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Sisay Asefa

Western Michigan University, sisay.asefa@wmich.edu

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Papers of the Second International Conference on Development Studies in Ethiopia

Sisay Asefa

Center for African Development Policy Research
& Department of Economics, Western Michigan University

Forward

The Second International Symposium on Contemporary Development Issues in Ethiopia convened on July 11-12, 2003 at the Ghion Hotel in Addis Ababa, Ethiopia. The conference attracted scholars from many parts of the world. Participants (defined as presenters, session chairs and discussants) came from various institutions of higher education and research in Ethiopia, Europe, the United States, and South Africa.

The symposium featured 12 concurrent and plenary sessions over two days, comprising of about 36 papers on the various dimensions of development issues focused on Ethiopia. The Symposium covered similar sub-themes as the first conference that convened at Western Michigan University in Kalamazoo, Michigan on August 16-18, 2001.

The first day of the Symposium (July 11) featured concurrent sessions covering issues of *Natural Resources, Agriculture, Institutions and Economic Growth*. The first day also included a keynote lecture entitled “*Higher Education in Ethiopia Under 3 Regimes: A Historical and Comparative Perspective of the Haile Selassie, Derg, and the EPRDF Periods*”, The second day (July 12) focused on *Human Resources, Poverty, Food Insecurity and Famine Issues*. The second day featured a special plenary session on famine under the title: *Why Famine in Ethiopia Again: Contributing Factors, Lessons and Options Toward Famine Eradication*”

The 2003 conference was a partnership effort among three institutions: The Ethiopian American Foundation (EAF) of East Lansing, Michigan, The Institute of Development Research (IDR) at Addis Ababa University, and the Center for African Development Policy Research (CADPR) at Western Michigan University. The Symposium was made possible with great effort and dedication of several individuals from the co-sponsoring institutions.

We are thankful to IDR staff members, especially Dr. Workneh Negatu, and Dr. Getnet Alemu, and well as the incoming director, Dr. Mulugetta Assefa. The final conference agenda, which evolved until the final week before the symposium, can be accessed on website at: www.wmich.edu/hcenter/cadpr/conference.schedule.2003.html

The papers included in these Proceedings are categorized into three parts: **Part I: Agriculture, Environment and Food Security Issues, and Part II: Economics, Human Resources, and technology issue, and Par III: Governance, Institutions, and Diaspora Issues.**

Conference Rationale and View of “Development”

The 2003 symposium is motivated by the same rationale stated in the first Post-Conference Synopsis in 2001¹. This rationale includes the belief that the development and poverty is the greatest challenge in Ethiopia in particular, and in Africa in general, for the 21st century. Many problems in Ethiopia and the rest of Africa are symptoms that stem from the poverty problem. The recurrent famines in Ethiopia are also results of poverty and inability to modernize agriculture aimed at providing employment and income for the about 80 percent of Ethiopians that are engaged in agriculture and related economic activities.

In this conference series, development is viewed as a multi-dimensional process of poverty alleviation that requires careful interdisciplinary and disciplinary studies, aimed at generating useful knowledge to inform and to guide public policy. In particular, development is conceived as a socio-economic and political process that leads to the improvement of the quality of human life based on access and efficient use of resources, employment, income, improved education, and health services. Development is a process of modernization aimed at improving human welfare, a point often overlooked by those who do not appreciate the struggle poor people make every day to free themselves from the cycle of poverty, and the various conflicts that arise from it, under the environment of rising natural resource scarcity.

Development includes the human need beyond the meeting of basic human material needs such as food, clothing, and shelter. It also addresses the human quest for freedom, civil liberty, and for free expression, and for mobility in search of opportunity; and the critical need to design a set of democratic political institutions that informs and directs policy action that makes this process possible, as well as a fair legal system that protects these institutions. In general, development in these conferences is conceived broadly as *Human Development* which includes economic growth, but also improvements in education and human health, as well as the development of enabling democratic institutions that make human progress possible.

Institutions and their Role in Economic Development

The primary development challenge for Ethiopia and many African states is to design a set of democratic (political) institutions that promote human development and reduce mass poverty by equitably growing economies and creating wealth. *Institutions*, in general are *formal and informal rules* of human behavior that provide *incentives* under which individuals and organizations act. They are rooted in culture and history.

A critical task for any viable society and polity is to design a set of formal democratic institutions that both enable and constrain individuals and organizations (actors) to behave in a constructive rather than destructive and opportunistic manner. Such institutions are best embedded in *democratic political institutions* and a properly working markets and legal system of a country. Institutions are rules that provide *incentives* to

¹ Please, see <www.wmich.edu/hcenter/ethiopiapostconference.html>

individuals or organizations to behave and act in a constructive or destructive manner. Indeed, economic and human disasters such as famines, wars, and mass poverty are caused by rational behavior of individuals and organizations reacting to incentives under *faulty political institutions*. For example, much of the disaster caused during the rule of the Derg in Ethiopia (1974-91), was due to individuals (political cadres) and organizations acting under faulty institutions, sometimes with good intentions in their view.

The World Bank and the IMF are now finding that markets can fail miserably, in absence of democratic institutions of governance that disperse political and decision making power in a society, under a well defined and enforced rule of law that promoted economic and political competition. Why are many African States, in spite of decades of foreign and food aid find themselves in mass poverty and destitution? Why are African states such as Ghana and Ethiopia, in spite of some promise in the 1960s, worse off today than they were then? Swedish economist Gunnar Myrdal, in his book, *The Asian Drama: An Inquiry into the Poverty of Nations (1960)*, forecasted a promising scenario for some African States such as Ghana, and a dismal one for Asian States such as South Korea and India. Unfortunately, his forecast was wrong, even though Professor Myrdal later shared the Nobel Prize in economic science in 1974 with Professor Frederick Hayek of the University of Chicago. It was Professor Hayek in his many writings such as his book, *The Road to Serfdom (revised 1994)*, who articulated the relationship between individual liberty and centralized authority and government control without checks and balances, can lead to market failure and economic and social disaster in the long-run. Indeed, his model explains many of the historic and contemporary human disasters caused by non-democratic authoritarian states.

For example, historic states such as Nazi's Germany, Fascist Italy, and Stalin's Russia tried to build nation states by designing institutions that undermine individual freedom, liberty and human rights. History clearly shows such states and polities will eventually fail, often under their weight, and after causing massive damage on their societies and economies. On the other hand, states which are true democracies are not without problems, but are they unlikely to face major destitution, poverty and famines. Professor Amartya Sen, the 1998 Nobel Laureate in development economics, has found no case of countries with free press that has suffered from famines in his historical studies of world famines. His findings show that true democracies supported by the intuitional pillars of democracy such as peaceful political competition, the free press, separation of powers among the legislative, executive, and judiciary, and peaceful transfer of power, and the rule of law are unlikely to find themselves in massive poverty and famines.

Another example of the critical impact of the lack of democratic political institutions on economic performance can be observed today by comparing the two Korean states of today (North and South). Here, the absence of democratic institutions explains, in large part, why these sister states, in spite of the same people and common culture took a different historical path or why North Korea finds itself today under famine and grinding poverty, in spite of being a nuclear power, while South Korea is an emerging industrial nation. Africa is full of states whose economies and societies have suffered from massive

institutional failure or authoritarian rule, combined with lack of the rule of law, and unchecked political power of governments and rebel war-lords. Recent examples include Liberia, Somalia, Zimbabwe, and Zaire to name just a few.

The intellectual question of how democratic political institutions evolve is critical one. Here, there is no simplistic answer. But, what can be said is that it is an evolutionary process of negotiated and open dialogue among key stakeholders and civil society, and guided by an enlightened political leadership. It is also a process of learning from historical and comparative experiences. In Africa, this democratic process was exercised under the remarkable leadership of former President Nelson Mandela of South Africa. His leadership avoided a potentially violent outcome based on racial and ethnic retribution that some have predicted may follow the demise of Apartheid in South Africa in 1994.

Unfortunately, there is a lack of vision among the most leaders of other African states. But, with the democratization wave of the 1990s, what some scholars have termed the 'Second African Revolution' (the first being the de-colonization period of the early 1960s), some African states are making transitions to democracies with varying degree of success. These include Ghana, South Africa, Zambia, Nigeria, Kenya, and most recently Liberia. But, there are still great challenges ahead, and some of these transitions are may not be irreversible.

Some Features of the 2003 Conference:

The 2003 International Symposium, like 2001 conference, succeeded in meeting its objectives. Some differentiating factors of the 2003 symposium from that of 2001 are as follows:

1. The choice of Ethiopia as a venue, made the Conference more relevant, as it provided the opportunity for scholars and researchers from Ethiopia. Diaspora scholars from North America and Europe were also well represented.
2. The conference continued the tradition of inclusiveness by providing an independent forum not captured by partisanship and extremism. It reflected diversity of views across ethnicity and political perspectives in a healthy and civilized discourse.
3. The 2003 conference provided the same forum of free expression and diversity of views as in the 2001 Conference in Kalamazoo, Michigan based on quality papers and presentations.
4. The Symposium was efficiently with IDR/AAU collaboration in a pleasant and friendly atmosphere, made possible by the hospitality of the staff of the Ghion Hotel, Addis Ababa.

5. Symposium attendance ranged from 120 to 150 persons over the two days, about the same as first conference in 2001. The conference cost which was shared equally with the EAF and IDR was less than that of expenses incurred during the first conference.

The proceedings are also available in CD-forms and on the website in PDF form. The papers selected for this proceeding are prepared with minor editing, as received from their respective authors who sent their revised papers. Selected papers, after review by specialist reviewers in the sub-themes of development, are expected to appear in a new electronic Journal of Ethiopian Development Studies (JEDS).

Finally, we want to express our sincere gratitude to all participants and supporters of the 2003 International Symposium on Development Issues in Ethiopia. We hope to see you again at the next conference in 2005. In the meantime, please look for the next Conference Announcement and Call for Papers on the Internet.

Sisay Asefa, Professor