain, the Commission monitors detention facilities; ensures compliance with acknowledgment; assesses the general human rights condition of the country; and conducts event supervision.
- 4) **Advising the Government**- This initiative involves the Commission’s advisory roles concerning existing legislation, policies, and practices; guidance on proposed legislation, policies, and practices, alongside advising the Government on Treaty Bodies Reporting.
- 5) **Human Rights Research**—Under this program, the EHRC aims to undertake both in-house and outsourced research on human rights topics and issues; conduct research to aid the formulation of guidelines, policies, and protocols; facilitate research to bolster program execution; promote academic exploration into human rights themes, and develop a research action plan (Cassidy, Regassa & Hodge 2010, Agegnehu & Dibu 2015, CRS 2020).

According to the UN report (2005), the International Support Program for Human Rights and Democratic Institutions of the Government of Ethiopia (GoE) has been primarily implemented in the area of Governance. The UNDP, EU, US, and other donors have been engaged specifically in the area of;

- ✓ Supporting decentralization and local governance programs:
- ✓ Supporting justice and human rights endeavors;
- ✓ Supporting federal legislature, regional assemblies, electoral institutions, and stakeholders
- ✓ Supporting civil service reforms, conflict resolution, and capacity enhancement
- ✓ Supporting the Federal Ethics and Anti-Corruption Commission; providing performance development:
- ✓ Aiding to address and strengthen the capabilities of vital institutions such as parliament, human rights, anti-corruption and consistently engaged in electoral assistance (UN report 2005, Cassidy, Regassa & Hodge 2010, and UNDP working paper 2018, CRS2020).

The international donors support the human rights and democratic institutions of Ethiopia through several separate projects and action plans directed towards both federal and regional Parliaments; the ‘House of Federation; the Justice System Reform Program; the Electoral System and Civil Education; The Human Rights Commission; the Office of the Ombudsman and the Federal Ethics and Anti-Corruption Commission(Regassa &Hodge 2010). According to Regassa & Hodge (2010); and UNDP working paper (2018), since 2000, the international donors of Ethiopia; the UN, UNDP, EU, and other donors have been contributing to advance human rights in Ethiopia under the implementation of Democratic institution program (DIP) by;

- 1) Enhancing the effectiveness, sufficiency, and responsiveness of democratic institutions in advocating and protecting citizen rights:

(a) Supporting the development of human and institutional capacity for democratic bodies at the federal, regional, and sub-regional levels.

(b) Checking the the effective and efficient utilization of human rights funding to build the technical capacity of the targeted institution and participating in ‘planning, monitoring, and budgeting processes’ as well as procuring essential equipment and supplies to empower them to fulfill their duties more effectively.

2) Advocating for ‘Human Rights’ and ‘Efficient Governance’: support to strengthen the capabilities of institutional programs (IP) to more adeptly fulfill their constitutional responsibilities, alongside the DIP that assists the advancement of human and Democratic Institutions as well as the enactment of human rights policies.

3) Enabling citizens to participate actively and become significant contributors to the democratic process while upholding the rights of others: DIP support to achieve a higher level of citizen engagement in the democratic process and education on respecting the rights of others.

4) Aiding non-governmental organizations dedicated to advocating human rights and good governance. Civil Society organizations received funding and training from IPs to conduct awareness campaigns on a wide range of issues related to anti-corruption, maladministration, and human rights; although, due to the DIP's focus on enhancing governmental institutions, there was less concentration and funding allocated to CSOs, restricting their freedom to determine which issues to advocate.

5) Aiding the human rights mechanisms, both governmental and experts, assisting in the promotion and clarification of human rights norms and standards.

6) Addressing the issues of accountability, especially during and after conflict, and extending support to governments and civil organizations in the advocacy and protection of human rights.

7) Supporting initiatives for human rights education.

8) Assisting in the development and supervision of judicial independence and other human rights and democratic institutions.

9) Advocating for women’s rights and the eradication of violence against women, including assisting in the effective enforcement of the ‘Convention on the Elimination of Discrimination against Women’;

10) Enhancing awareness among governments, ‘civil society organizations’, and donor partners in the practical application of human rights instruments to promote human rights and extending support for monitoring prisons and detention facilities. (UN report 2005, Cassidy, Regassa &Hodge 2010, and UNDP working paper 2018, CRS2020).

However, in Ethiopia, the rights-based clauses outlined in the constitution have largely gone unfulfilled over the past three decades. The ‘U.S. Department of State’ (2004) reports that Ethiopia is a country characterized by prolonged political crisis, conflict, and extensive human rights violations. Research from Human Rights Watch (2010) indicates that foreign aid directly supports a virtual one-party state with a dismal record on

human rights. Ethiopia’s actions encompass imprisoning and silencing opponents, media and journalists, enacting regulations to undermine human rights efforts, and restricting political opposition and alternatives. The study also revealed that the EPRDF government has exploited ODA resources for non-developmental purposes, such as utilizing salaries and training as political weapons to dominate the population, punish dissent, and weaken political challengers (HRW 2010).

Figure: 4.5 Major governmental human rights abuses reported by the international human rights organizations and EHRC

Category/episodes	Description of human rights violations
1994,1996/7, and the early 2000	Repeated arrest, detention, and extrajudicial executions (HRW, 2013, AI 1997).
2005-2006	Post-election popular violence and police massacre, arresting around 30,000 individuals, and mass detention (Paulos 2011).
2007-2008	Mass arbitrary detentions and torture, rape, and assault of individuals in the Somali Regional State’ (HRW, 2013, p.15) The killing, torture, and rape continued by the region's ‘special police’, against political opponents of the regime, in the region, for about a decade since 2008 (HRW, 2016, HRW, 2018,).
2010	The governmental arrest of hundreds of opposition political party members, activists, journalists, and bloggers in the 2010 election (US Department of State 2011, CRS 2012).
2011	Forced ‘villagization’ program accompanied by threats, assaults and arbitrary arrests, and governmental arrest of political parties and students in different regions (HRW 2013, AI 2016).
2012-2014	Arresting and beating of peaceful protesters demanding religious freedom and killing of Hundreds of protesters in the Oromia region (Zahoric, 2014, AI, 2016, AI 2016).
2015-2018	Amhara and Oromo unrest, followed by government mass arresting, mass killing, Detention, Beating/ Media and Press Restrictions, internet blocking, media and Civil Society oppression (FH, 2017; AI, 2018, HRW 2018, HRW, 2018, CRS 2020).
2018-2022	Ethnic-based violence, unlawful killings, and extra-judicial executions, Attacks on civilians and civilian objects, torture and other forms of ill-treatment, Arbitrary detentions, abduction, and enforced disappearances, Sexual and gender-based violence, forced displacement of the civilian population, restrictions on freedom of movement, pillage, looting, and destruction of property (EHRC & OHCHR 2021, A/HRC/51/46 report 2022, CRS 2021, World report 2020, 2021, 2022, AI 2020,2021 US Department of State 2020,2021).

Source: Author based on the analysis accessed from the international HR organizations

According to the reports of most of the human rights monitoring organizations, the Ethiopian government has violated the constitutional rights of many of its political prisoners including journalists, opposition politicians, organizers of protests, and individuals during and after the 2005, 2010 and 2015 elections. Many of them

passed through life-threatening prison conditions, torture, mistreatment, and verbal abuses (HRW, 2007, 2011, 2013, 2015 2018; AI, 2016, 2018; US Department of State, 2011, 2015, 2017; Freedom House 2018).

Regarding the Donor's acknowledgment of the government abuses of HR, the donor governments have mentioned violations of human rights, in their various reports, the donor governments, embassies and agencies, academic articles, and news outlets (EC 2007, 2012; EU 2013, 2016; USDS 2010, 2011, 2012, 2013, 2014, 2015, 2016; USAID 2012). However, the action taken by donor government reports and donor agency reports in tackling this issue varies. The reports on country strategy and evaluation from donor agencies lack the necessary depth to adequately address human rights issues. (EC 2006, 2007, 2008, 2012, 2014, 2015; USAID 2011, 2012).

The study of Gamit (2017) indicated a correlation between foreign assistance and governmental right violations, shedding light on how evidence of human rights abuses is perceived by the donor community. It reveals that the donors only touch upon the subject of abuses to demonstrate their awareness. This attitude has compelled NGOs and local populations to directly complain to the donor organizations regarding the abuse. Simply an acknowledgement of Ethiopia's dismal circumstances is not enough to alleviate the suffering of the citizens'. Consequently, the citizens has held the donors accountable for indirectly supporting the government by providing funds to sustain its authority and to stay in power. This concern led to a serious investigation conducted by several donors into development projects and human rights violations. Notably, in 2011, an undercover investigation by the BBC's News Night program, in conjunction with the Bureau of Investigative Journalism (BIJ) who disguised themselves as tourists, uncovered that the Ethiopian regime diverted billions intended for long-term development as instrument for political oppression. The BBC reported that their team journeyed to Ethiopia's southern region, where they discovered entire communities suffering from starvation, allegedly deprived of essential food, seeds, and fertilizers due to their failure to support Prime Minister Meles Zenawi. (Gamit 2017, HRW 2010; Choi & Park 2022; Dasandi & Erez 2017).

Despite the awareness of aid misuse and rampant violation, Ethiopia's foreign aid donors have implemented only minimal actions to address the issues or confront their own complicity in facilitating governmental repression (HRW 2009). Finnegan (2011) claimed that Ethiopia embodies a paradox in aid policy and strategy. While donors concede that aid is most beneficial when defined by accountability and transparency, but donors and development agencies have consistently turned a "blind eye" to the Ethiopian regimes's suppression of 'civil and political rights', even though they acknowledge these rights are crucial for enduring sustainable socio-economic development (HRW 2010, 2011).

In summary since 1991 the volume of foreign aid inflow to Ethiopia has surged in response to the EPRDF's government pledge to fundamental reforms aligned with the global political economic shifts and the IMF and

World Bank's Structural Adjustment Program (SAP) of promoting economic deregulation/ liberalization, state decentralization, and establishment of a constitutionally grounded free and fair election (Troupin 2016, CHRG 2014). Ethiopia is one of the top beneficiaries of foreign aid mainly channeled from Western countries. However, the effectiveness of this assistance and its implications on fostering good governance, and human rights advocacy is greatly hampered by the absence of good governance, transparency, accountability, and persistent corruption. Conversely, aid provided to please political and strategic allies, or influence decisions on critical national/international affairs coupled with the political ties between donors and recipients are unhelpful to elucidate the broader effects of aid on human rights and democracy promotion (Drehe, 2015, Girma 2020, Bayu 2018).

In response to these limitations, the Ethiopian donors, particularly Western states, used to set democratic governance, human rights protection, freedom of speech, and free election as a precondition in order to get access to foreign aid (Regilme Jr 2017). Thus, political conditionality is a donor's tool for the promotion of democracy and human rights. On the contrary, the study of Crawford & Kacarska 2017 finds that the significance of political conditionality as a policy tool has declined, and the policy was replaced by its use as an instrument to promote Western security interests in line with "the securitization of politics and development." (Crawford & Kacarska 2017).

CHAPTER FIVE

US AID: HUMAN RIGHTS AND DEMOCRACY IN ETHIOPIA

This chapter provides a detailed analysis of the nature, significance, and implication of US assistance on democratization, human rights, and good governance in Ethiopia based on the primary and secondary data sources. Basically, the chapter explores the determinants of the Ethio-US partnership, the total aid flow, the significance and implication of US assistance to democracy, human rights, and good governance aspects in Ethiopia. The chapter also assesses the contributing factors for the lesser implication of US aid and the relation of US assistance and the DRG institutions in Ethiopia.

5.1 THE DETERMINANTS OF THE ETHIO-US PARTNERSHIP

Ethiopia and the USA have had “long-standing historical and diplomatic relations since the early 20th century. Formal relations were established between the United States, and Ethiopia in 1903 (department of state 2023). According to the report of Save the Children (2009), the intricate dynamics of the Ethio-US relationship have been significantly shaped by a complex interplay of global, regional, and local political, economic, and military developments. Notably, during Cold War and continued with the elevation of Ethiopia’s status to a strategic ally of U.S. in the period of Global War on Terror. This elevation of Ethiopia's importance reveals how international geopolitical interests often dictate the nature of foreign alliances. Woodward (2006), claimed that American foreign policy towards the Horn of Africa is also influenced by actors like the US Department of State (US-DoS); the US Department of Defense (US-DoD); the US Agency for International Development (USAID); The Congress; International NGOs like Amnesty International (AI) and Human rights Watch (HRW); and the Media. Thus, the American foreign policy towards the Horn of Africa (including Ethiopia), in general, is the by-product of the interplay of the interests of these multiple actors and institutions (Woodward, 2006). According to the policy guideline of the Assistant Secretary of State for African Affairs (1976);

“For many years, our interest on Ethiopia has largely been bilateral and continental... our interest in engaging cooperatively with Ethiopia stems mainly from its pivotal position in the Horn and our desire to maintain both our interest in the region and the access to port and airfields.”(Department of State 1976).

The EZEMA deputy head of party affairs stated that the Ethiopian historical position, political stand/ideology, and the US geo-strategic security and military interests are the major determinant aspects of the Ethio-US partnership. Table 5.1 Major Determinant Aspects of Ethio-US Partnership

Determinants of the Ethio-US relation	Major phenomena
Historical position of	From -1903 to 1950, Ethiopia’s history of independence and becoming the center of Western diplomacy.

Ethiopia	<ul style="list-style-type: none"> - Ethiopia's engagement in international politics and institutions like the League of Nations (1923) and the UN (1945). - Ethiopia's peacekeeping role on behalf of the UN Security Council in the Korean War (1950-1953) - Ethiopia's role in the establishment of OAU in 1963 and its political and diplomatic position /contribution/to African independence and solidarity.
Political aspects	<ul style="list-style-type: none"> -1903-1941 The Ethio-US relation was "based on the Wilsonian paradigm²¹ the use of American soft- power (to attract others through the legitimacy of US policies, values, diplomacy, and developmental engagements and assistance" (Nye 2004)). -1945-1974, the Ethio-US ideological alliance during the Cold War. -1974-1991, the rise of the Marxist-Leninist military regime in Ethiopia was followed by a dramatic break in US-Ethiopian relations (ideologically antagonistic) (Metaferia 2009: 60-70). -US's comparable foreign policy towards Ethiopia (1980's) (Mehretu 2013). -The fall of the military regime (1991) -the rise of EPRDF (1991) -the EPRDF's ideological shift to neo-liberalism, revolutionary democracy, and developmental state. - Ethiopia's role in AU, IGAD, and region "Ethiopia is important to the success of U.S. initiatives in the greater Horn of Africa because of its size, location, and potential. Ethiopia has been a key player in IGAD in trying to improve the ability of the countries in the region to prevent conflicts, peacekeeping role, avoid political crises and war, and promote development²²", and Ethiopia's significant role in the political and regional diplomatic aspects are also determinant factors of Ethio-US relation (Shinn 2018). -US's political and diplomatic support to the EPRDF (deputy head of EZEMA).
Geo-strategic location	<p>According to the policy guideline of the Assistant Secretary of State for African Affairs (1976); "<i>The Horn of Africa is viewed as strategically significant due to its proximity to the Middle Eastern oil reserves, the oil shipping lanes of the Indian Ocean, and the Red Sea route leading to the Mediterranean. Consequently, the US sees it as vital to establish influence in this region, secure access to ports and airbases there, and promote stability in the area... Our priorities in the Horn have been mainly advanced through our partnership with Ethiopia, with which we have maintained diplomatic ties since the early 1900s to support our bilateral and continental objectives/interests</i>" "Ethiopia is usually seen as the key player in the Horn of Africa and, as a result, according to special importance because of the role (positive or negative) that it can play in neighboring Sudan, South Sudan, Eritrea, Djibouti, Somalia, Kenya, and Somaliland. This is especially important for US policy dealing with regional counterterrorism efforts, peacekeeping, and regional political stability" (Shinn 2018).</p>
Security and military aspects	<ul style="list-style-type: none"> -The 1953 Ethio-US agreement over the Kagnew communication center (Department of State 1976, Clapham 1998). -US's unrestricted access to Ethiopian ports and airfields (during the H/Silasse regime since 1945) -US support of military equipment, air force, and military financing for Ethiopia (1950-

²¹ Note, the Wilsonian ideology is a type of foreign policy advice through a form of liberal internationalism, that's proposed by President Woodrow Wilson, aimed at guiding the US foreign policy and spreading the capitalist ideology.

²² Congressional Research service (CRS), (2022) "U.S. Assistance for Sub-Saharan Africa: An Overview <https://crsreports.congress.gov>".

1970)

-US security cooperation with the H/Silasse and Ethiopia received more than 50% of America's security grant and credit assistance to the whole of Africa (Getachew 2009, Negalign 2019).

"Although the tenor of our political relations with the EPMG will be largely set by the decisions we make on military assistance, some decision in principle should still be made on how we wish to use our remaining influence in that country²³"

-US support for the rebels of Derg (EPLF & TPLF) through military and finance (1980's) (Connell 1998, Milkias 2004).

-Due to the US's ideological antagonism with the Marxist Derg of Ethiopia; the US supported the Somali leader of Said Barre during the Ethio-Somali war in 1977/8 (State government 1979). (*"By 1986 Somalia was one of the largest recipients of US military aid in Sub-Saharan Africa"* (Schmidt 2022).

-Ethio-US alliance in the global war on terrorism (2000's), (Eg.in 2006, U.S. backing Ethiopian troops were deployed, to oust a network of Islamist militias of Al Shabaab and other insurgents that had taken control of Mogadishu. Ethiopia joined the U.N.-mandated AU Mission in Somalia (AMISOM), to which it contributed over 4,000 troops, in 2014 (CRS 2021). -Ethiopian peacekeeping role in the Horn (such as Somalia, Sudan /Darfur/) and AU (CRS 2022).

-Ethiopian peacekeeping role in the Horn (such as Somalia, Sudan /Darfur/) and AU (CRS 2022).

Source: Author based on data accessed from, CRS reports, policy guideline documents, and research.

5.3 AN OVERVIEW OF US AID INFLOW TO ETHIOPIA

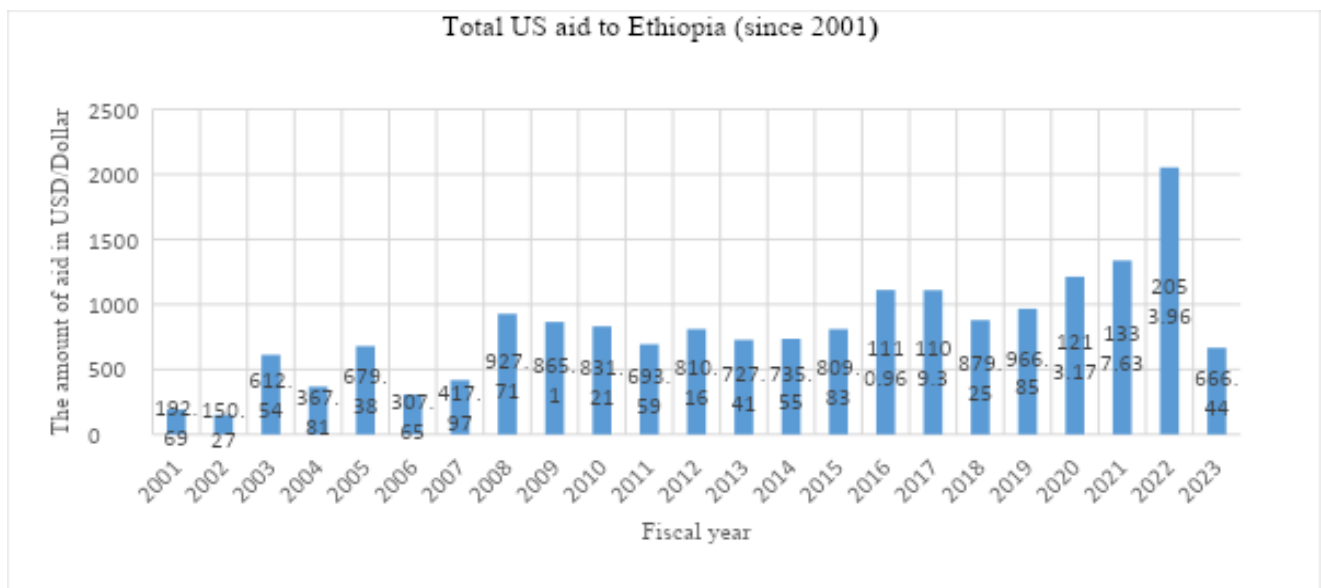
The US's humanitarian, developmental and democratic aid has been bounded with the US security interest (Mayers 2015). According to the Congressional report (2022), US security interests, geo-strategic, and humanitarian concerns are the basic objectives of US assistance which are defined as "key rationales" for US foreign assistance in the region. Since the 1950's the Ethio-US bilateral relationship and US assistance to Ethiopia has been relied on to secure these basic objectives of US interests. *"What extent of American engagement in Ethiopia aligns with our... interests in that country and the Horn of Africa? This inquiry is especially relevant concerning military support, although it applies to the entirety of US developmental initiatives in Ethiopia... our perception of the strategic importance of the Horn has led us to continue to attempt to play an active role in the area, although our long-standing bilateral relationship with Ethiopia would help us..."* (Department of State 1976).

"Ethiopia's position in a 'complicated neighborhood bordering Sudan, Eritrea, Kenya, and Somalia, has significantly affected and determined the level of U.S. Official Development Assistance (ODA) to Ethiopia."
(USAID 2021).

²³ See, "Policy guideline of the Interdepartmental Group under the Chairmanship of the Assistant Secretary of State for African Affairs" (1976).

From Truman’s Point Four programs (1949) for international development with a particular focus on the third world to “help the people” of Asia and Africa, and the first visit of H/Silasse to the USA in 1954: to the era of the first decades of 21st century Global War on Terrorism, and the 2000’s US-Africa preferential trade program (AGOA), the United States has been a significant diplomatic partner and the largest donor of Ethiopia. The US assistance to Ethiopia is mainly focused on humanitarian, developmental, health, democracy, human rights and governance (DRG), military, and security matters (Dept. of State (2020). According to the US Foreign Aid Explorer (2018), Ethiopia has received around 22,655,601,958 US Dollars from the United States of America from 1991 to 2017 (USAID Foreign Aid Explorer, 2018). With the downfall of the military government and the rise of the EPRDF in Ethiopia, the Ethio-US relations were improved as legislative restrictions on non-humanitarian assistance to Ethiopia were lifted and the diplomatic relations were upgraded to the Ambassadorial level in 1992. Between 1991-2002, the total US government assistance including food aid was \$2.3 billion (State Department 2010). During the 2003 drought, the US provided \$553.1 million in assistance of which \$471.7 million was food aid (CRS 2022)

Figure 5.2 Total US aid to Ethiopia (including humanitarian and food assistance) (2001-2023)



Prepared by the author based on the data accessed from U.S. foreignassistance.gov and fadatarequest@usaid.gov websites.

Since 2000 the total US ODA to Ethiopia has greatly increased as a result of Ethiopia’s strategic alignment with the US in the GWOT. For instance, the study of Save the Children (2009) shows that, from 2002 to 2007, the U.S. accounted for nearly \$4 out of every \$10 in official development aid (ODA) directed towards Ethiopia. This represented almost four times the contributions of the next largest supporter, the European Commission (EC), which provided around 10 percent of the total assistance during that timeframe. Numerous strategic partners of the United States receive considerable amounts of American military and security aid. As

reported by Save the Children (2009), from 1997 to 2006, the country received about \$22 million for military and security support. Simultaneously, Ethiopia ranked as the 8th largest recipient of U.S. economic and developmental aid worldwide, amounting to \$3.3 billion annually.

5.3.1 USG Sectoral assistance to Ethiopia

According to the CRS report (2020) The U.S. foreign assistance to Ethiopia has been focused on humanitarian and food security, for instance Since 2020, the United States has provided an estimated \$3.16 billion in humanitarian assistance in response to the conflict in the Northern part of Ethiopia (department of the state 2022). On the other hand, the US support for the developmental sectors includes; reducing poverty, supporting economic development, governance and administration, institutional policy reform programs, and support for the social sector. The US Military and strategic assistance funds including equipment, military training, and other defense-related services to the national-level security forces of Ethiopia, and support for the legal institutions and human rights aspects including the observance of human rights and atrocity investigation, have also provided (Dep't of state (2022). In addition supporting good governance, democracy, and human rights also constitutes some share of the US democratic assistance program in Ethiopia (CRS 2022).

Figure 5.3; USG assistance to Ethiopian democratic, governance, and developmental sectors (F/Y 2022)

<i>Aid objectives and program area</i>	<i>FY 2022</i>	<i>Aid Objectives and Program Areas</i>	<i>FY2022</i>
Democracy & Governance sectors		Developmental sectors	
Conflict, peace and security	\$5.8m	Agriculture	\$62m
Stabilization /security sector reform	--	Health	\$210m
Government and civil society	\$1.7m	Education	\$15m
Democracy and institutional	\$6.5m	Developmental and Commodity assistance	\$410m
Human rights assistance	\$1.0m	Social service and assistance	--
Atrocity investigation	\$975k	Administrative and Governance	\$40m
Public sector policy and administrative management	\$720k	Non-humanitarian development assistance	\$62.4m
Judicial reform and atrocities response	\$3.0m	Health and food security	\$379m
		Post-conflict recovery	\$5.0m
		Multi-sectorial assistance	\$140m

Prepared by the author based on the data accessed from state department (2023), U.S. foreignassistance.gov and fadatarequest@usaid.gov websites

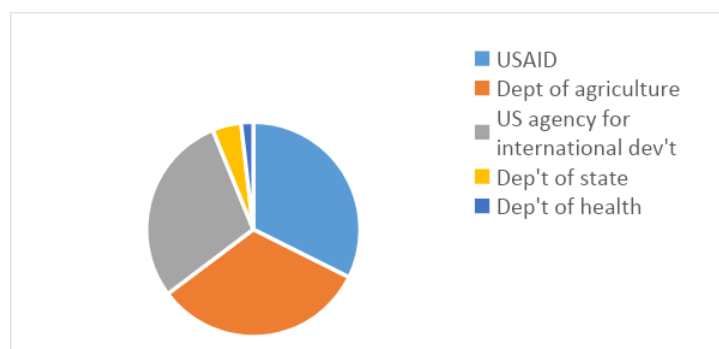
The United States spent approximately \$1.93 billion in FY 2022. Most of this funding went towards humanitarian aid, with USAID and the State Department providing \$1.55 billion. Figure 5.3 shows that the Drought-related assistance supports agriculture; food assistance; protection of vulnerable populations; and health (\$287 million). The State Department's Bureau of Population, Refugees, and Migration provided more

than \$140 million in protection and multi-sectoral assistance for refugees, IDPs, and conflict victims. The United States also provided \$379 million in non-humanitarian, development assistance in FY 2022 to promote health, food security, and civil society, see table 5.3 (Dept. of the state 2023, OECD 2023, foreignassistance.gov website accessed in June 2023).

Table 5.4 total USG aid disbursement /USD to the top sectors of Ethiopia

TOP SECTORS	TOTAL USG DISBURSMENT/USD											
	2011 F/Y	2012 F/Y	2013 F/Y	2014 F/Y	2015 F/Y	2016 F/Y	2017 F/Y	2018 F/Y	2019 F/Y	2020 F/Y	2021 F/Y	2022 F/Y
Humanitarian ass.	450 m	330 m	350 m	200 m	230 m	520 m	480 m	470 m	490 m	470 m	390 m	1.3B
Health & population assistance	240 m	230 m	250m	290 m	290 m	310 m	320 m	220 m	230 m	310 m	160 m	210m
Developmental and commodity ass.	79m	93m	110m	100 m	150 m	82m	150 m	150 m	82m	160 m	190 m	410m
Educational	16m	13m	28m	56m	33m	31m	42m	17m	28m	36m	3.6m	15m
Economic growth	13m	3.2m	--	13m	--	1.5m	--	520k	2.2m	2.0m	2.2m	--
Administrative ass.	13m	12m	17m	16m	19m	29m	39m	33m	26m	32m	27m	40m
Infrastructural ass.	--	--	--	--	--	3.3m	2.3m	4.6m	3.5m	--	--	--
Democracy and Governance ass.	95m	21m	20m	4.6m	12m	15m	12m	7.9m	28m	71m	8.7m	9.2m
Agriculture ass.	8.1m	19m	28m	49m	74m	46m	54m	35m	36m	94m	8.9m	62m
Others	2.1m	4.6m	2.9m	5.8m	6.7m	6.2m	5.7m	4.4m	10m	34m	6.2m	4.3m

>Prepared by the author based on the foreignassistance.gov, OECD (2023), Net ODA (indicator). (Accessed on 22 June 2023). **The USG agencies delivering assistance to Ethiopia** Figure 5.5 Top US foreign assistance implementing agencies (F/Y 2022)



- U.S. Agency for International Development (USAID)
- The U.S. Department of State
- The U.S. Department of Defense
- Peace Corps
- The U.S. Department of Labor
- The U.S. Trade and Development Agency
- The U.S. Department of Agriculture
- Department of Health and Human Services
- The Overseas Private Investment Corporation

Prepared by the researcher; foreignassistance.gov, OECD (2023), Net ODA (Accessed on 22 June 2023).

This section's funding information pertains to the agency responsible for administering assistance in Ethiopia, rather than the initial agency to which Congress allocated the funds (USAID 2023, foreignassistance.gov 2023). The United States federal agencies carry out foreign assistance initiatives

using either funds directly allocated to them or funds passed along from another agency. For instance, a substantial amount of funding appropriated through the accounts of the State Department and the Department of Agriculture is executed by USAID, while the majority of military assistance financed through the State Department is administered by DOD²⁴ (see Figure 5.5).

5.4 US Aid Support to Democratization and Human Rights Initiatives in Ethiopia

As stated by USAID's Assistant Administrator for Africa, Earl Gast (2013), the three fundamental aspects of the US bilateral relationship with Ethiopia are economic advancement and development; democracy, good governance, and human rights; as well as regional peace and security (congress HR 2013 pp 1). Deputy Assistant Secretary of State for Human Rights and Labor, Karen Hanrahan, asserted in a speech in October 2013, that "promoting democracy and human rights stands as one of our foremost priorities in our interaction with Ethiopia." Since the early 1990s, the Ethio-US relationship has been transformed into a new era that supports the promotion of Democracy, Human rights, and Governance (DRG) as an integral part of development and US foreign assistance. The DRG assistance was mainly provided through USAID's development and governance programs (USAID 2020). The USAID's report (2013), shows that, in Ethiopia, the USAID's Democracy, Human Rights and Governance (DRG) assistance strategies and plans have been centered on political freedom, active popular participation, and accountability to the achievement of human rights and democratic governance. According to USAID's report (2022), the US democracy, human rights, and good governance programs (DRG) in Ethiopia have mainly focused on;

1. **Supporting Democratic Governance** – Promoting governmental transparency and accountability. Supporting the governmental programs of building open, responsive, and accountable institutions and processes that serve the needs and preferences of the public.
2. **Supporting active popular Participation** – Promoting participatory, representative, and inclusive political processes and government institutions and NGOs that all have the opportunity to participate and have a voice in how they will be governed.
3. **Supporting free and fair election/competition** - Promoting free, transparent, and fair election and political competition which promotes citizens' representation and preferences.
4. **Strengthening political and government institutions**- to be responsive to citizens' needs. Fostering greater accountability of institutions and leaders to citizens and to the law. For instance, in 2020 USAID provided about \$30.4 million to the National Elections Board of Ethiopia (NEBE), to strengthen the capacity of NEBE officials to organize, administer, and conduct free and fair elections.
5. **Supporting vibrant Civil Society and Independent Media** - Defending citizens' rights of association and expression. Strengthening the CSO's technical and material capacity to play a significant role in the political, social, and economic aspects.

²⁴ Note: USAID =for US aid for international development: DOD= for Department of Defense (DOD).

6. **Protect and promote universally recognized human rights-** including supporting governmental policies of asserting access to basic services for everyone and countering discrimination that may prohibit access to those services. Advancing civil and political rights, and protecting individual rights such as the right to own private property and the right to judicial remedy are prerequisites for fostering entrepreneurship, investment, and economic growth, supporting disabilities and vulnerable populations, avoiding conflict and HR violations including reporting when an atrocity has committed by the government or another bodies.
7. **Supporting Justice and judicial institutions** – strengthening institutions and people responsible for the rule of law. In both areas, USAID provides technical assistance and leadership through research, training, and dissemination of best practices. The USAID’s Rule of Law programs in Ethiopia have been focused on three goals: Increasing Democratic Legal Authority, Guaranteeing Rights and the Democratic Process, and Providing Justice as a Service.
8. **Financing the good governance programs** includes efforts to promote: Anti-corruption Reform, Legislative Strengthening, Decentralization, Public Management and Policy Reform, and Security Sector Reform.
9. Improve development outcomes through the integration of DRG principles and practices across USAID’s development portfolio (USAID 2022, [foreignassistance.gov](https://www.foreignassistance.gov). 2023)

To address these major goals the the US government has launched different fundraising programs, assisting good governance, democracy, and human rights policies and strategies of Ethiopia, through the status quo of the New Elections and Political Progress Fundraising initiative in 2006, and center of excellence for democracy, human rights, and governance (DRG) in 2012 to provide technical advice and to support the USAID’s missions implementing programs in democracy, human rights and governance; to generate and spread awarness how to build the evidence base for international advancement within the country; and elevates the role of DRG in the bilateral diplomacy.

However, the findings from this research indicates a contradictory result on the nature, type, implementation, and effectiveness of US democracy, human rights, and governance (DRG) assistance in Ethiopia. The research presents the major contradicting findings in different dimensions; first, the data analysis encompasses through which the US DRG assistance has influenced democratic transitions and political consolidation in Ethiopia. Secondly, it elaborates on factors that determine the effectiveness and implementation of US DRG assistance and the contributing features that influence the implications of US aid in terms of promoting democracy and human rights in Ethiopia.

5.4.1. US aid and its implication in political transition to democracy, good governance, and Human rights promotion in Ethiopia

According to Resnick (2011) who studied the comparative relationship between democracy and developmental aid in sub-Saharan Africa and found a contradictory result claimed the US democracy aid is specifically designed to promote greater political liberalization in recipient states, Whereas the developmental aid encourages democracy through social and economic transformation, democracy aid focuses more on domestic and governmental agents to foster change but the developmental aid encompasses widespread economic, political and social change and transformations (Resnick 2011). More importantly, the study of Resnick (2011) underlined that the US democracy aid offers a 'carrots' and sticks' approach compared with humanitarian and development aid, and this approach has a huge contribution to the less implication and ineffectiveness of US DRG aid in the region.

The findings of this research demonstrated that the US democracy aid has little/no implication on governmental transitions to democratization, multiparty system, and HR promotion in Ethiopia since the 1991, and continued throughout the 2000's. This study elaborates on the contributing factors for the little implication of the US democracy and HR aid to the Ethiopian democratic transition, HR protection, legal reform, CSO support, and election.

5.4.2 USAID Support in Ethiopia: Are Democracy and Human Rights a Priority?

In the aftermath of the end of the Cold War with the downfall of the political and economic antagonistic block in 1990, the Western political and economic ideology of neo-liberalism under the leadership of the US became the new world order (particularly in the foreign relations and aid aspects) (see chapter 2 and 3), Which were mainly promoted by the international donor agencies like IMF and the World Bank, through structural adjustment programs (SAP), and the USG through its foreign overseas assistance (both democracy and developmental aid). In Ethiopia, this situation creates two major opportunities for the US government. The first one has to do with the fall of the socialist government (Derg) and the establishment of the EPRDF government which promotes the neoliberal policy reform as a major governmental strategy of legitimizing political and economic structure (see Chapter 4). Another opportunity is the EPRDF's allying position to the US's strategic (including military) and economic interests both regionally and internationally continued during the period of the Global War on Terror (GWOT).

According to informant 1 (ECFSJ/ EZEMA/ deputy head of party and organizational affairs), “the US democracy and human rights aid to Ethiopia is not effective in supporting a successful democratic transition and good governance; therefore the US DRG assistance has failed to achieve its primary goal in Ethiopia.” he strongly argued that the major purpose of US aid to Ethiopia was not aimed to support the democratization process, multi-party electoral system, human rights protection, and legal reform, but the

central target is securing political and strategic interest and “creating an aid-dependent state government through providing a widespread assistance (which is almost equal to the annual national budget of Ethiopia)”. For instance, the EPRDF regime, especially under Meles Zenawi, has had a strong political tie with the US government since the downfall of the Derg regime “(as the US was the main mediator b/n TPLF and the Derg during the London peace conference in 1991 and the US has a great role in the transitional period of 1991)” this political tie was reached its peak during the period of Global War on Terror (GWOT) that paved the way to the EPRDF to be one of the prominent US strategic and political ally in the horn of Africa and secured a widespread military, political and strategic support from US and other international donors. He strongly argued that in the case of the US and EPRDF relation “the issue of democracy and human rights was not the basic concern.”

To support this standpoint informant 1, has further elaborated his viewpoint by scrutinizing the characteristics and priorities of the US overseas assistance in sub-Saharan Africa and the region. He argued that “the major focus of the US aid to the region was to safeguard both the regional and international strategic interests through military, political and economic means. Therefore, there is a significant disparity, inconsistency and contradiction in Ethio-US bilateral relations, particularly in the realm of foreign aid, (where the political and strategic ties/ affiliations remain largely unclear and controversial). Aid for what purpose? There is also a huge gap between the real objectives and aspirations of the US aid, the aid policy execution, and its implication for the promotion of DRG in Ethiopia. For instance, Ethiopia is the largest US aid recipient state in the region (OECD 2022, CRS 2018, 2020, 2022), yet it is entrenched in a persistent political crisis, lack of democratic transition, good governance, multi-party elections, and dismal human rights record (US Department of State (2004, 2011) (HRW 2010, 2016). This statement indicates a substantial disparity between US DRG assistance and its actual implementation in Ethiopia (the obscure feature b/n US foreign financial, economic, and military support and DRG assistance, policy/implementation. For instance, Ethiopia received a huge increase in military assistance from the United States in the three years following 9/11 escalating from \$928,000 in the period 1999-2001 to \$16.7 million between 2002 to 2004, and in 2005 Ethiopia received \$7 million in Foreign Military Financing funding.

Even though the US human rights report (2006), revealed the Ethiopian government's egregious violation of human rights against opposition political parties, including persistent and systematic maltreatment of their supporters by police and local militias, the use of torture and abuse, however, ICIJ report states “both governments deny the increased US military and developmental funding to the pivotal African nation (Ethiopia) and which serves as a close ally to the United States in the global counterterrorism effort (GWoT).” (ICIJ 2007). According to the state dept. (2013), the Ethiopian significant role in combating “terrorism” within the region, including, strengthening border security, banning and restricting financial means and strategies used by suspected terrorists, and becoming a vital intelligence collaborator with the U.S. in the

Horn of Africa rendered the country the most important strategic ally. Consequently, the ICIJ (2007) report determined that the State Department's continued unfavorable human rights assessments, the Congressional restrictions on human rights, and the international human rights organizations' report on the democracy or human rights condition would not jeopardize or threaten the ongoing U.S. support for Ethiopia and the harmonious diplomatic tie, since Ethiopia stands as the preeminent strategic partner to the United States.

Meles, the prime minister, is the victorious-against-terrorist United States friend, He is not worried if the [U.S.] ambassador says we are concerned about human rights or the prison conditions. He would just laugh at us." (Guevara and Welsh 2007).

"The priorities and bases of the Ethio-US diplomatic relation are political and strategic not human rights, democracy, and good governance even the humanitarian aid which constitutes almost half of the US's assistance to Ethiopia is not free from the political/ strategic aspirations (there is no aid for altruism, or without securing the interest of the donor), therefore for the US, the condition of democracy and human rights in recipient states or the regime behavior whether it's democratic or autocratic is not the determinant factor to provide aid" (Kasahun Delene (Dr.). What matters is the recipient's governmental economic policy such as currency-related aspects, political alliance, military and strategic importance, and advancement. Most importantly the USG also focuses on creating a conducive diplomatic and political landing to establish/ support/ the government or regime which is used as a "docile" to the USG in order to get access to the targeted US interests in the region. The case of Ethiopia does not differ from this general situation.

The deputy chief commissioner of EHRC has also confirmed the previous argument; she claimed that the US and its donor agents have focused on political, strategic, and developmental sectors rather than supporting democracy and human rights related aspects, this situation has a large contribution for the less implication of US democracy and HR aid in Ethiopian political and democratic transition in the last three decades. She strongly argued that the lesser implication of the US's DRG assistance to Ethiopian political and regime transition to democratization was the result of first, the US and its donor agents focused on their own political and strategic interests rather than stressing human rights condition, regime behavior and strengthening the democratic system in the country. Second, the domestic political problems, less institutional capacity, less accountability, and poor democratic culture (both political and historical). Third, the governmental restrictive proclamations such as the Anti-terrorism proclamation and the Charities and CSO laws, which limit the freedom of civil societies and active participation of the people and individuals in the political, democratic, and institutional affairs and influence the effectiveness and implications of US DRG to Ethiopia. For instance; the deputy commissioner claimed that "as a human rights institution, we received no direct support from US and other donors because the Ethiopian CSO law bans any donors from providing any direct support to the governmental and NGOs which are directly or indirectly involved in political and HR aspects".

Therefore, this paper finds two major contradictions based on the previous data. First, the U.S.'s foreign assistance abandoned the basic principles of democracy and human rights issues, indicating that the U.S. government is breaching and standing at odds with the Congress's Foreign Assistance Act (FAA) of 1961, which stipulates the basic principles of democracy, human right and good governance that the of U.S. foreign assistance and allocation program should rely and hinge on. For instance, USAID's Political Party Assistance Policy articulates that democracy aid should bolster representative, multiparty systems without attempting to influence electoral outcomes (USAID, 2003). Additionally, the National Endowment for Democracy (NED) is restricted by its authorization from using funds for partisan/ political purposes/favoritism, including funding for the national party. The legislation also endorses initiatives that foster good governance through fighting corruption and enhancing transparency and accountability while conditioning certain assistance on compliance with human rights standards (see chapter 3).

Secondly, this scenario also facilitates and provides financial, political, diplomatic, and strategic support to the undemocratic and authoritarian regime of Ethiopia, which exerts control over the political and electoral aspects of the country by perpetrating widespread civil and political rights violations, less accountability, and massive institutional corruption. Numerous studies, assessments, and reports state that the USG is aware of this aid misuse and the Ethiopian government's repression of civil and political rights and rampant violation, but has done little to address the problem or left its role in underwriting government repression (Finnegan 2011, HRW 2010, CRS 2021, USAID 2021, 2022 Freedom house 2019, 2020, 2022). For instance, the study of HRW (2010) revealed that the EPRDF regime has exploited ODA funds for non-developmental and DRG programs using those funds for salaries and training opportunities as political instruments to manipulate the populations, punish dissent, and undermine political opponents. employing those funds as political instruments to manipulate the population, punish dissenters, and sabotage political rivals. The deputy head for party and organizational affairs at EZEMA also articulates that, "the government's deep-seated corruption and the 'unholy and ambiguous' alliance between the U.S. and Ethiopia have jeopardized the condition of democracy, good governance, and human rights; it has also spoiled the Ethiopian government's position on corruption, aid misuse, and the utilization of U.S. assistance for political survival" (sometimes, U.S. and other donor funds have been covertly funneled for arms purchases or through the contraband means to suppress governmental opposition). For example, in 2010, Deutsche Welle (DW) reported that the TPLF used aid money to purchase weapons from China and Russia. ICIJ (2007) and Reuters (2007) reported that "the U.S. government permitted Ethiopia to complete a clandestine arms purchase from North Korea, in an apparent breach of UN council restrictions in 2006." In his official briefings from November 2021, Ambassador Jeffery Feltman (the U.S. special envoy for the Horn of Africa) stated that foreign currency reserves in Ethiopia (including aid money) were diverted to arms procurement and lobbyists instead of development and

rights protection, illustrating yet another example of the complex, and at times contradictory aspects of the Ethio-U.S. relationship during the Bush and Obama administrations.

5.4.3 Has the US emphasized democracy, human rights, and good governance support?

The data from USAID's foreign aid explorer (2023) indicates that the US DRG aid remains extremely minimal in comparison with total overseas development assistance to Ethiopia falling below 1% of the total US aid inflow (see fig.5.6). Although, it plays a direct role in the democratic and governance sectors by endorsing democratic governance, reinforcing electoral board and support free and fair election, independent media, strengthening capacities of civil societies, legislatures and judiciaries and including support for good governance (characterized by participation, transparency, accountability, effectiveness, and equity), however the findings from this research indicates that the USG's little emphasis for the democracy and human rights aid shows that, firstly, the US government is contravening its own congressional regulations, (FAA 1961, 1973, 1989 etc.) which articulates that "supporting democratic governance and associated rights in other countries serves as a means of projecting American democratic values, enhancing U.S. security, and promoting U.S. economic interests" (see chapter three). Secondly, the small amount of US democratic support has also contributed to the poor performance and implications of US democracy and human rights assistance to governance, democratization, and institutional transition in Ethiopia" (see chapter three).

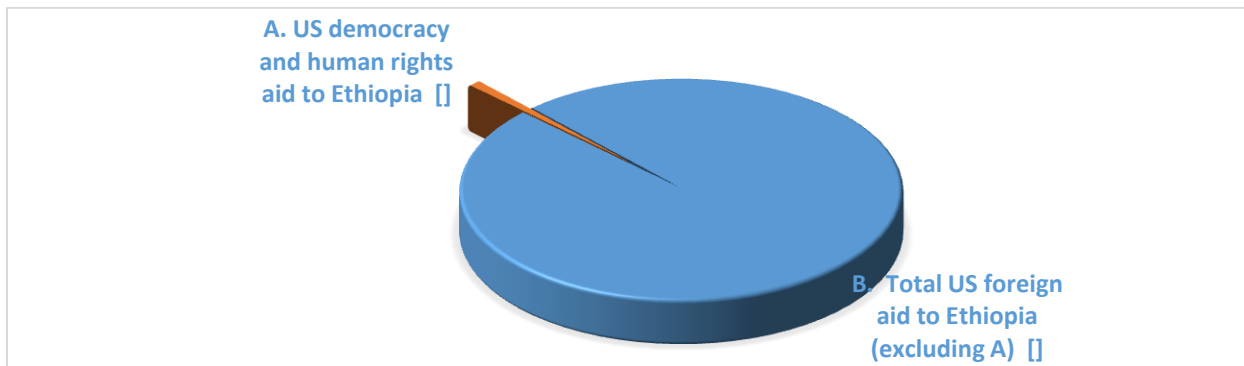


Figure 5.6 the percentage of US assistance to Democracy, governance, and Human rights promotion in Ethiopia as compared to the rest of USG's assistance to Ethiopia (Since 1991). Prepared by the researcher. The data was accessed from: foreignassistance.gov on 22 June 2023.

5.4.4 Constraints in the sustainability and institutionalization of USAID assistance

As discussed in previous chapters, the presence of institutions is essential for administration, dissemination, and management of financial assistance directed to the targeted institutions and CSOs. However, the US's DRG funds are allocated/distributed and managed by the USAID's department of DRG and NDI (which does not independently operate the DRG assistance in exception). The absence of permanent institutions results in US's democracy and human rights support being inconsistent, fragmented and largely inaccessible. Additionally, there are no designated institutions or ongoing platforms provided by the US to regularly and permanently assist CSO's, political parties and right advocacies. The following points highlight more specific observations stemming from the gap between US DRG funds and the institutions, CSOs, political entities, and other stakeholders in need.

5.4.5 The process of US DRG aid distribution is disorganized, and insufficient E.g. if a political party or any other institution wishes to have any technical assistance (since direct financial support is prohibited) then that party must submit a proposal to the USAID office and if the proposal approved by USAID officials then the expenses of that organization or party will be covered by USAID based on their request. This situation indicates a lack of a solid institutional platform/framework to provide sustainable support that strengthen the capabilities and effectiveness of Democratic and HR institutions and CSOs on a permanent basis. The US assistance is fragmented (as highlighted above, a particular institution, party, or CSO may receive assistance, while another which fails to submit a proposal due to limitations; For example, CSOs and parties situated in rural and remote areas with scarce financial resources would miss out on US support.

1. Limited range and accessibility of US DRG assistance, since there is no available /established DRG funding institution the USAID operates independently (even though the USAID possessed its own DRG funding department but as a single agency, merging democracy and HR support with other forms of US assistances, such as agricultural developmental, etc., (which do not relate directly to the DRG matters). Moreover, the US DRG assistance has limited strategic accessibility to a few towns and regions. This situation further constraining the capacity of CSOs and other stakeholders to address the mass community (especially the vulnerable rural populations) and This makes creating awareness about democratic values, increasing the democratic culture, ensuring justice access, and safeguarding political representation and rights protection (particularly twomen's and children's rights) more challenging.
2. The USAID has tended to emphasize short-term programs and projects instead of establishing a sustainable assistance platform: Owing to the lack of institutionalization of DRG aid which supports the democratization progress in Ethiopia permanently, the USAID has focused on designing short-term programs and projects supporting DRG institutions. For instance, during the election period the USAID allocated \$30 million to the National Electoral Board of Ethiopia (NEBE), the USAID has covered the

hall rental to facilitate meeting space for political parties during the electoral campaign, and supplied a few vehicles to the EHRC, to help the conflict investigation in the northern part of Ethiopia. This trend indicates that the US has been focused on temporary programs and projects with short-term outcomes. As discussed in Chapter Four, building a democratic system is a long-term endeavor requires sustainable and permanent institutional development, support, and mobilization. However, USAID's short-term assistance initiatives has no measurable significance on the long-term democratization trajectory in Ethiopia.

3. Less budget management, implementation/execution, and auditing systems, especially pertaining to local institutions.
4. The threat of aid misuse, vulnerability to corruption, and dissipation.
5. Less DRG project and program implementation, supervision, poor performance of CSO's institutions and other stakeholders, and less implication of US DRG assistance.

5.5 The unclear donor-recipient relation, the presence of intermediary agents, and the question of transparency (in both the US and Ethiopia).

a. National Democratic Institution (NDI)

As per information obtained from NEBE (2023), the USG channels its democratic aid to Ethiopia through its funding organization called (National Democratic Institution (NDI)). This institution mainly supports the Ethiopian CSO groups to improve their capacity and to monitor the electoral process. The NDI also develops various programmes to provide both technical and financial support for comprehensive oversight during the pre-election period. This encompasses elements such as voter enrollment, campaigning efforts of political organizations, and supervision on election day, along with the subsequent stages following the elections. Tailored programs have been created to empower local civil society groups in monitoring occurrences of violence against women during elections (VAW-E) while also encouraging active participation from frequently marginalized ethnolinguistic communities. Moreover, the Institute collaborates with officially recognized national and regional political entities, including established and newly formed parties, to enhance their organizational structures. This partnership aims to propel the development of policy agendas and platforms, increase civic engagement, foster women's leadership programs, and facilitate effective communication between party affiliates and their respective branches. (NDI 2021).

However, According to EZEMA's deputy manager of party organizational affairs, the US/NDI gives less stress to the electoral promotion as compared to UNDP and NDI's support to the political parties and CSOs is

limited only to technical assistance, equipment, and material grants, covering hall rental, vehicle provision, etc. based on the parties' requisition. In addition to that democracy support is very low and inaccessible to the mass population, for instance, the NDI democratic assistance is limited to a few political parties and CSOs which are found in Addis Ababa and in a few towns in the country, therefore the CSOs and independent associations in rural area have little or no access to the get assistance. In addition to that, the USAID has no well-structured platform to support the democratic institutions permanently therefore the NDI assistance has been affected by inconsistency and lesser centrality.

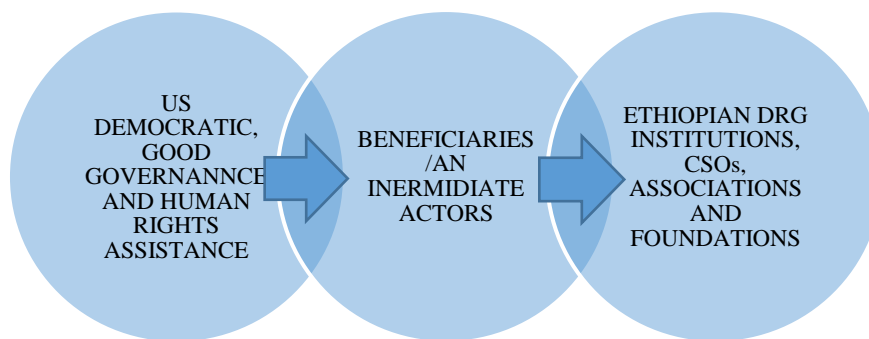
b. Feteh (Justice)

Feteh is a USAID project/subagent organ that is mainly run by Ethiopian and USAID officials to support the Ethiopian legal and justice reform process by providing assistance to selected rule of law institutions, including the Ministry of Justice and Regional Justice Bureaus, federal and regional Supreme Courts, and human rights organizations such as the Ethiopian Human Rights Commission (EHRC), and the public defender's office. One of the project activities includes delivering training to federal and regional public prosecutors on their role in the protection of human rights in the criminal justice system. Through this project, "USAID also supports civic organizations, the media, and legal and academic institutions to meaningfully participate in legal and judicial reforms, drafting of several laws including those that open the space for civil society to operate more freely and has provided free legal aid to individuals and produced more than 250 radio and television programs on rights and justice issues such as women's rights and gender-based violence. Feteh has also assisted the EHRC in developing a rapid response mechanism for victims of human rights violations (USAID 2021). However, the following statements are part of the central arguments (including observations and data analysis) of the research.

There is a huge gap between the US aid and the local recipient DRG institutions and CSOs. This gap creates intermediating actors/the beneficiaries that channelled the two parties like Feteh (Politically, the process of selecting the beneficiaries and their designations as part of DRG groups/channeling agents have raised the political influence of the ruling party, thereby increasing the suffocating power of the elite and the cadres over the aid recipients. According to the deputy Commissioner of EHRC, "Due to the restrictive law that prohibits direct financial support to the DRG institutions, the USAID uses Feteh as an intermediary actor to get access to the local human rights institutions and to provide technical and material assistance to EHRC."

1. The local institutions have no direct access or sufficient information about the actual amount of money/funds that are released by the USAID to support DRG in Ethiopia because the whole amount and the type of aid that's provided to the human rights institutions and CSOs (whether it's in a form of equipment or direct technical assistance) is also determined by those intermediating actors.

2. The question of transparency and less serious supervision, as discussed earlier due to the absence of well-established and independent organizations and strong CSOs, the writer of this research has observed that there is an unclear donor-recipient relation between USAID and local DRG institutions and CSOs. E.g. The Deputy Chief Commissioner of EHRC stated that as an HR institution, “we have no direct relation/access to the USAID, and we don’t even know how much money is offered/ provided by USAID to support DRG institutions. USAID uses Feteah to support the commission and this organ also determines the amount and type of assistance to be provided to the EHRC, it also reports/manages every document and agreement between us. The Deputy commissioner underlined that “regarding the US assistance to the human rights in Ethiopia, there is a problem of openness, unclear ties and a question of transparency, accurate management, and supervision because we don’t know how much the US has provided to our institution and they (Feteah) are not willing to clarify the financial statement through auditing and reporting in a formal way. The researcher also couldn’t find any documents from EHRC, no budget reports published and available to the public, no open budget processes (public hearings), no fully auditable financial records, no open publication of service data, results, and less performance monitoring systems.



5.5 The government as a source of problem

According to the Freedom House (2021) report, “Ethiopia is an authoritarian state with a long-term political instability, conflict and right violations.” Throughout its ruling period, the EPRDF government was accused of widespread violation of the constitutional guaranteed civil liberties and political rights including freedom of expression, thought, opinion, and freedom of association, press, and media that are critical for a functioning multiparty and electoral democracy. Since the 1995 general election, the EPRDF government has controlled every seat in the parliament. Even though the government held multiple elections in different periods, almost all of the electoral results were denounced by the opposition parties, international rights advocators, and NG observant for its oppressive and non-competitive/cadre-based multiparty/ political system. As discussed in chapter four, the undemocratic and authoritarian nature of the EPRDF government has a significant impact on the ineffectiveness and less implication of the foreign DRG assistance in Ethiopia ((HRW, 2007, 2011, 2013,

2015 2018; AI, 2016, 2018; US Department of State, 2011, 2015, 2017; Freedom House 2018). The government’s electoral dominance and its violent measure against political parties, (Bayeh 2018) CSO and foreign DRG advocacies was basically the result of its constitutional design and political system that limits the power and functionality of the democracy and HR institutions and restricts the role and participation of DRG institutions, CSOs, and foreign right based institutions

Fig 5.6 The EPRDF and affiliates electoral dominance in the state council.

<i>Electoral year/period</i>	<i>The result of the ruling winner party and Total number of seats in the state council /percentage/.</i>	<i>The result of the opposition party and number of seats seized in the council</i>
1992	EPRDF and its allies won 96.6%	-No seat for opponent parties
1995	EPRDF won 472/547 seats (86.1%)	-Other affiliate parties and independents 75/547 seats
2000	EPRDF and its ally’s 481/547seats (87.3%)	-EDP, SPDP, Other parties and independents 65/547 seats
2005	EPRDF 362/547 seats (60%)	-EUP, UEDF, Other parties and independents 185/547 seats (but due to the massive post-election protest, the government arrested the members of the opposition parties).
2010	EPRDF and its allies 545/547 (99.6%)	-No seat for opposition parties
2015	EPRDF and its allies won 547/547 (100%)	-No seat for other / opposition parties
2021	Ethiopian Prosperity Party wins 410/436 seats (except Tigray region).	NaMA, EZEMA 9/436 seats other parties seized the remaining seats. -NaMA, EZEMA 9/436 seats other parties seized the remaining seats.

Prepared by the researcher based on the data accessed from NEBE (2022) and the African election database (2020).

5.1 Restrictive proclamations and the prohibition of foreign direct funding/support for democracy and human rights institutions

Following the 2005 election, the EPRDF government established strict regulations on civil society organizations under the Charities and Societies Proclamation (CSP) in 2009, which in particular, curbed the capacity of local associations to make use of foreign funding and restricts the scope of activities permitted for foreign funded organizations. Most notably, the CSP imposed rigorous regulations on the foreign assistance targeting the human rights and democracy sectors of Ethiopia. By this proclamation, foreign CSOs and foreign-funded Ethiopian organizations (governmental institutions and NGOs) are prohibited from working on a whole range of issues, including “the advancement of human and democratic rights.

The study by Birru & Wolff (2018) that assessed the relationship between the 2005 election, the EPRDF’s political measure, and the 2009 CSO proclamation claimed that the 2009 CSO law has two major causes the root cause and the immediate cause. the root cause was, the significant growth of the foreign-funded Ethiopian-based NGOs which was “368 in 2000 and increased to 2275 in 2009” and their crucial role in

service delivery, human rights advocacy, legal affairs, a political and electoral process particularly in the early and mid of 2000s. The immediate cause was the 2005 election and the post-election political turmoil which led the EPRDF to be violent against CSOs. The election report of the Carter Center (2009) shows that, by the 2005 elections, various national and international NGOs played a much more active role in the political and electoral process; through awareness creation, funding the electoral equipment, supporting the multiparty competitions, and popular participation.

Following the announcement of the 2005 election result by the NEBE (winning of the ruling EPRDF 362/547 seats or 60% of the total vote), the opposition parties claimed fraud in the official election result and organized massive post-electoral protests, demanding the EPRDF's power abdication. However, The government forcefully cracked to the protests, and specifically blaming civil society groups and activists for backing both the opposition and the unrest. In light of this situation, the Ethiopian authorities expelled three organizations based in the United States: namely International Foundation for Electoral Systems (IFES), National Democratic Institute (NDI) and International Republican Institute (IRI). They were accused of operating without proper authorization and not reporting their activities to the government (Birru & Wolff 2018). According to ECFSJ/ EZEMA/ deputy head of party and organizational affairs), the 2009 CSO law has had a political motive that targeted to eliminate the role and participation of CSOs and international rights advocacies and to weaken the capacity and performance of political parties and civic associations.

However, following the 2005 electoral crisis the EPRDF government began to take harsh measures mainly on foreign-funded CSOs and institutions, and adopted a series of laws that significantly restricted the role, financial source, and implications of CSOs in right advocacy and DRG activities. For instance, the Electoral Law Amendment Proclamation (2007), the Mass Media and Access to Information Proclamation (2008), the Charities and Civil Societies Proclamation (2009), and the Anti-Terrorism Proclamation (2009) (see chapter four).

What impacts do these restrictive proclamations have on the flow, effectiveness, and implications of US DRG assistance to Ethiopia?

1. The prohibition of all local CSOs, as well as governmental and NGOs that receive more than 10% foreign funding from working on promoting human rights and democracy.
2. Limits and diminishes the number, role, and participation of local CSOs in democracy good governance, and human rights aspects within the country. E.g. the number of CSOs has significantly fell from 2275 in 2009 to 721 in 2021 (574 local, 129 foreign, and 18 networks (UNW report 2021)).

Among those the number of CSOs engaged in DRG activities including the registered political parties is only 171.

3. The closure of several US-based DRG organizations and foundations.
4. Restrict the scope of work to foreign NGOs and humanitarian organizations in Ethiopia.
5. Restrict direct foreign financial support to the governmental or NG human rights and democratic institutions including EHRC, NEBE, political parties, civic foundations, legal institutions, and non-governmental HR advocacy groups.
6. Limits the type and implications of DRG assistances, (to strictly technical and material support only).
7. Undermines the capacity, effectiveness, and functionality of democratic and HR institutions and CSOs in political, social, electoral, and good governance justice and rights advocacy.
8. The existence of an intermediary entity to channel the US's DRG aid to Ethiopian institutions and CSO followed by a question of transparency (such as Feteh).

5.2 Major governmental challenges that contribute to less US DRG assistance in Ethiopia.

1. **Less political will-** The reports of most of the human rights monitoring organizations imply that the Ethiopian government is not willing to protect constitutional rights (political and civil rights) and the undemocratic and authoritarian nature of the government has a significant impact on the ineffectiveness and less implication of the foreign DRG assistance (see chapter four).

The study of Adane (2015) argued that in the post-1991 period, democratic assistance to Ethiopia has been significantly challenged by issues of ideology, national interest, sovereignty, and geopolitics. These challenging factors have contributed to a poor management system, weak rules, regulations laws, corruption, and weak mechanisms to govern relations between the Ethiopian government, and donors showing the negative impact of foreign aid in the country. The government has violated the constitutional rights of many of its political prisoners including journalists, opposition politicians, organizers of protests, and individuals during and after the 2005, 2010, and 2015 elections. Many of them passed through life-threatening prison conditions, torture, mistreatment, and verbal abuse (HRW, 2007, 2011, 2013, 2015 2018; AI, 2016, 2018; US Department of State, 2011, 2015, 2017; Freedom House 2018).

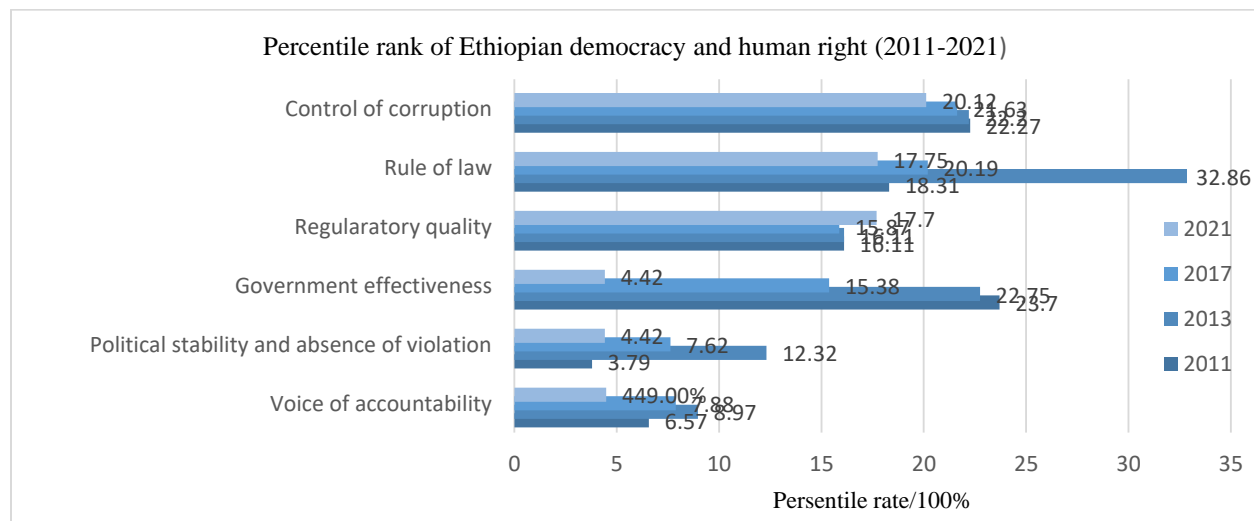
2. **The government has no willingness/ desire to reform the major restrictive laws** (constitutional, regulatory) platforms that hamper the role and involvement of the US DRG assistances and right-based advocacy and assistances.
3. **High level of governmental centralization** –the governmental and constitutional laws grant minimal or no power and authority to DRG institutions, coupled with significant governmental interference in the operations of institutional and CSO, affairs, and less function of governance structures, the absence of

trusted institutions, and transparent political system that serves rule of law (USAID 2021), the central goal of the governmental intervention in democracy and human rights institutions is aimed at weakening the function and effectiveness of the DRG institutions and CSOs by curtailing and restricting their power and sources of finance and dominating the entire political and diplomatic arena. E.g. the Freedom House Report which examines the performance of political rights and civil liberties in Ethiopia has consistently rated as “not free” from 2012 to 2022.

According to the African election database report (2020), the trajectory of Ethiopian democracy has been categorized into three phases: (1991-1995) representing a transitional government; (1995-2000) indicating a phase of emerging democracy and multi-party transitions; and (2010 to present) characterized by restricted democratic practice. The report of the African election database (2020), has divided the status of Ethiopian democracy into three from (1991-1995) a period of transitional government; from (1995-2000) - a period of emerging democracy and multi-party transition; from (2010 to now) – a period of restricted democratic practice.

The undemocratic behavior of the government contributed to the poor performance of human rights and democracy in Ethiopia (see Fig 5.7).

Fig 5.7, the percentile rank of Ethiopian democracy and human right (Worldwide governance indicator)



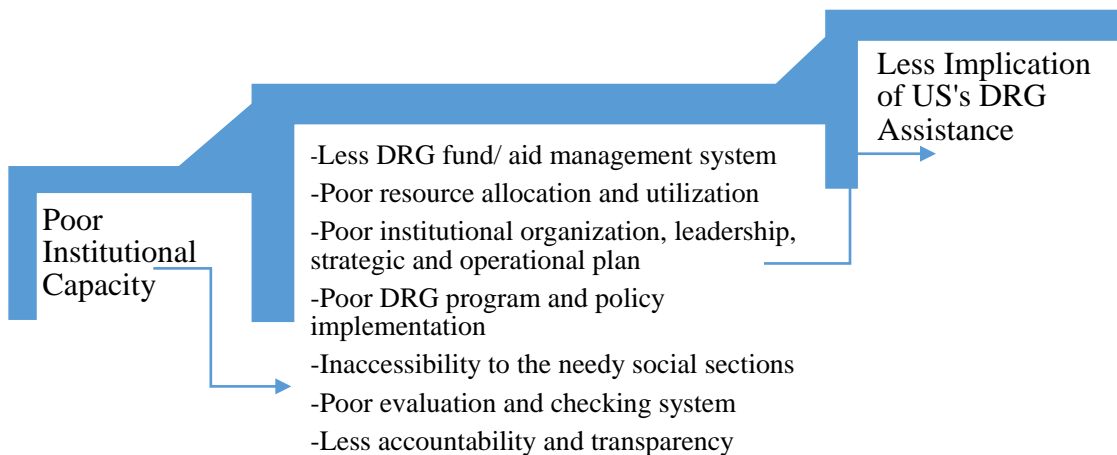
Prepared by the researcher based on the data accessed from the Worldwide Governance indicator (June 2023), <https://info.worldbank.org/governance/wgi/Home/Document>.

This chart shows the percentile rank of Ethiopia in the performance of human rights and democracy based on the World Bank data indicator. According to the percentile rank, the higher values indicate better governance ratings.

4. **Poor institutional capacity:** According to the U.S. Department of State's human rights report (2004), the Ethiopian HR and democratic institutions have poor performance in safeguarding constitutional rights,

and they have a weak capacity to support, inform, advise, guide the government’s political measures and right based policy creation and implementation which have significantly responsible for poor democratized transition and human right advocacy. The Dep. Chief Commissioner of EHRC, conferred that, “we believed that every federal or regional institution must be democratic and HR centered. However, in Ethiopia, the institutional performance, effectiveness, and functionality have significantly failed throughout the last three decades (particularly during the EPRDF regime). Because the dep. Commissioner argued that, since 1995 onwards, the EPRDF made democracy and HR institutions were not initially established to support a democratic institutionalization system and to promote the protection of HR. Rather they were established as a tool to regularize the governmental structure and support the EPRDF’s policy and political measures, and to cover the undemocratic electoral conditions, rights violations and vulnerabilities, corruption, and other serious governmental offenses with a very limited institutional capacity and freedom.

Secondly, since most of the institutional income/ revenues are outsourced from the governmental budget, the DRG institutions are not free from governmental influence. The case of US aid and the institutional capacity does not differ from this deep-rooted challenge; poor institutional capacity is one of the major factors for the mismanagement of US DRG assistances, poor performance, and ineffective aid policy/program implementation.” The major Challenging factors contributed to the poor performance of HR and democratic institutions.



As stated in chapter four, the democratic aid programs are designed to support for democratizing state and governance, strengthening democratic institutions with the implementation of principles such as the decentralization of political power, the rule of law, and ensuring transparency and accountability. In the legal system; US aid can be used for legal reforms, administration of justice, and training of state officials and judges to increase the legislature’s capacity of designing and monitoring policy and strengthen its oversight

capacity (CHRG 2013). The Deputy Commissioner also underlined that institutions have an indisputable role in the establishment of democratized government, political transformation and strengthening, educating, and promoting the right advocacy to the society. However the existing poor institutional performance has a significant impact on the ineffectiveness of foreign assistance, resource utilization, and management, it also resulted in poor fundraising program implementation, inaccessibility of US DRG funds to the vulnerable and rural society and also contributes the poor implication of US's democracy and HR aid to Ethiopia.

5. Poor democratic culture of the society, according to Rakeb M. (the dep. Chief commissioner of EHRC) “the Ethiopian community has been traumatized by the continuous and rapid civil war, conflict, HR violation and governmental abuse” which contributed to the wrong perception and misunderstanding of the basic democracy and human rights advocacy and protection.
6. The government has no willingness to encourage the US to invest in DRG institutions and CSOs. (Because of its political, party, and electoral domination).
7. The widespread governmental violation of civil liberties and political rights has forced the US government to suspend and diminish the DRG assistance and its involvement in supporting or strengthening institutions and legal reforms.
8. Corruption and mismanagement, limited or no control over financial resources: Increasing of local-level mismanagement and less control over revenues and expenditures, less transparency and openness are key challenges of US DRG aid which significantly decreases the implication of US DRG assistance in Ethiopia. According to Hasan (2013), remittances and donor aid are major hard currency and money laundering sources for the illicit capital flows of Ethiopia. The study of Freitas S. (2012), shows that Ethiopian institutional corruption has its governmental and structural roots noting that “the Ethiopian huge illicit financial outflows and money laundering should not surprise anyone given the web of corruption that the country is mired in and the strong mix between politics and business that is unparalleled anywhere else in the world’. E.g. the Global Financial Integrity Report (2013) shows that (from 2000 to 2010 Ethiopia lost \$15.2 billion amount of money including foreign funds and grants). However, the above evidences implies that the Ethiopian government is an authoritarian government that has no will/interest to support/ facilitate the democratized system, safeguard constitutional rights, and promote good governance but contrary to the congressional legislature, the US provides the largest aid (the US aid constitutes almost half of the total aid revenue/budget of Ethiopia) to the undemocratic and corrupt government of Ethiopia.

5.6 Summary and major assumptions of the research

Since its establishment in 1903, The Ethio-US relationship has been influenced by global, regional, and local political, economic, and military dynamics. Basically, the determinant aspects of Ethio-US relations are Ethiopia's historical and political position in Africa, its geo-strategic advancement in the region and closeness to the Red Sea, and security and military affairs. Since 1991, the amount of US aid inflow to Ethiopia has been increased in response to the EPRDF's government commitment to fundamental reforms with the line of international political economic change and the IMF and World Banks's Structural Adjustment Program (SAP) of economic liberalization, decentralization of the state and enshrining a constitutionally based free and fair election. However, the findings and major assumptions of the research could be summarized as,

Since 1991 the US democratic and human rights assistance to Ethiopia has had limited or no significant implications in the promotion and strengthening of democratization, governmental transitions to democratization, multiparty system, human rights protection, and freedom of citizens. The lesser significance of democratic aid was mainly caused by internal factors (poor democratic culture and practice of government and the society) and external (the US and its donor agencies focused on political, and strategic interests, rather than supporting the democratization and good governance aspects of the country/government/ and lack of institutionalization and sustainability of DRG aid. The research also finds a deep variation and contradiction in Ethio-US bilateral relations, particularly in the area of foreign aid, (donor-recipient ties are unclear and controversial). There is also a huge gap between the real aim and goal of the US assistance to the Ethiopian institutions and the gap is also visible in the flow of assistance between the US aid and the DRG institutions the presence of the beneficiaries has also exacerbated the limitation of the US assistance and its significance/implication Most of the documents, agreements, policy implementation roadmaps, strategic plans and programs, collaborative documents, and general implications are not measurable (the researcher couldn't manage to find any research or valuable documents from the targeted DRG institutions.

This situation implies that political and strategic affiliated provision of US aid hasn't considered human rights and democratization as a prior motive and agenda. As discussed in the chapter the Ethiopian government is characterized by an authoritarian regime that controls the politics of the country through electoral domination. However, the US's largest provision of aid has continued without measurable significance on democratization in Ethiopia. On the other hand, the respondents of the research assumed that the US's assistance to the DRG of Ethiopia is not actually inspired by supporting the democratization process in Ethiopia, rather its part of fulfilling the formality of the US's pretend to be a democracy and human rights defender regionally and internationally. But there is no well-structured, sustainable, and significant implication in democracy, human rights, and good governance conditions and progress.

CHAPTER SIX

THE ETHIO-US RELATION IN THE ERA OF GOVERNANCE REFORM AND THE IMPACT OF AID SUSPENSION (SINCE 2018)

6.1 The governmental reform and its implication on Ethiopia's foreign relation

Studies have argued that the controversial election of 2005, has marked by the closure of the political landscape in Ethiopia. Thousands of civic activists, opposition figures, and journalists were detained amid protests over the election results (Paulos 2011, HRW 2010). The EPRDF subsequently leveraged repressive legislations and electoral stipulations to preserve its political dominance. These restrictive laws served as the primary legal instruments of the EPRDF to eliminate the domestic and international oppositions/criticisms and secure 99.6% of the seats in 2010 and 100% of seats in the 2015 election (establishing a dominant single party system) (IBT; 2015, Freedom House; 2017, African Election Data; 2020, CRS 2020). Since 2016 widespread protests have erupted across the country demanding for political and economic reform and an end to state corruption. (CRS 2020, Department of State, 2011, 2015, 2017, Freedom House 2018). In 2017 anti-government mobilizations were ignited in response to the political marginalization, systemic corruption, and forced displacement (HRW 2018). The crisis was escalated due to a violent governmental response to dissent. In early October the government declared a nationwide six-month state of emergency and forcefully cracked the protests through mass detentions (CRS 2020, ACLED 2017). The Freedom House report (2017) revealed that over 29,000 people were detained under the emergency that imposed stricter limits on expression and assembly. Reports indicated that security forces fatally shot over 1,000 people during the unrest (HRW 2017, CRS 2020).

Pressure on the government led to a leadership change in 2018 that stirred optimism over the prospects for reforms. On March 14, 2018 PM Hailemariam Dessalegn (The former Prime Minister of Ethiopia) resigned from his power, and Prime Minister Abiy Ahmed (Dr.) took office on April 2, 2018, and announced new political, economic governmental, and institutional, reform programs (HRW 2019). The anticipated political reform in the country attracted the international community and donors at the outset. In his first 100 days, the government lifted the state of emergency, released tens of thousands of political prisoners, removed terrorist designations on opposition groups, and closed a notorious detention facility. Moreover, the Prime Minister invited former insurgents and exiled opponents to return, replaced top security chiefs, and fired prison officials.

6.2. Major Reform initiatives and measures under Abiy's tenure (the 'Medemer' reform)

- **Political reform**-domestic policy reform including the foreign policy of Ethiopia, building a vibrant/pluralist democracy and ensuring political freedom, releasing political prisoners and opponent leaders such as Andargachew Tsige (The former Ginbot 7 leader), and US-based opponent affiliates media like ESAT and OMN).

- **Economic reform/** economic vitality- regulatory reforms (including commercial, investment codes, and currency-related reforms). And redressing the economy including selling the minority shares of some public enterprises (Ethiopian Airlines and Ethio-telecom).
- **Legal review of** the restrictive laws including the anti-terrorism and electoral laws.
- **Governmental and institutional reform** –the institutional reform targeted significant governmental offices such as; EHRC, NEBE, Ministry of Justice, etc.), and sectoral reform like security and finance sectors. The governmental reform comprises the revision of the federal arrangements and structures, the political party reform, merging the EPRDF’s parties and allies into a newly formed Prosperity Party (PP) in late 2019, including the cabinet reshuffle, the creation of gender parity in the cabinet, and establishment of a ministry of peace. Setting adjustment programs for various grand projects including the Grand Ethiopian Renaissance Dam (GERD), and enhancing systemic transparency and fighting institutional corruption (CRS 2020, PBNS 2019).
- **Regional stability and integration-** enhancing regional unity and global connections, for instance, ensuring peaceful relations with neighboring Eritrea, where both nations signed a "Joint Declaration of Peace and Friendship" that declares an end to hostilities, agreed to restore diplomatic ties, and resume direct telecommunications, land routes, and airline links. They also enabled Ethiopia's access to the ports of Massawa and Asseb. The Ethio-Djibouti port agreements of 2018 granted Ethiopia a 19% stake in Berbera Port. The Ethio-Kenya agreement for the construction of an Ethiopian logistics hub at Lemu Port, as part of the Lemu Port (LAPSSSET) transport corridor project.

Abiy and his party's initial reform actions received significant acknowledgment from the international community, yielding global attention and support from numerous international organizations, including the IMF and World Bank. Consequently, he secured substantial diplomatic, political, and economic support from abroad. Notable examples of his diplomatic achievements include:

- In ‘June 2018, he conferred with Egyptian President Abdel Fattah el-Sisi in Cairo and separately facilitated a meeting in Addis Ababa between South Sudanese President Salva Kiir and rebel leader Riek Machar to promote peace talks.
- In 2019, PM Abiy was honored with the Nobel Peace Prize for his contributions to foster peace and international cooperation particularly through his pivotal efforts to resolve the border conflict with Eritrea”(Mattha 2019, The Guardian 2019).
- In December 2022, PM Abiy “attended the United States–Africa Leaders’ Summit 2022 in Washington, D.C., and conferred with US President Joe Biden.
- In July 2023, Abiy was present at the 2023 Russia–Africa Summit in Saint Petersburg and met Russian President Vladimir Putin.

- In 2018 the World Bank was set to allocate \$1 billion in direct budgetary assistance to Ethiopia, (the first time since 2005, when donors suspended budgetary support after disputed elections) (QUARTZ 2018).
- In 2019 the International Monetary Fund (IMF) reached a preliminary agreement for a three-year, \$2.9 billion financial package intended to support macroeconomic, structural, and sectoral reforms (VOA, Dec. 2019).
- In 2018 the UAE pledged a total of \$3 billion in aid and investments to Ethiopia, (including a \$1 billion deposit for the central bank to alleviate a severe foreign currency crisis and \$ 2 billion for developmental assistance.

6.2 The Ethio- US bilateral relation in the era of the reform government (since 2018)

“The 2018 peaceful transfer of power to a government headed by Prime Minister Abiy Ahmed marked a significant turning point in Ethiopia's history, ushering in a hopeful era for relations between the U.S. and Ethiopia,” Ambassador Jeffery Feltman (US special envoy for the horn of Africa 2021)

This study posits that the overarching nature of the Ethio-U.S. relationship during the reform government’s tenure (since 2018) can be delineated into two significant phases.

The first phase (2018 to 2020) of PM Abiy’s and his Prosperity Party's (PP) tenure was marked by extensive political and economic reform measures that were successfully contributed to maintaining regional peace and integration, while also securing international diplomatic victories and support. This was accompanied by massive developmental and DRG assistance from the U.S. Administration and Congress to support the economic and sector reforms, bolster growth and investment, and boost capacity-building programs aligned with the Prime Minister’s emphasis (Department of State 2021).

The second phase (2020 to present) of Prime Minister Abiy’s tenure has been characterized by a period of domestic political turmoil resulting a severe displacement, famine, and death of tens of thousands (BBC 2021, Pellet 2021, HRW 2021/22) as well as a significant decline in international diplomatic and economic support (with the exception of humanitarian and emergency aid). This period has seen a remarkable degeneration of US aid provision, diplomatic support, and imposition of various aid suspensions/sanctions on Ethiopia, including the withdrawal of AGOA free privileges and food assistance (Department of the State 2021 and 2022).

Since the coming of PM Abiy to office in 2018 with impressive political, economic, and foreign diplomacy reforms, that basically composed a program of unifying Ethiopians through the ‘Medemer’ thought by running the country in a centralized manner in order to eliminate inter-ethnic tensions and the signing of a Peace, Friendship, and Cooperation agreement with neighboring Eritrea has begun to restate the Ethio- US partnership to the new chapter. According to the State Department (2021), PM Abiy’s political and economic

reform measures and his vision/promise of creating a vibrant Ethiopian civil society, by incorporating the U.S. democracy support and governance programs that the former EPRDF government had firmly rejected and the decisive plan of discrediting the Marxist oriented political economic policies of EPRDF and substituting it with the extensive market liberalization and foreign investment have repaired the friendly collaboration of the two governments.

For instance, “from 2016 to 2020, the United States allocated over \$4.2 billion in developmental and humanitarian aid to the Ethiopian people” and the USG has also provided tens of millions of dollars in new developmental assistance program aimed at reinforcing PM Abiy’s economic reforms and to promote private sector growth and investment (Dept. of state 2021). In early 2020, Ethiopia announced that the U.S. International Development Finance Corporation (DFC) was prepared to facilitate up to \$5 billion in U.S. investments in the country. Additionally, the US supported the reform government by providing capacity-building programs that aligned with the Prime Minister’s emphasis on democratic governance and working to enhance the independence of the judiciary, electoral entities, and the attorney general’s office.

However, starting from 2020 the Ethio- US diplomatic solidarity has started to crack. This crack was extended to imposing a measurable administrative halt on some US assistance programs to Ethiopia (Department of State 2022). There are two major factors for the Ethio-US diplomatic setback.

6.3 Key contributors to the Ethio-US diplomatic backsliding

1. The US’s ambiguous and inconsistent role and diplomatic stand in the regional tension over the Grand Ethiopian Renaissance Dam (GERD)

Following the signing of the two major colonial agreements (between Egypt and Britain in 1929 and Egypt and Sudan in 1959) aimed at ensuring the complete utilization of the Nile river without the acknowledging the rights of the upstream states, chiefly Ethiopia (which provides approximately 86% of the total water flow) and the construction of the Aswan high dam by Egypt’s former leader Nasser in the 1970s for the purpose of power generation, irrigation, tourism, etc. Egypt and Sudan have been monopolized the exploitation of the Nile river. However, when Ethiopia proposed the construction of the GERD in 2012, the Egyptian government began to target Ethiopia, invoking the antiquated colonial agreements. As a principal contributor to the Nile River and the proprietor of the GERD, Ethiopia has expressed its willingness to cooperate and foster solidarity to ensure fair usage of the region's natural resources (around 300 million people rely on the river across all riparian nations), by involving in a serious negotiations and collaborative agreements with Egypt and Sudan on the reservoir's filling and operation, which led to the establishment of the Declaration of Principles (DoP) in 2015. The DoP serves as a foundational agreement to regulate and govern the filling and operation of the GERD (DoP, 2015)

In 2020, the regional tension escalated when Egypt took the issue to the US and appealed to the UN Security Council for international political support and to apply for the international community to impose economic

and aid sanctions on Ethiopia. According to the Ethiopian Insight Report (2020), Egypt's accusation of Ethiopia in the UN, WB, and US overtly seeking international attention and recognition about the dispute of the GERD but covertly Egypt's intention was securing a water share by claiming 55.5 billion cubic meter water with the influence and pressure of international community.

Therefore, the overarching feature of the US's involvement and political stance regarding the GERD issue can be summarized as follows:

1. Instead of observing the trilateral negotiation process involving Ethiopia, Egypt, and Sudan, the US has preferred to take on the role of negotiator and even decision maker on behalf of Egypt. E.g. in 2020, the U.S. drafted an agreement, that proposes drought mitigation mechanisms for the GERD filling process which Egypt endorsed and Ethiopia dismissed, as the draft essentially proposed to help Egypt secure the 1959 agreement, "which allocated 55.5 BCM of the Nile's waters to Egypt, by ensuring that almost the average 'natural' Blue Nile flow (49bcm/year) will continue downstream forever" (Ethiopian insight report 2020).
2. On Egypt's behalf the US has also utilized all its political, diplomatic, and economic tools to delay the dam-filling process. Ultimately, in 2020, the US enacted economic and developmental aid sanction against Ethiopia, objecting to the first dam-filling in June without the approval of the downstream states. E.g. in FY2020, the Trump Administration designated over \$700 million for bilateral aid to Ethiopia, but subsequently "paused" more than \$170 million in assistance, in addition to the prior-year funds (over \$270 million was suspended in total) in response to Ethiopia's decision to begin filling the GERD without a consensus with the downstream countries (CRS 2021).

2. The US's politicization of humanitarian issues within the internal political dynamics and conflict in the Northern Ethiopia.

Since the coming of Abiy Ahmed as a new game changer of the old-fashioned EPRDF (TPLF) led political, economic, social, and diplomatic system, and his immediate reforming measures over some political and regional affairs like signing of Peace, Friendship, and Cooperation agreement with neighboring Eritrea, and enforcement of the Algiers peace agreement of 2000, which gave back the territories of North Tigray to the Eritreans, the corruption trials targeting Tigrayan leaders, and the reorganization of the government coalition, named a "Prosperity Party" in the departure of TPLF members was totally rejected by the TPLF and viewed this merger as illegal and a treat to the TPLF's interest (Fisher 2020, Pellet 2021). The postponement of the 2020 national elections due to the COVID crisis, which was contested by TPLF leaders who saw it as a maneuver by Abiy Ahmed to stay in power, and the holding of elections in Tigray regional state against the decision of the central government has led to escalating tensions between TPLF and PP. The central government has totally rejected the Tigray election; the PM himself has condemned the election by denouncing it as a 'Moon election' (an illegal election). This escalation led to the designation of TPLF as a

terrorist organization by the central government and suspended funding/ budget for Tigray with a complete breakdown of ties between TPLF and Addis Ababa in October 2020. An armed conflict began in early November 2020, following the TPLF's attack on the northern command of the Ethiopian National Defense Force based in Tigray (The Reporter 2021, Pellet 2021).

The UN High Commissioner for Human Rights (OHCHR), and various domestic and international human rights organizations, has reported that numerous factions, including the TPLF, participated in the conflict. These actors have perpetrated extensive abuses, encompassing widespread sexual violence, extrajudicial killings, mass executions, forced displacements, and infrastructural destruction in three regions (Tigray, Amhara, and Afar) (UHCHR 2021, Pellet 2021, HRW 2020, 2021, AI 2020, Freedom House 2020, 2021). However, the U.S. administration under Biden has clearly aligned itself with the TPLF, condemning the Ethiopian government, the Amhara regional forces, and Eritrean troops for severe human rights violations through extensive governmental and congressional reports, coupled with media campaigns against the Ethiopian government. For instance, in June 2021, a State Department official informed Congress that the Tigray conflict was among the most severe. In July, the U.S.'s top humanitarian representative accused Eritrean forces, allied with Ethiopian troops, of obstructing aid and using starvation as a weapon of war²⁵. The Ethiopian officials, on the other hand, rejected the US's reports of allegations and the restriction of aid to Tigray and also accused the US's action of interfering in Ethiopia's internal political issue as an abrogation of international laws and US's congressional foreign policy by referring the TPLF's assaults on Ethiopia's army aimed to overthrow the Prime Minister and restore its past advantageous position, while also firing missiles at the Eritrean city of Asmara to 'globalize the conflict' and "trigger regional turmoil" (MLI 2023). Moreover, as highlighted by the joint report from the UN and the Ethiopian Human Rights Commission (2020), Tigray forces have set up roadblocks to hinder the distribution of humanitarian aid to their own population in order to attract international focus. The UN further states that the TPLF seized 428 UN aid vehicles to transport TPLF soldiers and arms to the battlefield. Furthermore, In addition in 2021, Ethiopia also accused the USAID in diverting humanitarian and even non-humanitarian aid to the TPLF fighters and Ambassador Sean Jones, Director of USAID to Ethiopia, has dismissed the accusation. Beginning in mid-2020, the U.S. pressure on the Ethiopian government has transformed into a worthier situation and policy revision against Ethiopia. For example, U.S. policymakers and some Congress members urged Secretary Blinken and other high-ranking officials for increased U.S. involvement regarding the situation, which was reflected in legislation unanimously passed by the Senate (H.Res 445) in May, calling on the Administration to push for a ceasefire and the withdrawal of Eritrean troops, aiming to alleviate the crisis, pursue accountability for abuses in Tigray, and to use "all diplomatic, developmental, and legal tools" to enforce the Ethiopian government.

²⁵ "UN: Hunger, Rape Rising in Ethiopia's Tigray," VOA News, April 15, 2021; "UN official accuses Eritrean forces of deliberately starving Tigray," Reuters, June 14, 2021.

In March 2021, Senator Chris Coons visited Ethiopia at President Biden's behest to pressure the Ethiopian government into declaring a ceasefire, which Ethiopia refuted, labeling the U.S. request delivered by Senator Coons as political manipulation and a distortion of diplomatic efforts. Subsequently, the State Department appointed Jeffrey Feltman, a former U.S. diplomat and U.N. official, as the inaugural U.S. Special Envoy for the Horn of Africa. His mission includes "leading an international diplomatic initiative to tackle the interconnected political, security, and humanitarian crises in the Horn," with Ethiopia as a primary focus.²⁶ In March 2020, the EU halted budget support for Ethiopia.

In May, the Biden Administration imposed visa restrictions on Ethiopian and Eritrean government officials, members of the security forces, and individuals including members of Amhara regional forces. In 2022, the U.S. enacted further restrictions on economic and security assistance for Ethiopia and new defense trade regulations targeting on Ethiopia's economy, including the withdrawal of its benefits under the U.S. tariff-free African Growth and Opportunity Act (AGOA) (African Business 2021).

As noted by Reporter 2023, the U.S. pressure campaign against Ethiopia was partly intended to isolate the country's diplomatic efforts internationally. For instance, the U.S. and its Western allies sought to censure Ethiopia at the UN Security Council over a dozen times but failed due to the votes of China and Russia. According to the deputy manager of party organizational affairs from EZEMA, the U.S. pressure on the Ethiopian government was an implication of

1. The U.S. opted to meddle/interfere in the country's domestic matters under the humanitarianism, democracy, and human rights pretext, with the breach of international law in order to secure its political and strategic interests.
2. In the Ethiopian context, the U.S.'s conditionalities on aid and sanctions did not focus on humanitarian and democratic prerequisites; rather, they served as systematic mechanisms to ensure and safeguard U.S. interests through economic leverage. For example, suspending Ethiopia from AGOA has no relevance to the Tigray conflict and humanitarian aspect. AGOA is an economic act designed to assist manufacturers and industries in accessing the US market, but the US weaponized this economic act to coerce the Ethiopian government to make a peace talk with the TPLF. As a decisive diplomatic partner, the US's negotiation role was important in facilitating the cessation of conflict and humanitarian crisis in Ethiopia. Conversely, the US's suspension of AGOA did not based on the measurable knowledge of the reality on the ground and adversely affected thousands of impoverished Ethiopians leaving them vulnerable to hunger.
3. The suspensions of U.S. aid also served as a means to coerce the Ethiopian government, aiming to threaten the fundamental political, economic, and diplomatic affairs of the countries national interest

²⁶ 181 Secretary of State Blinken, "Special Envoy for the Horn of Africa," April 23, 2021.

6.4 THE IMPACT OF AGOA SUSPENSION ON SOCIAL AND POLITICAL AFFAIRS

The African Growth and Opportunity Act (AGOA) is a United States trade preference act that was signed into law in May 2000 as Trade and Development Act of 2000 (Wederyelesh 2016, USCBP 2018). It's a unilateral and non-reciprocal trade program that prescribes duty-free trade access to goods of the designated sub-Saharan countries (including Ethiopia) into the US markets. However, the study of Braimah (2020), which assessed the strategic importance of AGOA has underlined that AGOA is a US strategic program to advance its economic, political, and strategic interests in Africa in response to the spread/the growing balance of the non-western states particularly China in Africa.

The industry minister's data report (2022) indicates that the AGOA's market opportunities have significantly contributed to the growth of investment in the sector soaring from 69 in 2005 to 261 in 2021. Considering these market opportunities, data show that employment in industrial parks has grown by an average of 24% every year since 2017 and has reached more than 80,000 by 2021. Notably, over 70% of these job holders are young women. If this figure is taken into account through the indirect provision of housing, transportation and small food, and goods suppliers, it is estimated that each jobholder creates additional and indirect job opportunities for 2-3 people, and benefiting over 200,000 citizens from this investment.

In general, the AGOA initiative plays a vital role in bolstering Ethiopia's export trade and fostering economic development (Industry Minister 2021). Nevertheless, effective January 1, 2022, the Biden administration has barred Ethiopia from accessing AGOA's duty-free advantages. In a statement to Congress, President Joe Biden expressed that Ethiopia's "serious breaches of internationally acknowledged human rights" justified its removal from AGOA. The AGOA information report (2022) highlights that the suspension was a reaction to an executive order issued on September 17th, which placed sanctions on certain individuals in Ethiopia associated with the violence in the Tigray region. Biden emphasized that the circumstances in northern Ethiopia, defined by "extensive violence, heinous acts, and grave human rights violations," "represented" "an unusual and extraordinary risk to the national security and foreign policy of the United State (White House 2022). Even though the Biden administration has criticized the Ethiopian government for committing "widespread human rights violations" however, the respondents of the research have argued that the cause of the suspension has political motives that are targeted to hamper the Ethiopian economy by causing a shortage of hard currency and to weaken the government's economic and military capacity.

1. The deputy chief commissioner of EHRC argued that, "the cause of Ethiopian suspension from AGOA is a clear manifestation of the crack of Ethio-US partnership which was previously deteriorated by the issue of GERD, (as Ethiopia has not accepted the US's unfair and one-sided decision on the regional tripartite negotiation process and defended its own national interest and later on the situation has exacerbated by the conflict in the northern part of Ethiopia which the US has preferred to meddle in the internal political affairs of Ethiopia and in response Ethiopia has also

rejected the American action as a threat for the country's sovereignty/ jurisdiction by referring the international law. This confrontation was a serious threat to the USG which considers foreign aid and diplomacy as a tool for securing a political and strategic interest and leads to a serious crack of diplomatic partnership.

2. According to informant 3 (export production competitiveness chief executive), the AGOA suspension has a political motive to weaken the Ethiopian government by targeting its economy, and the suspension has aimed at influencing the Ethiopian government by using economic means to compromise on the basic affairs of its national interest.
3. The cause of suspension has no relevance to the economic affairs. For instance, the Biden administration said that the cause of the suspension was aimed at addressing the "widespread violation in Tigray" which is a political issue whereas the AGOA program is an economic program that benefited more than 95% of poor women in the southern part of Ethiopia. Therefore, the aim/cause of suspension is irrelevant and affected by political motives.

6.4.1 Impacts on Political and Social Aspects

Acknowledging the market potential, those who have invested in Ethiopia and extensively utilize the market, particularly manufacturers in industrial zones, face severe repercussions on their export ventures due to disruptions in market access. For instance, in Hawassa Industrial Park, two companies (PVH Arvind and KGG Garment) have ceased operations, leading to the layoff of 1,763 employees. It is evident that certain manufacturers are preparing to halt production and shut down their facilities if the government does not offer immediate support, encouragement, and necessary policy adjustments. Consequently, over 90,000 workers in the manufacturing sector could be at risk of unemployment due to lost market opportunities. Additionally, the reduction in job openings will adversely affect numerous families, and the pressure on the country's economy will not be easily seen.

According to the Deputy Chief Commissioner of EHRC, "the US's aid suspension in response to the human rights violation is another form of violation against the poor people of Ethiopia who need continuous aid." Firstly, the suspension would harm the Ethio-US long-standing partnership and diplomatic cooperation. Secondly, since the cause for the suspension stems from a political conflict, it should be aimed at addressing the political issues at hand in order to develop political solutions, rather than targeting economic and market opportunities. Thirdly, the central objective of AGOA is to support the manufacturer's productivity to create more employment opportunities, primarily benefiting poor women working in the manufacturing industry to support their poor families in need. Hence, the suspension has a negative impact on the citizens in many ways by exacerbating political complexities, weakening the Ethiopian economy, increasing unemployment, and leaving tens of thousands vulnerable to hunger. (E.g. The Tigray industries have about 10% of the export

share to the US using AGOA so the suspension would cause serious damage to the market opportunity and economy).

Moreover, the suspension has adversely impacted human rights and gradually inflicted significant harm on the economic, political, and social aspects of both the country and the surrounding region. For example, informant 4 (an Associate Professor at Addis Ababa University) stated that, the US political conditionality and the suspension of AGOA/aids have two primary consequences/effects on Ethiopia.

- A. Short-term impacts of the suspension: as 95% of AGOA beneficiaries are young women, the suspension leads to widespread unemployment, triggering massive social and economic crises like illegal migration and prostitution, particularly within lower-class communities.
- B. Long-term impacts of the suspension: the unemployment and associated social and economic crises cause a gradual onset of political instability and state disintegration, exacerbating lawlessness, smuggling, human trafficking, and terrorism.

In conclusion, since the reform government took office in 2018, the Ethio-US relationship has encountered two significant dynamics, contributing to extensive economic, political, social, and diplomatic repercussions. Beginning in 2020, the Ethio-US partnership has started to unravel due to the US's inconsistent stance on the GERD issue and the Ethiopian conflict. These major contentious issues have been exacerbating factors to the US's suspension of Ethiopia from AGOA and other forms of US assistance. However, the research findings suggest that the US aid suspension is predominantly influenced by political and strategic agendas rather than an authentic commitment to uphold human rights and humanitarian principles. The impact of the suspension is also targeting the impoverished Ethiopians who have no direct or indirect connection to the cause of suspension, rather than addressing the basic source of problem/contention.

6.5. CONCLUSION

In general this research investigates the politics of foreign aid in Ethiopia and its implications on Human rights and democracy: the case of US aid since 1991. For assessing, investigating and analyzing the thesis the researcher has implemented a qualitative methodological approach. As long as this approach involves analyzing data, categorizing those data, and finally making an interpretation verbally and drawing conclusions about their meaning, it is more helpful to use in this study. As the discussions in the preceding chapters have shown, this research found contradictory results on the allocation, flow, aim, and implication of US aid. US foreign aid policy and other international donors that are directly or indirectly governed by the USG like IMF and WB, have strict policy requirements of democracy, good governance, human rights protection, and economic liberalization which the recipient states are expected to fulfill in order to get access to ODA. But on the ground, the US has provided the largest aid to the strategic and political allied states without measurable consideration of human rights record and democratization.

The American foreign aid policy has always been grounded in the pursuit of American national interests. As the study encompasses the US aid and its implications on human rights; it also considers the US policy towards human rights and democracy. The study confirms that during the 1960s and 70s, the US foreign aid strategy aimed at promoting democracy and human rights was frequently violated by the US government and its funding agencies. For example, the Foreign Assistance Act (FAA) of 1961 bans aid to undemocratic, corrupt regimes and prohibits funding for partisan purposes. Yet, the US provided substantial aid to the EPRDF, a government widely criticized for severe political and civil rights abuses.

In addition, the US foreign policy enacted that, assistance for human right and democratization are a priorities of US's mission to spread democratic culture, to safeguard international recognized human rights, and to ensure mutual benefiting. However, the research also finds that the US's assistance to the democratization process in Ethiopia has been comparatively low, insufficient and insignificant. Furthermore, the US DRG assistance is ineffective, inaccessible and, has little/no implication on the governmental transitions towards democratization, multiparty system, and human right advancement in Ethiopia since the 1991. These poor implication of US DRG assistance stem from both domestic and foreign adversaries such as poor institutional capacity, lack of sustainable and institutionalization of DRG assistance, restrictive governmental proclamations and regulations.

Since the inception of the reform government in 2018, the US's inconsistent political and diplomatic stance has become glaringly apparent. In line with the US's unpredictable character the Ethio-US relationship has encountered two major dynamics contributing to widespread economic, political, social, and diplomatic regression. The US foreign aid allocation, conditionalities, and suspensions have not been influenced by the motive of safeguarding human rights and democracy rather it is highly dependent on strategic, political, and other military/ economy- related considerations. Therefore, since 2020, the Ethio-US partnership has begun to crack due to the US's inconsistent position on the GERD issue and the Ethiopian conflict. These major conflictual issues have been exacerbating factors for the US's suspension of Ethiopia from AGOA and other forms of US aid. However, the research result implies that the US aid suspension has been highly affected by political and strategic motives rather than safeguarding major principles of human rights and humanitarian aspects.

The US has tried to meddle in internal and regional affairs in humanitarian, regional peace and environmental pretext. The US suspension of Ethiopia from AGOA has no relevance to the Tigray conflict rather the suspension has been imposed to smash the Ethiopian economy and coerce the Ethiopian government to surrender for the USs political and strategic interests in the country and in the region. Therefore, the impact of the AGOA suspension has affected poor Ethiopians who have no direct or indirect relation with the cause of suspension. The consequence of the halt would cause widespread social, political, economic and diplomatic pressure for instance due to the AGOA suspension more than 90,000 workers may lose their jobs in the

manufacturing sector, (about 95% of them are women) and the Ethiopian producers will lose about 50% of their access to the US markets.

In sum, Ethiopia is the second most populous country in Africa and hence a decisive actor in African political, economic, and diplomatic affairs and also an important historical and strategic friend of the USA. On the other hand, the US's support in Ethiopian developmental, humanitarian, and DRG sectors has an important role to boosting the country's development and bilateral partnership. Therefore both countries shall discuss the major conflicting issues and work for mutual benefits, and cooperation. The US should invest more in the good governance and democratization process in Ethiopia which contributes to better conditions of human rights and humanitarian protection.

6.8 RECOMMENDATION

2.1 For the Ethiopian Government:

- As diplomacy has an inside/out approach, the Ethiopian government ought to take the initiative in fostering peace and maintaining internal stability within the country. It proves challenging to align diplomatic efforts and foreign relations without advancing internal peace and stability.
- The administration should revise its policies and regulations, specifically the restrictive decrees that hinder the roles, freedom, and involvement of civil society organizations (CSOs), institutions, and international funders in the realms of human rights and democracy.
- The government should encourage democratization by facilitating and supporting democracy and good governance assistance and initiatives.
- The government should press and encourage direct public diplomacy and foster people-to-people relations with the US and other philanthropic donors/entities.
- The Democracy, Rights, and Governance (DRG) institutions need to work on strengthening their organizational capacity, resilience, efficiency, and accessibility to the mass population to amplify democratization and civic engagement, thereby improving policy implementation and execution.
- The democratic institutions, along with certain governmental and nongovernmental organizations and CSOs should willingly be open and volunteer to provide information to the researchers and independent investigators. For instance, the researcher has repeatedly sought to get information by submitting applications and making phone calls. Yet, the officials from the Ministry of Foreign Affairs, the National Ethiopian Board of Elections (NEBE), and EHRCO have shown reluctance to provide any data or insights.

2.2 For the US Government:

- The U.S. government should welcome opportunities for reciprocal dialogue, interest reconciliation, and cooperation, recognizing its role as the largest donor partner while taking into account the aspirations

and circumstances of the Ethiopian people based on a sound knowledge and understanding of the realities of the country.

- The US should have effective mechanisms in place to monitor and evaluate the impact of assistance to democracy and good governance in the country.
- The US democracy, human rights, and good governance (DRG) assistance should be institutionalized and sustainable. The US should minimize the loss of local knowledge and aid management expertise.
- If there are considerations for aid suspension or conditionality, the U.S. should prioritize humanitarian and human rights concerns, ensuring that conditions are human center.
- The US should revise the suspension of AGOA, in order to prevent further economic, political, and social crises in Ethiopia.
- And finally the US should invest in the long term by targeting pivotal democratic, electoral, human rights, and good governance institutions while putting less emphasis on short-lived programs with short-term results, therefore the US should emphasize on the sustainability and institutionalization of democracy support.

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