I. Introduction

Let us talk about a community of people to whom contemplating what its fate would be twenty-five years down the line is a luxury, if not an altogether alien, even inimical idea, a community that has left the mere possibility of making it to the next day entirely in the hands of God. Now, to extend an invitation to such a community to a serious discussion about the fate/destiny of future generations may appear as nothing more than an invitation to an engagement in commonplace wizardry, or in an idle exercise that is tantamount to interfering in God’s divine dispensation, or even following a dangerous course that would bring doom on all of us. It may not come as much of a surprise that the idea of holding such “useless” discussion to begin with was initiated by economists that have a penchant for prediction, and are continuously trying, in the process, to improve their techniques and to ever consolidate their conviction that it is possible to do so. Nevertheless, to cast into doubt the usefulness at all of making predictions about the future, for fear that any such prediction may not turn out to be a reality and, accordingly, holding in derision such an exercise is, on the one hand, failing to realize the value of thinking about the future, while, on the other hand, it is a pretext on the part of idle or indolent people for evading disciplined thinking.

It was some hundred and fifty years ago that the English clergyman and economist, Thomas Robert Malthus, taking the then existing imbalance between food production and the increase in the world’s population as a point of departure, predicted a precarious future for humanity. Although the economist’s prediction was a little bit too exaggerated and had at the time opened the way for labeling economics with the indecorous epithet of ‘the dismal science’, the underlying value of the prediction has persevered as an enduring basis of human knowledge. The
central thesis and aim of such a prediction is that the rate of increase in human population should be counterbalanced by at least an equal rate of increase in [food] production; that, moreover, humanity should realize the danger that the imbalance between the two factors poses for its survival and, therefore, either seek ways in which food production could be increased over and above the increase in population or, conversely, regulate and control the rate of the increase in population.

If we look deeper into things as they have been and as they are now, we will realize that one of the manifestations of the differences between development [civilization?] and underdevelopment [backwardness?] is (granting the existence of chance occurrences) the ability or inability [success or failure] to think in a reliable manner about humanity’s future and, based on such thinking, to come up with plans for that future and to ensure their implementation. The basic assumption of the natural sciences is that natural phenomena operate and interact along the principles of regularity and order. It is its recognition of these principles that makes these sciences the disciplines that they are and that serves as the main drive for humanity to study nature in a scientific manner. It is using these principles of regularity and order as a point of departure that humanity theorizes about the main tendencies and patterns of the operation of the phenomena; that it tests the validity of its theories through repeated and continuous experimentation; and that it predicts, correctly in the majority of cases, the future trends that the development of nature would follow. It is the ever-growing knowledge that this scientific approach to nature has managed to develop that has radically altered and transformed humanity’s material life. In contrast to this, a society that considers the world as a total mystery and an aggregate of accidents cannot think beyond fulfilling its day-to-day needs and be in a position to plan ahead and act accordingly. As long as such a society cannot do so, the chances for it to improve its livelihood is as proportionally slim as its inability to think ahead and act for a secured future.

I still clearly remember a debate between intellectuals in New York, which I was witness to when I was doing my graduate studies some twenty years ago. There were two positions taken among the intellectuals concerning the education of very small children (between the ages of 1 and 2). One side maintained that, if these children were sent to special schools that would enable them to broaden their intellectual capacities, they would indeed become the more intelligent and the smarter for all that. The other side maintained the exact opposite position: these children should be left alone to play about, as children in their age-range should, until such time as they were actually ready for school, for leaving them be what they are would make no difference at all on the future development of their intellect. The debate was between child psychologists, who
claimed to have conducted research on the matter and educationists, while the community was closely following up the debate. What struck me as amazing was not the debate itself. Rather, it was the reaction of the community. Yes, what amazed me was the fact that there were couples who did not have children at the time, but who were planning to have some in the near future and who were wishing to have their children enrolled in such big and reputable universities. What was amazing was the unrelenting effort that such parents made to have their future kids registered in such special schools as the two sides in the debate were talking about. Imagine! Making preparations now about what university a child not yet born, even conceived, would go 20 years down the line! Think of how certain such people are about what the future holds for them! Think of their conviction that they have about their ability to direct the future of their children the way they want! Think also of the preparations they make so early for something that may happen in a twenty-year time span in the future (such as saving money for their children’s education)! One can certainly conclude from all this that such optimism about life has certainly contributed a good deal to the stage of development that they have reached at present. I think this is one of the sources for the difference between their development and our backwardness.

At any rate, these introductory remarks are meant to point to the value of such a discussion in enabling us to map out, though not with full certainty, but somehow broadly, the direction that we, as a nation, could possibly follow in the future. The remarks are also intended as a reminder that such a discussion, beside helping us ward off possible future risks and dangers, has its use in prodding us into desiring a better life for the future and bringing about the necessary attitudinal change that would enable us to make such a life come true, if not for us now, then for our children. I also mean to use these remarks as an expression of my heartfelt appreciation to our Association’s Executive Committee for organizing this forum and, also, for inviting me to address this audience, believing what I have to say would contribute to the present discussion.

This presentation is so organized as to try to address, in the main, the issues suggested by the organizers in the suggested order. Accordingly, the presentation has four parts: The first part examines, as thoroughly as possible, the situation in which our country and its people find themselves in; the second and third parts deal with the “predictions.” This section particularly addresses the question of what the existing situations would look like a generation from now if they followed the existing trend and attempts to show the transformations the economy would undergo if certain changes of direction were made to bring about a better way of life. The fourth
and final section attempts to briefly answer the question of what would need to be done if our
vision must translate into a concrete reality. Along with this, it also attempts to portray the
future Ethiopia--what it will look like--if and when these important issues are fully addressed and
realized. Before getting into a discussion of the main issues, however, I would like to point out
two things to my audience:

1. Such an attempt as I am going to make with regard to addressing the issues outlined above
cannot claim to present the full picture of what our life looks like. This presenter is therefore
forced to limit himself to addressing those few issues that he considers are very crucial. This
does not mean, however, that the issues not addressed in this presentation are not important
or that they are of little use. It only means that my presentation is so geared as to focus on our
economic life and highlight the main issues in that respect.

2. However, such a presentation cannot be circumscribed within the limits only of one social
science discipline (economics, in this case). The approach adopted, therefore, is one that
attempts to take into account those aspects of our life that fall outside of the strictly economic
sphere, but which, nevertheless, bear upon our economic life. In so doing, then, the
presentation refrains from going into those fine details as often is witnessed in discussions
and debates among professionals of economics. Having pointed out this, I shall now move
on to tackling the main issues this paper has set out to address.

II. The Current Situation of Our Country

In order to answer the question of what direction a given country would follow in the future, one
has to ask the inevitable questions of what the country’s past was like, as well as what situation it
finds itself in at present. Although I do have neither the knowledge, unlike Professor Bahiru, nor
the necessary economic data to extend my exploration of the country’s past as far back as the
time of Emperor Tewodros, I believe it is possible to explore the situation by at least starting
with the 1950s, during which period proper collection and documentation began.
A good indicator of Ethiopia’s general economic performance is its overall economic growth and the associated per capita income.\footnote{This can also be broadly based on the combination of the three human development indices, as that adopted by the United Nations Development Program (namely, per capita income, GDP, longevity). However, as this would take us into too many details that may be of no relevance to the message I am trying to get across, I shall limit myself to per capita income.} For the purpose at hand, the annual rate of increase of this income is sufficiently reliable to indicate whether or not the population’s livelihood has been improving. According to the estimate based on this indicator, the Ethiopian economy has been growing at an annual rate of 2.6% over the last four decades. At the same time, however, the population has been growing at an annual rate of a little over 2.6%. Precisely because of this, the people’s per capita income has not only remained where it had been at the time, it has, in fact, declined, however little the amount. The average per capita income (at 1980/81 constant prices) was Birr 228 in 1960/61 and Birr 257 in 1964/65, while the average per capita income for 2001/02 was only Birr 261, and for 1995, Birr 244 only.
Table 1: The implementation of Ethiopia’s economic growth

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; allied activities</td>
<td>3.5</td>
<td>-1.5</td>
<td>1.7</td>
<td>2.1</td>
<td>0.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Industry</td>
<td>7.4</td>
<td>4.7</td>
<td>5.6</td>
<td>7.0</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Distributive Services</td>
<td>8.2</td>
<td>4.9</td>
<td>6.5</td>
<td>7.8</td>
<td>2.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Other Services</td>
<td>6.4</td>
<td>7.3</td>
<td>7.5</td>
<td>6.9</td>
<td>4.8</td>
<td>5.6</td>
</tr>
<tr>
<td>GDP</td>
<td>5.1</td>
<td>2.5</td>
<td>4.5</td>
<td>3.7</td>
<td>1.9</td>
<td>2.6</td>
</tr>
<tr>
<td>Per Capita GDP</td>
<td>2</td>
<td>-0.13</td>
<td>1.5</td>
<td>1.5</td>
<td>-0.9</td>
<td>-0.1</td>
</tr>
<tr>
<td>Per Capita GDP: Agrarian</td>
<td>0.7</td>
<td>-3.4</td>
<td>-0.9</td>
<td>-0.08</td>
<td>-2.2</td>
<td>-1.2</td>
</tr>
<tr>
<td>Per Capita GDP: Non-agriculture</td>
<td>2.3</td>
<td>1.6</td>
<td>2.4</td>
<td>4.3</td>
<td>0.2</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Note: While the figures for 1991/92 and 1997/98 – 2001/02 are simple arithmetic means, the rest have been estimated by OLS method.

* While the rate of growth is 1.9% when calculated taking the simple average estimate into consideration, what I used for predicting the rate is the 2.4% estimate based on OLS method.
Table 2: Contributions of the various economic sectors towards overall economic growth

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture and allied activities</td>
<td>18.5</td>
<td>38.5</td>
<td>16.5</td>
<td>30.8</td>
</tr>
<tr>
<td>Industry</td>
<td>13.4</td>
<td>17.5</td>
<td>20.8</td>
<td>13.5</td>
</tr>
<tr>
<td>Distributive Service</td>
<td>20.6</td>
<td>24.4</td>
<td>17.8</td>
<td>17.9</td>
</tr>
<tr>
<td>Other Services</td>
<td>47.2</td>
<td>20.4</td>
<td>44.9</td>
<td>39.4</td>
</tr>
<tr>
<td>Public Administration and Defense</td>
<td>28.2</td>
<td>6.4</td>
<td>20.7</td>
<td>18.4</td>
</tr>
</tbody>
</table>

Compared to Ethiopia, the rest of the world has a record of improved livelihood that cannot be underestimated. For instance, although the per capita income of South Korea four decades ago was double that of Ethiopia for the same period, nevertheless, both countries were classified in the same economic category (that of poor countries). And yet, because of the speedy growth rate that it recorded in the last four decades, South Korea now finds itself in the category of rich countries. Accordingly, while South Korea’s per capita income was USD110 in 1965, that of Ethiopia was a mere USD57 for the same year. After forty years the gap between South Korea and Ethiopia has more than doubled, as a result of which South Korea’s per capita income for 2001 had reached USD9104, while that of Ethiopia was a mere USD97. This was after the South-East Asian Crisis was over. If we take the figures prior to the crisis and look at South Korea’s per capita income for 1997, we see that it was USD11,675, while that of Ethiopia was a mere USD104.

Our economy has not scored any structural change in the course of such a long time. The majority of the people are still scraping through life by means of a highly backward agricultural economy totally dependent on nature as it is. Even worse, as the size of the country’s population continuously increases, the per capita income gained from this economic sector has been declining, as a result of which the people have reached a stage where they could even barely make it through life.
The per capita income from the agricultural sector has been declining at the rate of 1.2% per annum for the last 42 years. Because the industrial and service sectors’ share of GDP has shown some improvement, the livelihood of that population engaged in economic activities outside of the agricultural sector has managed to stay afloat. Even then, the improvement these sectors have shown is really not something we can speak of as worthwhile. The per capita income of the population engaged outside of the agricultural sector has been increasing at an annual rate of 0.8% in the period under consideration. Thus a farmer’s per capita income that was Birr 194 in 1960/61 (at 1980/81 constant prices) and Birr 198 in 1964/65 dipped to Birr 144 and Birr 114 in 2001/02 and 2002/03, respectively. In contrast to the agricultural sector, the average income of the population outside of the agricultural sector was Birr 519 in 1960/61 and Birr 731 in 1964/65, whereas the average income for this sector, which was Birr 968 in 2001/02, has declined to Birr 953 in 2002/03. Because of this, the gap in average income of the urban population and that of the rural population, which was about two and half times in 1960/61, jumped to three and half times in 1964/65. This gap increased to over seven times last year (2001/02), while in the current year it has increased to about eight and a half times. In our
country, where the large majority of the population lives in rural areas, we need no further
evidence than the ever-worsening poverty situation of the rural population to demonstrate what
kind of pitiable livelihood the rural population and, therefore, the majority of the country’s
population leads. Although, relatively speaking, the livelihood of the urban population appears
better than that of the rural population, there are concrete data that confirm the increasing
proliferation of poverty in the urban areas as well. According to government estimates, the size
of the urban poor has increased by 12% in the five years between 1995/96 and 1999/00.

Incidentally, one need not go through the pages of many documents to figure out that these
figures are not exaggerated. It is not difficult to grasp how much of a riddle life has become for
the rural population when we consider the increasing size of the country’s population with no
access to the minimum amount of food required just to survive. At the time of the great famine
that occurred during Emperor Haile Selassie’s reign (the 1973 famine) the number of people that
couldn’t feed themselves was estimated, at the maximum, at 1.5 million, while the areas of the
country victimized by that famine was mostly confined to the northern part. The famine that
occurred in 1985, during the Derg regime, and which is said to have been exceedingly large-
scale, afflicted about 6 million people, while it proliferated into areas in the eastern parts of the
country as well. While the number of farmers unable to feed themselves due to the current
famine has increased to about 14 million, the number of farmers depending on the charity of
others every year, even in peaceful times with no famine, has increased to 6 million. The
traditional method of farming, which has remained unchanged for centuries, coupled with the
ever-increasing size of the country’s population, has rendered some areas completely
uninhabitable. The size of the rural population during the 1973 famine was estimated at about 29
million. Today, this number has grown to about 58 million.

The consequences of economic failure are not limited to economic-related issues. The turbulence
it creates in our social and political life will inevitably hurl us into the vicious cycle of poverty.

The relative backwardness of Ethiopia of the 1970s, but especially the sense of loss and national
humiliation that came in the footsteps of the 1973 famine, coupled with the weaknesses of the
intellectual class (elite) of the time and its inability to bring about even a modicum of change,
gave birth to the 1974 revolutionary upheaval. Because it couldn’t bring about even a moderate reform, the intellectual class of that period abandoned the movement for ill-considered extremist ideological positions and delivered the society to the 1974 social upheaval and, eventually, to an excruciatingly terrible military regime. In the seventeen years that that regime lasted, it bequeathed us not only poverty and deprivation, but even worse, a psychological pain and trauma that we have not still been able to emerge from. That regime, completely blinded by arrogance and ignorance, established administrative structures that served as nothing more than organs of suppression and wanton killings and subjected even the most routine individual and household decisions to be governed by the will of the government. Even when the power of the imperial regime was at its most absolute, life was considered a sacred thing better left in the hands of God. But the Derg regime turned this life into some cheap thing that could be dispensed with according to the whim and fancy of some armed kebele thug, a commonplace phenomenon totally at the mercy of the will of the government. Protecting one’s offspring against imminent danger is an instinctive impulse, not only of human beings but of animals as well. At that time, however, the Derg regime had so completely emasculated the society of its dignity and valor that people were helplessly watching when their children were snatched out of their bosoms and massacred in broad daylight. The inability of the society to stand up against those terrible moments as one nation, coupled with some minor ethnic grievances that prevailed at the time, paved the way to power for forces that opted for ethnic rather than country-wide solutions for the existing problems. This, in turn, resulted in the relative undermining of the accord that existed among the different ethnic groups populating the society. All this loss of confidence in one’s country, which is a result of the upheaval suffered by the society, rendered fleeing one’s own country, which was considered humiliation during the Emperor’s time, a national phenomenon to be keenly wished and longed for. Moreover, the ever-worsening poverty and administrative injustice, coupled with certain backward aspects of cultural tradition, opened the door for unseemly cultural practices that formerly were there, but which, as a result of modern education, particularly in urban centers, began to rear their heads, overwhelming the psychological makeup of a good portion of our society. Envy, pessimism, despair and loss of self-confidence have come to constitute the deep-rooted core of the society’s psychological wound, creating an environment too inauspicious for development and growth.

The international situation that developed in the aftermath of the collapse of the Derg regime and the fragmentation of the former Soviet Union had, at the time, opened, on a limited basis to be sure, a new vista and ushered in a new hope for Ethiopia. Although the extremist socialist position of the EPRDF at the time, the ethnic orientation of its organization, and the secession of
Eritrea that came along with all this had created a high suspicion among many people, some measures taken since the transitional government, particularly the right to freedom of expression (together with the proliferation of the free press), incorporating this and such rights into the constitution, the temperance, for the most part, of the gross human rights violation that was characteristic routine during the Derg regime, creating broader opportunity for the development of the private sector, etc. were all measures that perhaps sparked some hope that our future would, after all, be a promising one. On the other hand, however, such actions of human rights violations and, sometimes, massacres based on ethnicity (e.g. Beddenno, Weter, etc.), to such an extent as has never been witnessed in the country’s history, and appearing as if they had all the blessing of the government, have cast gloom over the burgeoning optimism of the people. Although the new regime has managed to greatly reduce its crude show of force, as used to be the case with the Derg regime, it has used the extensive administrative network that it bequeathed from the Derg regime to demonstrate to citizens employed by it that disagreement with, or opposition to, the government could mean losing one’s job and, thus, facing economic hardship. (One need only recall the teachers expelled from the Addis Ababa University.) The new regime has also gone into competition with the private sector by establishing huge enterprises owned and controlled by the ruling party and, even going further steps from intimidating private business persons to incarcerating those whom it considers have gone beyond the confines prescribed by it and have, therefore, dared to challenge it. In so doing, it has continued to inculcate in the minds of the people the idea of the sovereignty or supremacy of the government and its dominance over the people in ways that nobody ever suspected would happen.

Consequently, although the political and social distraction and turmoil that I mentioned above, which were widespread during the Derg regime, are not currently as bad as they were then, one cannot, in all honesty, say they have been fundamentally removed. There still exist instances of human rights violation; the mutual mistrust among nationalities still has not improved, if not getting worse; because of the fact that losing confidence in one’s own country and the attending phenomenon of fleeing to other countries have become so deep-rooted, any hope that remains of the youth (including children of the elite/intellectual class) for a better life in this country has completely diminished (so much so that we have reached a stage where getting the opportunity to go out of the country and not using that opportunity to do so is considered mere stupidity). It appears that the government’s absolute dominance, rather than being on the wane, is, in fact, getting ever stronger. After 12 years in power, the EPRDF has simply proved incapable of building the democratic system of governance that the majority of the population believes to be fundamentally correct and just. Moreover, our humanity and dignity, which the Derg regime had
managed to smother in fear through years of cruel persecution, still has not managed to extricate itself from the hole it has hidden itself in. I would venture to say that, perhaps, the EPRDF’s greatest weakness lies in the fact that it has not been able to emancipate the individual Ethiopian from this fear. It appears to me, therefore, that our fate, our future hangs precariously between our ability to achieve this internal freedom and our failure to do so.

I can clearly understand that this picture I have attempted to paint of our present situation appears very dismal. But I also believe that we can indeed live a better life. For this to happen, however, there are many bold steps that we have to take both as individuals and as one country. Unless this is made to happen, I can imagine, the resulting scenario could even be worse than it is now. The next section attempts to demonstrate both the virtues and vices of the situation.

Before proceeding to the next section, however, allow me to give a short answer to a question that may be bothering you even as I speak now: namely, “who is responsible for the current predicament we find ourselves in? The answer I have to this question is very simple. It is all of us. As much as the intellectuals who prodded the 1974 social upheaval onto a course of extremism, the pre-revolution elite of Haile Selassie’s regime that were too impotent to urge Haile Selassie’s government to bring about even a minor reform, our religious leaders who failed to speak out even one word against the gruesome persecution and massacre inflicted on the population by the Derg, and all those who simply chose to watch quietly all that injustice and atrocity as long as they were not personally affected, all these groups as well cannot elude being answerable to history. Answerability to history is not a monopoly of only those who engaged in, or were accomplices to, evil deeds. Those who were not of the resolve and willingness to prevent evil deeds from happening will be held accountable as well.

III. What Form Could the Life of Ethiopians Assume in the Future if Things Were to Follow the Existing Trend of Development?

Any prediction about what kind of situation would emerge after a given period of time largely depends on the validity of the assumptions forming the basis of the prediction. To the extent that these assumptions, serving as points of departure, change, the results of the prediction based on
those assumptions also change. Moreover, there are many variables that, in practice, determine the outcome of human behavior and activities. It is impossible, therefore, to include all these variables in our attempt to predict the future. Accordingly, there is no alternative to basing the prediction on a narrower model that would enable us to indicate the general direction of the development process. Consequently, the variables that I used to indicate our future direction mainly are population size, population settlement, especially rural-urban population distribution, and estimates about minor changes to be made with regard to capital productivity. Before going into this, however, let me start with the question: If everything continued to operate along the same line as it does now, what kind of economic situation will emerge by the year 2020, Ethiopian calendar?

As we all know, we have, in the last forty years and under different regimes, recorded varying rates of economic growth. Taking the 40-year average estimate in one lump will not serve as a good indicator of what the future will possibly have in store for us. As indicated in the tables above, different growth rates have been recorded during the three regimes of the Emperor, the Derg and, now, the EPRDF. If we leave the period of the Derg regime out of consideration because of the fact that the country’s economic activity was at its worst (considering that the average per capita income was declining at the rate of 1% per annum), we will see that the rate of economic growth during the imperial regime and, now, at the time of the EPRDF, approximate each other (considering that in both regimes the average per capita income has grown by 1.5% per annum). Moreover, when we consider these two regimes, because the EPRDF’s regime has shown a minor improvement, particularly in the macro-economic sector, and also because this period is the closest to the future, it would be a better alternative to take the economic growth achieved under EPRDF as a point of departure for our prediction. Even this has its own problems, however. And that problem is that, the economic performance undertaken in the years that EPRDF has been in power are not homogeneous. They have been highly inconsistent. For instance, if we divide the 12 years EPRDF has been in power into two equal parts, we see that the in first six years the GDP of the country had been growing at the rate of 5.1% per annum, whereas during the second six-year period, the growth rate has declined by half, recording a growth rate of only 2.5%. Because of this, while during the first half the average per capita income was growing at the rate of 2% per annum, during the second half, however, it has been declining by 0.13% per annum.
Consequently, the possibility of definitely determining which period constitutes a good point of departure to predict what will happen in the future if things continue along the same line as they are doing now is debatable. In order to have some idea of what things would look like in 2028, the estimates for the prediction made on the basis of four different situations (namely: the average growth rate during the first half of EPRDF regime; the whole period of EPRDF; the second half of EPRDF regime; and the last 42 years) are given below in Table 3. To show what the situation would look like in the year 2028, some initial assumptions have been made; namely:

1. On the basis of the existing population census, the country’s population would reach 124.5 million in the year 2028, of which 78% or 96.7 million will be constituted by the rural population, while the urban population will have a share of 27.8 million;

2. The existing output elasticity of capital (0.17%) continues and assume that for every 1% increase in capital, production will grow by 0.17% (this estimate has been arrived at through growth regression). And the investment will continue with the same trend as now;

3. Economic and other policies, particularly the settlement pattern of the population will continue to follow the existing trend;

4. Other situations will continue to follow the same trend as the existing one.

Taking these assumptions as a point of departure, and if the existing trend of development continues into the year 2028, it will not be difficult to see the economic difficulties we are going to face. As has been indicated in Table 1, if we take as a point of departure the rate of growth during the first six years of the EPRDF, during which relatively better economic activities had been witnessed, we will see that our society’s livelihood will make only some improvement. Accordingly, in the year 2028, the population’s annual per capita income will increase to Birr 659; of this amount, the rural population’s annual income will be Birr 195, while that of the
urban population will be Birr 2274. This means that, while the livelihood of the rural population will improve by 50%, that of the rural population will improve by more than two and half times. Similarly, the disparity in income between the rural and urban population will grow by more than 11 times of what it is currently. Mind you, however, that the basis of this estimate is supposed to be the very best!

Table 3: Ethiopia’s economic situation 25 years from now, if the current trend of economic growth continues unchanged

<table>
<thead>
<tr>
<th>Basis for prediction of economic growth rate</th>
<th>GDP in million of birr (at 1980/81 constant prices)</th>
<th>Value Added in the agricultural sector</th>
<th>Value Added in the non-agricultural sectors</th>
<th>Share of the agricultural sector</th>
<th>Per Capita income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First half of EPRDF Regime</td>
<td>82070</td>
<td>18846</td>
<td>63224</td>
<td>23%</td>
<td>659</td>
</tr>
<tr>
<td>Comparison</td>
<td>4.7</td>
<td>2.5</td>
<td>6.3</td>
<td>2.5</td>
<td>1.5</td>
</tr>
<tr>
<td>EPRDF (Whole)</td>
<td>73403</td>
<td>11802</td>
<td>61601</td>
<td>18.7%</td>
<td>590</td>
</tr>
<tr>
<td>Comparison</td>
<td>4.2</td>
<td>1.6</td>
<td>6.2</td>
<td>2.3</td>
<td>0.92</td>
</tr>
<tr>
<td>Second half of EPRDF Regime</td>
<td>67347</td>
<td>8867</td>
<td>58480</td>
<td>13.3%</td>
<td>541</td>
</tr>
<tr>
<td>Comparison</td>
<td>3.8</td>
<td>1.7</td>
<td>5.9</td>
<td>2.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Last 42 years</td>
<td>43076</td>
<td>10917</td>
<td>32159</td>
<td>25%</td>
<td>346</td>
</tr>
<tr>
<td>Comparison</td>
<td>1.6</td>
<td>1.4</td>
<td>3.2</td>
<td>1.3</td>
<td>0.85</td>
</tr>
</tbody>
</table>

If we take as our point of departure the whole period EPRDF has been in power and forecast what things would look like in 2028, we will see that the economic situation will even be worse than what has been indicated in the preceding estimate. Accordingly, while the national average per capita income will be Birr 590, the average annual income of farmers will plummet to Birr 122, while that of the urban population will dip to Birr 2219. What this means is that the daily
income of the country’s population in the said year, which is estimated to hit the 100 million mark, will be only 33 Ethiopian cents (the daily income currently stands at 36 Ethiopian cents).

Now, if we take the second half of EPRDF’s regime as our point of departure, what awaits us in the year 2028 is really scary. If our economy continues following the current trend of growth, the population’s per capita income will dip further to Birr 541 and the annual income of the rural population will decline to Birr 92, while that of the urban population will decline to Birr 2104. This situation further reduces the daily income of the rural population to 17 Ethiopian cents.

If we take the last 42 years as our basis for forecasting how things would look like in the year 2028, we will see that the national average per capita income will be a mere Birr 346 and the annual income of the rural population will be Birr 113, while that of the urban population will plummet to a mere 1157 Birr. What has been so far described represents a good indicator of what we will run into in the year 2028 if our economic growth were to follow the existing trend. Even this provides us with only a general picture, not a thorough understanding, of the situation.

To understand the gravity of the situation, let us take famine as one example. The number of people that have fallen victim to the current famine is estimated to have reached the 14 million mark this year. The number of victims has been increasing on the average by 3.4% between 1979 and 2003. Accordingly, if we assume that the number of victims would increase at this rate annually (this figure may rather increase due to population growth and environmental degradation) and the trend continues, the number of the country’s farmers that will fall victim to famine in the year 2028 is estimated to reach the 50 million mark, and this figure constitutes 52% of all farmers and 40% of the country’s total population. Now, mind you, if our future life keeps on following the current trend, a generation down the line, half of the rural population will be forced to depend on food handouts just to survive. In other words, half the country’s population will end up becoming beggars.

---

2[2] According to these forecasts, the reason for the disparity between the incomes of the rural and urban populations is the difference between the growth rate of the two sectors, as indicated in the different periods considered as points of departure. As indicated in Table I, of the periods other than the first half of EPRDF’s regime, the only period during which fast economic growth in the agricultural sector was witnessed was that of Haile Selassie’s period.
This kind of proliferation of poverty in the country is sure to affect other aspects of our life. If, therefore, the situation continues at the current trend, our very dream of living in peace will itself be thrown into doubt. The political, social and psychological crises that have come in the footsteps of the poor economic conditions over the past forty years will inevitably head for the worse. The worsening poverty situation, coupled with the mutual suspicion among the different ethnic groups, would more than likely encourage divisive forces who are after solutions inimical to our vision of Ethiopianness, and not paying heed to this possibility is, once again, to fail to learn from the lessons of history. Moreover, as the intensity of the poverty the country is experiencing now increases, by that much will favorable conditions be created for all sorts of religious extremists (fundamentalists) to flourish. And that such a situation will put to the test the long-standing mutual respect and coexistence among the different religions of the country, which is one of the emblems of our pride as a country, cannot be doubted. For one who observes closely, the symptoms of such a trend are clearly visible and widespread in our society. Probably one of the phenomena that is gaining ground, and that appears to be following a dangerous course, is the increasing competition in construction of places of worship by all religious groups. It has always been common practice for people to turn to their respective deities when the material life they lead becomes confusing and dismal. In this regard, I think the difference among people lies, on the one hand, in the difference in outlook between those who turn to their deity seeking spiritual nurture and fortitude in the their day-to-day struggle to improve their material life and, on the other hand, those who use spiritual life as an escape mechanism from the material world and as a hideout and pretext for those who are too indolent to engage in activities necessary for the success of the world’s development. Although one cannot predict the type of reception both types of people may get in the hereafter, one cannot be in any doubt as to the much better material life the former type would live here on earth.

The paradox in this scenario is that, compared with the proliferation of religions with the speed of brushfire, one cannot see the same degree of consolidation of the people’s mentality in the moral and ethical domains of their life. Contrary to such expectation, what one sees is the people’s moral and ethical values being constantly eroded. It has now become a rare phenomenon to find people in the employ of the government that do not steal or cheat. Getting rich quick, instead of working hard and making wealth, has become a feat of courage and an emblem of intelligence among those with the capital to invest. We have reached a time when mutual trust is fast disappearing about the checks people write to each other.
When it comes to our intellectuals, speaking one’s mind and being ready to take the consequences (AWnTN tĂGé ymvbT «dR), which once was the hallmark of genuine intellectuality, is now considered a principle only of the naive, otherwise the war cry of adventurers, not something to be expected from “mature intellectuals.” The motto of legal professionals that “one against whom justice has been delayed is one to whom justice has been denied” has practical implications only for the ferenjis, who had the misfortune of being overlooked when God was meting out Patience to his creatures. The motto has no place whatsoever with our people, who are “armed to the teeth with that everlasting Patience!” It appears that, among many of our professionals, justice, instead of being something they should seek as an outcome of the profession they are into, has become a chance occurrence that they run into by accident. Generally speaking, moral degeneration in our society has reached that stage where it has affected even our day-to-day linguistic transaction. Thus ‘stealing’ has been transformed into ‘conducting business’; ‘letting a student cheat on exam’ has become ‘assigning work’; ‘bribing’ has, in a sudden gesture of generosity, become ‘putting a mouthful of food into someone’s mouth’, so on and so forth. Unless our poverty and economic failure are reversed through the concerted effort of all of us, the impending social chaos is something that should prod us into thinking seriously. Obviously, when I say all this, I am not in any way implying that everybody has become as degenerate as all that. We still have lots and lots of people who are genuine and honest in their workplaces. But when we look at the general trend in this respect, we see that there are signs that the size of such honest and genuine people is gradually shrinking.

IV. Is It Possible to Attain a Better Life than What We Have?

Could our Ethiopia’s future become better than it is now? My answer to this question is not only in the positive, but I also believe that the solutions to our problems are staring us right in our faces. But it must be noted that a better life for Ethiopia can be attained if, and only if, we, as one society, accomplish the so many things that must be accomplished, not if we just sit around and keep on praying. I will come back to this point later on. Prior to that, I would like to focus on what our future life would look like in terms of our economic development.
As I have indicated earlier, any forecast made about the future is determined by the nature of the assumptions one starts out with. The forecasts presented above are based on the assumption that the existing policies and the general trends we are currently following will continue along the same line, with little or no change. One of these assumptions has to do with the agriculture-led industrialization strategy of the present regime. It is my opinion that, because this strategy has been founded on an economy that has for long been weak, it has slowed down the progress of our economic growth. It is also my conviction that, instead of persisting on this strategy, we would be able to score a much better result if more attention were given to those dynamic economic sectors that can flourish better than hitherto. To show that what I am suggesting would work better, let me take as an example one of the factors that put the rural economy in difficulty, namely, the size of the rural population.

When we look at the pattern of the rural-urban population distribution, we see that about 85% of the population live in the rural areas, while the remaining 15% live in urban centers. This pattern of settlement has resulted in the gradual diminishing of the landholding size in the rural areas. For instance, the average household landholding size, which was 2 hectares in the 1970s, had declined to 1 hectare towards the end of 2000. This gradual and continuous diminishing of the rural landholding size is the result of the increase in size of the rural population. Incidentally, even with such scenario, the number of farmers with no plot of land to their name amounts to about 11% of the rural population. In addition to the increase in the total population size of the country, the reason for the increase in the size of the rural population was the deliberate policy of reducing the number of people migrating from rural areas to urban centers once the 1975 land reform proclamation had been issued. For instance, while the rate of increase in the size of the urban population for the period between 1960 and 1975 was 4.8%, after the land reform, the rate had decreased to 3.2%. From that period until 1997, the rate of urbanization increased by a mere 2.1%.

One of the assumptions I based my forecast of future trends is that this rural-to-urban migration would follow the same trend as that during Haile Selassie’s period. Basing ourselves on this assumption, and looking at the trends of our economic growth, we will have a better economy in 2028 than we would if the current trend of economic growth continued. Accordingly, as I have indicated above, the rural-urban population distribution pattern that would be 78% and 22%,

---

respectively, for the rural areas and urban centers if the current trend continued, the distribution pattern by 2028 would have been 40% for the urban centers and 60% for the rural areas if the growth rate of urbanization had followed the trend during the regime of Haile Selassie. This change in the pattern of settlement of the country’s population will bring about a considerable change in our economic development.

Table 4: The face of our economy after 25 years if the rural population size were 40%.

<table>
<thead>
<tr>
<th>Basis for prediction of economic growth rate</th>
<th>GDP in million of birr (at constant prices)</th>
<th>Value Added in the agricultural sector</th>
<th>Value Added in the non-agricultural sectors</th>
<th>Per Capita income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Per Capita income</td>
<td>Overall</td>
</tr>
<tr>
<td>First half of EPRDF Regime</td>
<td>132091</td>
<td>18846</td>
<td>113245</td>
<td>1061</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td>EPRDF (Whole)</td>
<td>124664</td>
<td>14158</td>
<td>110506</td>
<td>1001</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td>Second half of EPRDF Regime</td>
<td>113646</td>
<td>8867</td>
<td>104779</td>
<td>913</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td>Last 42 years*</td>
<td>68536</td>
<td>10917</td>
<td>57619</td>
<td>551</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
</tbody>
</table>

*The current trend compared to what would happen in 2028 if the current trend continued to follow the same pattern.
As indicated above in Table 4, the average national per capita income would be 60-70% and the rural population’s income would grow by 56% by only making the suggested changes, compared with what would happen if such changes were not made. Accordingly, the average per capita income, which was 590 according to estimates based on the whole period of EPRDF as a point of departure, would grow to Birr 1001 when using Haile Selassie’s period as a point of departure, while the rural population’s average per capita income, which was Birr 122, using the EPRDF estimates as a base, would grow to Birr 190. On the basis of these estimates, the existing rural poverty situation, which would have worsened by 6.2% if we followed the existing trend, would, by 2028, be reduced by 22% by simply changing the rural-urban population distribution pattern, as suggested by the estimates in Table 4. This is, of course, assuming that urban productivity would follow the existing trend and population size would remain unchanged over the projected period. Another assumption outside of this is that the reduction in the rural population size will bring about no change whatever on agricultural production, and this assumption is a legitimate one that will create no controversy.

It is my conviction, however, that we can effect an even better economic change. Just to indicate some possibilities, let us look further into some of the assumptions that we previously picked up for our forecast and see what changes they will bring about in our economy in the year 2028. To demonstrate this, in addition to the urban/rural population distribution pattern, the following will be taken into consideration:

1. First, let us assume that urban productivity, and particularly the productivity of the industrial sector, will make considerable enough an improvement over the very low level it is at now; let us further assume that, in order for this to happen, the contribution of capital to the growth of production will increase from the current 0.17 to the 0.33 level that we witness in other countries (for this to happen, in turn, we need to use all the available instruments of production to their optimal capacity); and let us, then assume that, because of these changes, the industrial sector of the economy will grow by 10.6%;
2. Secondly, let us assume the productivity of the rural farmers (labor, not land, productivity) shows an increase over the current capacity (since, especially, the decrease in the rural population size and the concomitant increase in the urban population will increase the demand for agricultural products) and, for that reason, agricultural production will increase at an annual rate of 4%; [Incidentally, it is my belief that, if the country effectively utilizes the water resources it has and does particularly restore to operation such dams as Tana-Beles and Alwero, which stopped operation and have since been condemned to idleness, and resumed irrigation projects, we would even perform better to increase agricultural production over the 4% indicated above. For instance, if the 55 thousand hectare Tana-Beles development project were to resume, it would be possible to raise the current agricultural production by over 3%. This means that the production thus obtained would feed a population of not less than 3.7 million for six months. The effect would double if we were to assume a production capacity of twice a year].

3. Thirdly, let us assume that we could reduce the growth rate of the population by about 0.4% by resorting to different policies. Then, through a combination of all these different efforts and measures, we could increase the growth of our economy by an average annual rate of 8.9%.
Table 5: The face of our economy after 25 years if we could use the capital and manpower we have more or less effectively

<table>
<thead>
<tr>
<th>Basis for prediction of economic growth rate</th>
<th>GDP in million of birr (at constant prices)</th>
<th>Value Added in the agricultural sector</th>
<th>Value Added in the non-agricultural sectors</th>
<th>Per Capita income</th>
</tr>
</thead>
<tbody>
<tr>
<td>If inefficiencies were meaningful reduced</td>
<td>178531</td>
<td>21462</td>
<td>157069</td>
<td>Overall</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Agriculture</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-agricultural sectors</td>
</tr>
<tr>
<td>Comparison</td>
<td></td>
<td></td>
<td></td>
<td>1623</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>325</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3570</td>
</tr>
<tr>
<td>First half of EPRDF’s regime</td>
<td></td>
<td></td>
<td></td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td>EPRDF’s regime (whole)</td>
<td></td>
<td></td>
<td></td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.6</td>
</tr>
<tr>
<td>Second half of EPRDF’s regime</td>
<td></td>
<td></td>
<td></td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td>The past forty years</td>
<td></td>
<td></td>
<td></td>
<td>4.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.1</td>
</tr>
</tbody>
</table>

The current trend compared to what would happen in 2028 if the current trend continued to follow the same pattern.
If we could do all this, we would be able to increase our overall national per capita income from the current 244 Birr by over six and half times to Birr 1623. Similarly, farmers’ average income would increase from the current 114 Birr to Birr 325, a three-fold increase, while the urban population’s average per capita income would increase three and a half times to Birr 3570. If this trend continues, rural poverty would decrease from the current level by about 47%.

So far, I have attempted to demonstrate that, if we could make some changes in our policies and the directions we follow, we could bring considerable change in the lives of our people. In my opinion, all this is only a small fraction of what we could do. It is still my conviction that we could bring about even a much better change to our economy than what has been outlined above. As I have explained above, when I was comparing the growth rates of South Korea’s and Ethiopia’s economy, the fact that there are countries that scored an economic growth rate much higher than what I have indicated here is something we have witnessed in recent history. Unless we believe that we Ethiopians, as a race, have been cursed with a peculiar gene that makes us susceptible to powerlessness and incapacity, I certainly am not of the belief that there is any material cause that would prevent us from following in the footsteps of other countries that have attained fast economic growth. Even worse, indulging in some fantasy about God loving us so much that He deliberately multiplied our tribulations in order to test the extent of our fortitude is, I believe, a transgression unpalatable even to religious precepts. Rather, the reason for the disarray we are in and, also, a pointer to the solutions we seek, is the fact that we, both as individuals and as a community, have not been able to make both the attitudinal and administrative changes necessary for our economic growth and prosperity. It is with the main changes that need to be made that I am going to deal with the following section.

V. What Do We Need to Do in Order to Improve Our Livelihood?

Conventionally, students of social growth, but particularly economist, used to limit the differences between the growth rates of different countries to the insufficient presence of
such factors as savings and investment, which are supposed to contribute to economic and social growth. But from the perspective of the literature on growth, the differences between countries has been found not to be confined only to the extent to which the size of investment is greater or lesser. The difference between the growth rate of South Korea and Ethiopia, which I talked about earlier, can never be explained in terms of investment flow alone. While South Korea, at the time, was investing 19% of its annual production, its average per capita income was growing at the rate of more than 10% at the current purchasing power of USD. Ethiopia, on the other hand, has been investing 14-16% of its annual production during the current regime. Its average per capita income, however, grew at the rate of 2.3% at the current purchasing power of USD. Consequently, the gap created in growth rate between the two countries (100% difference in growth, in favor of South Korea) could not have been caused by differences in size of investment alone. Because of this, a growing number of researchers in the area of economic growth, but particularly experts in the history of economic growth, are increasingly advancing the view that the difference in growth rate between countries revolves around differences in attitudinal, religious, administrative and psychological values. For my part, although I do not have a broad historical knowledge to support my claim in favor of this view, when I assess the past forty years and the current situation in the history of our country’s development, I strongly believe that the said values will certainly determine our country’s fate down the line. Among the values enumerated above, since some of them are too close to our hearts and too delicate, and because they have also been with us for very long, they cannot be altered that easily. As far as my convictions go, however, there is no doubt in my mind that they must be changed. It is also my conviction that, what should invite debate is not that some of these values need to change. Rather, the debate has to do with the fact that, when we go about trying to make changes, the process we should follow must be based on educating the population and must be undertaken such that it does not offend the sensibilities of the people, or does not invite their protest. So the questions we ask must be: How should we go about it all? Of any strategies we think of, which one would work best to the satisfaction of everybody? Only this, I believe is debatable, not that changes must be made.

A country’s economic growth is a result of the collective effort of individuals to improve their livelihood. Accordingly, policies, institutions and strategies that enhance people’s initiative and enterprising spirit are required. Over and above that, however, individuals
should convince themselves that the efforts they make can bring about considerable change in their livelihood. In other words, although they may believe that external forces (e.g. government, God, etc.) could possibly exert influence on the steps they take in their lives, they should also convince themselves that their own effort and desire to improve their lives would primarily determine the future course their livelihood is likely to take and that these forces “would help us and strengthen our will rather than being hindrances to the effort we make.” That is to say, it is when people with hope and empowerment constitute the majority of a society that economic growth, but particularly the growth of a capitalist system, could be attained. In a country where people with such sense of freedom constitute the majority, the influence such institutions as government, whose role in the main is facilitating things for the people’s communal life, wield with regard to individual freedom and movement is very limited. Such institutions may sometimes not realize the limits imposed on the extent of their power and may, accordingly, try to interfere in people’s freedom. But, in such instances, they may also run into opposition from the people, so that such governments will operate within the limits of the power willingly and freely given to them by the society they are meant to serve. Because of this people living in such countries are, by and large, confident about themselves. They use their creativity extensively. As long as they believe that their creativity helps themselves as well as the society in which they operate, their ability to generate and entertain novel ideas is unlimited. That is why economists, such as Amartya Sen, argue that the broadening of people’s freedom is both an instrument and goal in economic growth.

In Ethiopia’s modern history, the power of governments has invariably been absolutely unchecked, while individual freedom has been highly stifled. During the imperial era, the Emperor, who believed he was the Elect of God, perceived the limits of his power as concurrent with his lifetime and, but for the fear of God, the then rulers could do anything they wanted to their subjects. At the time of Mengistu, this was not considered enough, so that he turned an individual’s life into something he could manipulate and play with, as flies are to wanton, little boys, if you will. By so doing he completely desiccated the inner sense of freedom the people had, of which there was not much to speak of in the first place. This inner sense of freedom, which forms one of the bases of economic growth, one would have expected, would get a second chance at replenishment after the demise of the Derg regime, but as things stand now, it couldn’t even convalesce to an even modest degree. The people’s inner feelings are still entangled in fear. It is not many people who
believe they have the ability, as well as the capacity, to bring about the necessary change, whether individually or through collective effort.

Although there are multiple political, economic and social causes for this sense of impotence, when we think particularly of seeking solutions to the problem, our main focus should be on how we could curb the unchecked power of government that has for long prevailed in our country. In order to achieve this, our starting point should be effecting fundamental changes in the society’s perception and view of government, as well as government’s perception of the people and its own power. The people should learn to see the government and the institutions it oversees, not as some kind of monster but as the phenomena they themselves created for their own benefit and as instruments for facilitating their economic growth and peaceful life. Government officials and civil servants, for their part, must be the type that respect the people; they must be the type that recognize the fact that the political power that they wield is bestowed on them by the people and that it is absolutely transitory, that any time any day they could relinquish this power and become ordinary citizens living among the people. They should, accordingly, use their power properly. It is my belief that, when the power of any government is unconditionally subordinated to the principle of the sovereignty of the people, it will play a critical role in the enrichment of the people’s inner sense of freedom. I also believe that this enrichment of the people’s inner sense of freedom is absolutely without alternative for our economic growth. That the existence of a democratic government is a prerequisite for a country’s peace, stability and economic prosperity is, over and above being just a matter of principle in the abstract, supported by concrete evidences drawn from the experiences of many countries. That this link between a democratic system and peace, stability and economic prosperity, should apply to the Ethiopian situation is beyond any doubt. But it is also my opinion that the existence of a genuinely democratic system in our country has a useful role to play in terms of our prosperity beyond what has been said. And this has to do with the role such a system of government plays in the enrichment of our people’s inner sense of freedom that I have already talked about. One of the criteria, and the main one at that, for testing that genuine democracy exists in a given society is the people’s realization that they are the force behind the ascendance of a given government to power and that, if the said government entertains the idea of trespassing the limits of the power bestowed upon it by the people, they can collectively stop it from doing so. It is this conviction about their ability to do so that gives their inner
sense of freedom strength. It is this inner sense of freedom that also equips them with the courage and the daring to always take their own initiative and engage in novel and better undertakings. Conversely, a government that governs a people with such inner sense of freedom will have neither the desire nor the capacity to restrain the freedom, movement and initiative of its citizens. Consequently, the strategies, policies and directives that the government draws, as well as the measures, implementation mechanisms and administrative procedures it designs for the realization of the strategies, policies and directives will, in fact, encourage individuals’ sense of initiative and creativity. It is, therefore, such individual initiative and creativity, on the one hand, and policies and governance that encourage such initiatives and creativity, on the other, that together help bring about productivity and economic growth, as well as the cultural and social prosperity that necessarily results from the former.

That is why, in my opinion, that, if we genuinely desire prosperity for our country, we should all strive towards the establishment of a genuinely democratic system in our country and that we should, as citizens, do all that we must, both individually and collectively, for the successful realization of this goal.

This, however, in no way implies that the reason for the lack of inner sense of freedom among our people is the lack only of political democracy. Neither does it mean that, on the morrow of the establishment of genuine democracy (for example, if genuine and honest election were conducted in 2005), this inner sense of freedom will be energized, people’s sense of self-initiative will be strengthened, the people’s confidence in their country will be automatically restored, those living in exile will return en masse to their homeland, and the youth still living here will develop a sense of stability and decide to stay here, etc. All this, for the simple reason that we cannot rid ourselves of age old and complex problems as easily as that.

For instance, one of the reasons, in my opinion, for the lack of our inner sense of freedom is the age-old fatalistic vision of life that is related to the inculcation of religious ideas, and that has, for this reason, become our culture pure and simple. As Professor Mesfin
put it thirty years back, in a situation where a culture that views life here on earth as a venue in which we are preparing ourselves for death, therefore a culture that pays little, if any, attention to earthly (material) prosperity and growth, wishing for economic (earthly) prosperity is tantamount to indulging in a mere flight of fancy. The effort one makes to extricate oneself from poverty bases itself on the conviction that poverty is something that one should flee from. In a country where a belief system and culture prevail that view the world as transitory and, moreover, as a school where one is tested for qualification to inherit eternal life in the hereafter, a culture and belief system the views poverty not as something to avert and flee from, but as a challenge to endure as part of that test, economic growth is indeed unthinkable. The inner sense of freedom that I spoke of so far obtains from taking this earthly life earnestly and seriously. And what, in turn, obtains from this inner sense of freedom is one’s own conviction that facing life’s challenges and emerging victorious in the process are in one’s own hands. It is, consequently, this conviction that drives forward the said effort and sense of initiative and paves the way for economic growth. A person who views the world as something evil, a person who has completely relinquished the world and the life of its people, as well as his/her own, to those forces that he/she believes are outside of his/her control cannot desire and long for freedom and, consequently, is in no position to strain him/herself for prosperity. An individual or community that is afflicted with this kind of outlook not only does not wish for growth, but it also represents an individual or community that is a walking corpse that looks upon those who have grown and make efforts to grow misanthropically and tries to hinder their progress. No wonder, then, that poverty keeps going on the increase in an environment in which such an outlook prevails. It is, in fact, the case that the increase in poverty fortifies such an outlook and further drags society into an even worse vicious cycle of poverty.

The question of how long such kind of outlook and attitude have been existing and taken root in our country can be controversial. I think that students of culture and history are better equipped to answer this question. In my opinion, however, when or how such attitude and outlook emerged is not the main issue. It is my conviction, and this is more important, that the extent of the poverty that had been intensifying over the past forty years and the culture of dependency that came in the footsteps of relief aid in connection with the recurrent famine have definitely fortified this kind of attitude and outlook. If it’s our wish and desire for the livelihood of our children to be better than ours, if it is our
wish and desire that the coming generation can have access to enough resources to live on, if not to live prosperously, and if it is our wish that that generation will grow up feeling a sense of freedom and confidence in its country, if indeed this is our wish and desire, then we have to confront such deep rooted aspects of our culture. If we must wish for a better life, this apathetic attitude we have towards life must stop. In order to be able to inculcate this in the minds of the people, and if we believe that our culture needs a radical transformation (I, for one, believe it does), our professionals working in the field of culture, teachers and intellectuals who nurture and shape the mindset of our youth, and mass media professionals should have more courage to step forward. If the source of such a negative cultural attitude happens to be the religious teachings that have for generations been inculcated in our minds, then it requires the wisdom and courage of our religious fathers to integrate the teachings with modern ways of life and revise them such that they will encourage economic growth. In order for our society to live a much better life by the year 2028, I say that this transformation in our culture should be undertaken together with bringing about a better democratic system of governance without any further delay.

Although, by and large, people’s initiative is a result of the urge to improve one’s own and one’s family’s livelihood, and although there is need for government policies and governance structure to strengthen people’s inner sense of freedom and encourage people’s self-initiative, from what we learn from history, however, and also from what psychology experts have repeatedly asserted, what determines people’s actions is not only the material benefit they gain. People’s actions are also determined by other factors that emanate from living together as a community. Among these factors, the one deep feeling that history has repeatedly confirmed, and one that many people go as far as sacrificing their lives for, is nationalism/patriotism. This feeling, when in good hands and is used for the common good, greatly contributes to the mobilization of people, to the unification of communities, to the creation and consolidation of a strong national culture and, consequently, towards using the force so molded for the country’s growth and prosperity. In addition to helping mobilize communities, such national feeling can, for instance, help cultivate among civil servants the sense of honesty and moral duty that goes beyond looking only after one’s selfish advantages to embrace the interests of the country as a whole. If we look at the experiences of those countries, we can even say all of them, who are known to have achieved a speedy development, we see that their ability to develop an economic policy based on economic nationalism has greatly contributed to
the great progress they have made. It seems to me that those countries that were very backward like our own country in terms of economic development, and that had to move with great speed to catch up with the developed ones, have been greatly helped to get where they are by a system of government founded on a broad national consensus and one that gives priority to economic growth, coupled with a strong desire to develop one’s country and a strategy guided by economic nationalism. In order to achieve this, there must be, first of all, a government that clearly knows its territorial boundaries and recognizes the right to equality of all the peoples living within the bounds of that territory. While such a government should treat all the peoples living within its territory with equality, it must also make sure that, compared to peoples living outside of the given territory, those within the territory are given priority over those others. The peoples living within the said territory should recognize and accept this arrangement as well. The nationalism thus created will serve as a driving force for all sectors of the society to contribute to their country’s development in their chosen profession. Such nationalism will enable a country to get all the contributions that it should get from all citizens in order to prosper as a country. This does not mean, however, that, whatever happens, this nationalist feeling should in any way be used to put restrictions on the activities individuals undertake to improve their livelihoods. Neither does it mean such nationalist feeling will be allowed to benefit a specific group of people or economic classes at the expense of the general interests of the country. That is why, in the majority of instances, the kind of economic growth envisioned here should be based on a free market economy that encourages competition among people/consumers and producers, particularly at the national level. I am, finally, of the conviction that it is possible to tackle in tandem a national, free market economic system with country-wide economic nationalism.

VI. Summary and Conclusions

As I have tried to demonstrate thus far, I do not think that we need to dwell that much on the extent to which Ethiopia’s economy finds itself in a grave situation. But more than that, if we still continue with the current trend, what we are going to bequeath to the next generation could be worse and, if that be the case, we are going to be answerable to history. The fate awaiting the next generation in the year 2028 is in the main determined by the choices we make today, both individually and collectively. It is possible to achieve
better results than has been attempted hitherto. As I have attempted to point out above, if we take some policy measures and properly utilize the manpower available to us, we will be able to achieve a much better economic growth and progress than we would if we were to continue with the present trend. However, although the kind of growth I have in mind will be much better than what we have achieved so far, I nevertheless do not believe it is enough. I reiterate my conviction that we can still bring about a much more superior and extensive change than that described so far. For this to happen, however, it is required of us to take measures to transform the stifling psychological environment in which our society operates. Although the measures I have in mind are broad and include issues that I have not gone into in my presentation, I shall focus on three basic issues that I consider are major issues.

One of the main issues, which I have already mentioned, has to do with measures that must be taken to broaden the inner sense of freedom of individual citizens and our society as a whole. The broadening of this sense of freedom requires, in the areas of politics, the establishment of a genuinely democratic system. I have, moreover, expressed my conviction that, over and above establishing a genuinely democratic system, our attitudes towards life and those cultural aspects that determine these attitudes must undergo radical transformation. Finally, I have attempted to remind all those concerned that, to strengthen our people’s enthusiasm for work and their diligence, we need to think and show concern to one another as one nation in the economic as well as in the other sectors. I have also tried to point out that our economic and other policies should be so designed as to take into consideration, before all else, the country’s interests, not limiting themselves to our present concerns only but incorporating the fate of the future generation into their objectives. It is my belief that, not only must we concretely realize all these measures judiciously and in a manner that would not create discord among ourselves, but we can also actually manage to do so.

But in order to achieve this and pitch in our share of contribution as citizens, we must, both individually and collectively, equip ourselves with the courage and enthusiasm necessary for embarking upon the job. Although all these measures require a big effort on the part of the government, it is my conviction that, most above all, our desire to succeed will become a reality if all of us, those living here in the country as well as those
Ethiopians living abroad, seriously give thought to the fact that we are all citizens of this country, affirm our belief in this fact and jealously guard our rights as citizens and fulfill our duties accordingly. I would like to use this opportunity to send a message to the government about the upcoming elections of 2005. I urge the government to make sure that the process and procedures of the elections would not go astray, as they had during the earlier elections, thereby leading the society into losing its confidence in the democratic process. At the same time, I would like to urge the society not to wallow in cynicism and do everything it can and must to demonstrate that democracy is not only something we desire but also a right that we deserve. The cynical attitude that ‘whatever I do makes no difference’ will simply take us nowhere. In particular, it is highly expected of our professionals to be models for future generations by behaving and acting in accordance with what professional ethic requires of them, by at least working honestly in whatever field of work they are engaged, if not participating in other national affairs.

But can all this certainly happen? To be certain and say that such things can happen is beyond me as well as my profession that is very much disposed to the culture of ‘forecasting’. But I can say one thing with certainty. Aspiration is the basis of all action. As the *ferenjis* say, if there is any benefit to be gained from saying that something cannot be made to happen, that it cannot be realized, it is only the hollow satisfaction hypocrites express in the negative terms of “didn’t I tell you!” Such kind of hypocritical, sardonic attitude will not obtain even in an iota of benefit to our people, who have been suffering the misery of hunger and absence of freedom for centuries, and to our country, which has become the laughing stock of the world for being poor, paradoxically with all the potential resources it has. The non-educated, illiterate members of the society that struggle with full of hope to make it in life, even when their aspirations may not be realized, are more useful to themselves individually and to the country as a whole than those with the kind of sham knowledgeability of the kinds of cynics and hypocrites that I spoke of above.

Accordingly, then, if starting out with the hope, with the optimism, that we can bring about all this change serves as a basis for action as well as our vision of the future, let me wrap up by starting with this hope and try to project the bright vision I have of what the livelihood of Ethiopians would look like in the year 2028.
In my vision, the Ethiopians of the year 2028 will be daring and confident, as a result of which they will not succumb to any pressure from the government that would curb their internal sense of freedom. The Ethiopians of the year 2028 will love their country. They will work hard both for themselves and for the collective interests of their country. Every part of the country will be open to and welcome all those citizens ready to engage in work. Those Ethiopians will not tolerate the violation of their rights, but they will also respect the rights of others. They will properly and effectively fulfill the duties required of them as citizens. The Ethiopians of the year 2028 will feel pained when someone attempts to attack their country, but because they like and respect their neighbors, they will work with those neighbors peacefully and with mutual respect for the common good of all. They will respect their culture, but at the same time they will oppose and resist those customs that they consider are inimical to growth and development.

In the year 2028, Ethiopia will become a country with many big cities. Whereas Addis Ababa will have a population of more than 8.5 million, 5 cities will have a population of more than 1 million, and the number of towns with more than 200,000 people will be more than 20. And in all of these cities and towns, extensive infrastructural construction and service projects (good living quarters, provision of running and potable water, clean toilets, electricity, etc.) will be undertaken through the concerted effort of the government, private investors and the people. While the focus of the government will be limited to those tasks that cannot be accomplished by the people, its main job will be to encourage the people to work together to take care of their livelihood. Both city and national administrations will not engage in minor economic sectors. And the government will not involve itself in renting houses.

*Kebele* precincts and *kebele* residents will be beneficiaries of many government services; *kebele* officials will be individuals elected by the people, well known to and respected by the residents as members of the community. Byways within the *kebeles* will be built by the cooperation of *kebele* administrations and the people; likewise, the *kebeles’* sanitation and security will be taken care of by same. The concern of residents for sanitary conditions and cleanliness will go beyond caring for just one’s own residence so as to embrace the *kebeles* as a whole and, accordingly, residents will not tolerate those who
pollute the environment. The people will not only loathe those who relieve themselves publicly but will also cooperate with kebele administrations to make sure that legal measures are taken against such them. As a result of such steps, the environment will be kept clean and sanitary problems taken care of.

In the Ethiopia of the year 2028, Ethiopian society will not tolerate the inordinate poverty that we witness all around us today. Instead, the society and religious institutions will combine their efforts to take care of invalids, orphans, the elderly, etc. Communities will volunteer their resources for communal growth and progress. Beggary will become a completely unacceptable phenomenon, and there will be no beggars in our streets. Places of worship will be free from beggars.

Urban investors will look after their interests zealously. They will therefore engage extensively in activities that will create jobs for the society. Their satisfaction with their activities will derive not just from the profits they make but also from their capacity to create jobs that will enable their fellow citizens to extricate themselves from poverty. Construction projects undertaken in urban centers will not only be qualitatively good but also architecturally attractive. Because the quality and beauty of buildings will make them demandable, investors will refrain from erecting shoddy buildings just out of get-rich-quick motives, which finally goes in their own long-term interests. The urban population will be such that it urges the government to bring urban pollution under control. Vehicles that emit excess exhaust from their engines will not be allowed to operate unchecked.

Our religious behaviors and activities will improve abreast of the improvement and transformation of the people’s lives. Because, in the year 2028, people will be busy, not all days will be moments for religious worship. Because the people will not tolerate noise pollution, religious worship will be restricted to within the compounds of religious institutions. Places of worship and cemeteries will be kept clean. The different religions will teach not only about life in the hereafter but also about the corporeal morality and ethic that complement the former.

The expansion in this manner of urban centers and the development of their economic capacity, together with the transformation in the nutrition of the population, will
contribute to the opening up of new enterprises in the agricultural sector that would bring in new benefits to farmers. As a result, farmers living in the outskirts of urban centers will go into the production of such commodities as vegetables and fruit, poultry and meat, and similar other products, from which they will get higher income. Because of the close link they will have with urbanites, the life style of these farmers, far from being isolated as before, will assume a semi-urban mode. Because of the reduction in the population size of rural areas far from urban centers, not only will the landholding size of farmers increase but the prices they get for their products will also increase because of the expansion of the market system. Because of the increase in their income and the shortage of labor due to increased rural-urban migration, they will be forced to employ modern farming techniques and, consequently, protect their environment. Because the needs and demands of the rural population will increase as a result of the growth of the rural economy, urban centers will expand in order to meet those needs and demands. Many rural towns will also have small-scale industries. Consequently, in the year 2028, hunger and deprivation will have become legends of the past to the farmers of Ethiopia.

The Ethiopia I envision for the year 2028 will be a country full of opportunities for those Ethiopians desirous of making a living and wealth and for those who have the inner drive to engage in work. And as a result of this, Ethiopia will be a country to which those Ethiopians living abroad, and who have made money while there, will flock to make money here and make their share of contribution for the country’s future progress. The return of these Ethiopians and the creation of new jobs by them, coupled with those who return to serve their country through their professions, will help in the proliferation of new knowledge, better expertise and work ethic, change of outlook and attitude, etc. throughout the whole country. The new job opportunities and the attending growth in one’s area of profession, coupled with the extensive individual freedom, will put a break on the desire to emigrate to other lands, if not altogether eliminate it. And those Ethiopians who go abroad for further education or for any other reason will develop a great enthusiasm for quickly completing their business and returning to their country.

The Ethiopia I dream of for the year 2028 will be a country in which her professionals will get the respect they deserve. Teachers, rather than being people to be feared by their students, will be wonderful citizens respected for the good models they represent. Our doctors and medical professionals will be full of big concern and respect for human life, people who give all they know to protect and save human life, people who, for this reason, will have not only the respect of people but also their love, and who will, finally, be our worthy citizens leading a good life as a result of the services they provide. Civil servants will be the type of people who are assigned jobs only on the basis of their
professional expertise, who respect the people they serve and who have accepted the fact that they are there to serve the people, whose salaries will be commensurate with their livelihood needs and their professional skills and expertise, and who, because of all this, will be efficient workers who will heartily provide the services they give to the people. Our educational institutions will be centers of learning and knowledge. They will be institutions in which our youth will develop a strong and free spirit and civic culture, alongside with the skills they learn through classroom instructions. The young people that go through these institutions will be both intellectually and ethically molded and mature. In 2028, such epidemics as malaria and AIDS will not decimate our people. In 2028, there will be a system of justice through which any case brought to court will be duly settled and resolved in the shortest time possible.

As for those people who will hold political positions in the government, they will be the type reputed for their capability, professional ethic and patriotism (national allegiance) and have the competence, the passion and the vision to get the society to a higher level than that at which it finds itself presently. Because of this, elections will be events that are highly competitive, events in which the people will participate widely and which will be awaited eagerly. Outside of these values and attributes, the geographic and ethnic origins and similar other criteria extraneous to the said attributes will have no impact, one way or other, on the results of the elections. In that year, 2028, because of the common life that will be created as a result of the expansion and growth of our urban centers, the basis and hallmark of our identity will be our urban and, beyond that, our Ethiopian citizenship, never our ethnic or racial roots. And people who ponder along such lines of thought will be viewed and treated with disdain. Those Ethiopians seen walking the streets of our urban centers will be the type that are either in haste to go to work or taking relaxed walks at the end of a day’s work, their faces full of smiles, clean and well-dressed. In the Ethiopia of the year 2028, there will be many modern cultural and artistic forums serving as pastimes, outside of the culture of drinking, which appears to be the sole pastime at present.

In our Ethiopia of the year 2028, children going to kindergarten and primary schools will be Ethiopians, who, when asked: “what would you like to be when you grow up into adults?” would have the desire and the daring to answer, with no hesitation whatsoever: “I would like to be the President or Prime Minister of Ethiopia,” much the same way they would answer that they would like to be “a doctor, scientist, pilot, investor, etc”.
Finally, I wish for all of us a life long enough for us to be able to witness the emergence, as a reality, of this Ethiopia!

And I thank you!