



Why Share Companies Fail in Ethiopia  
 Habtamu Kitaba (MBA), DGM, CHAMPION Communications

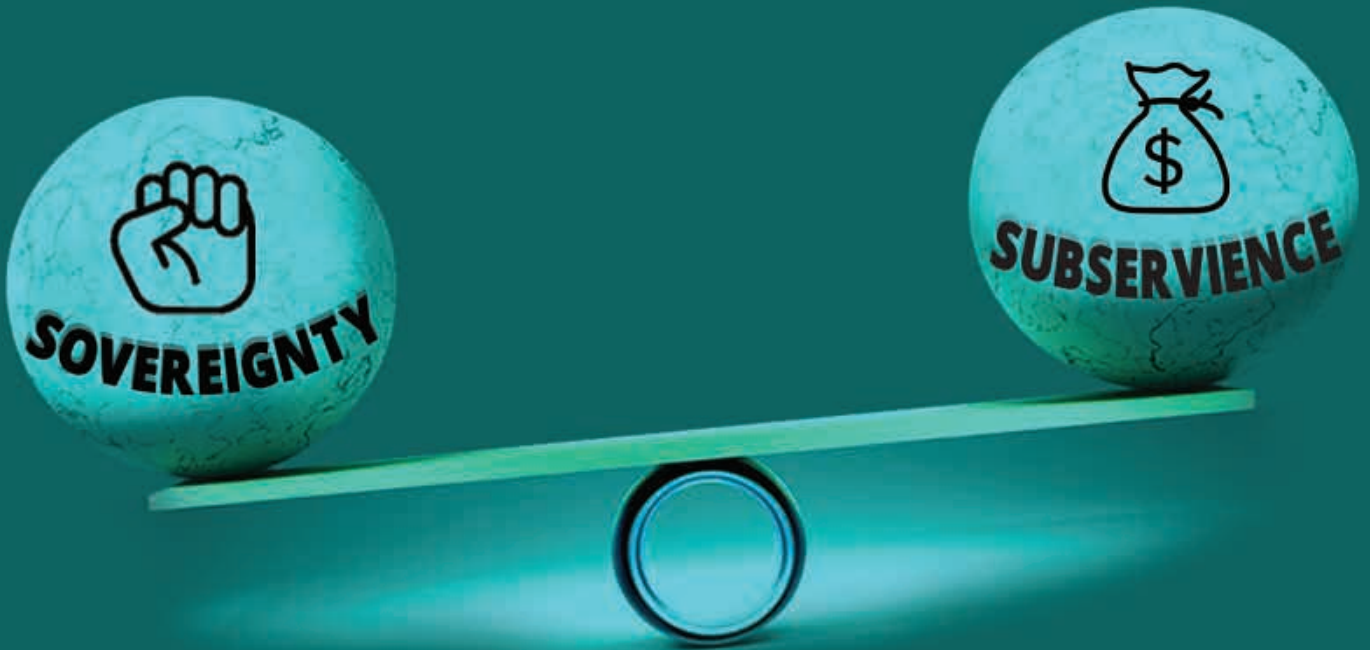


Hypocrisy of the Neoliberals  
 Zeresenay Zeleke (PhD), University Professor

# ETHIOPIAN BUSINESS REVIEW

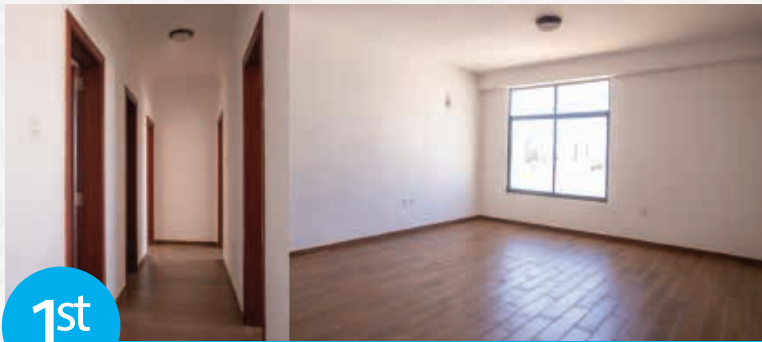
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## FOREIGN AID HOLDS ITSELF BACK



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## Rebuilding Effort Must Consider Private Sector, Too

If anything, Prime Minister Abiy Ahmed's (PhD) time in power has been full of dramatic twists and turns. Ever since he stepped in the high office, the premier's time has been accompanied by unpredictable political and diplomatic developments. As this unpredictable saga continues, the security situation in the states of Amhara and Afar seems to be writing yet another new chapter. A few weeks back, the nation was confused as the Tigray People's Liberation Front (TPLF), labeled a terrorist entity by Parliament, was 200 km away from the capital. There were also reports of expanded conflicts in the State of Afar which threatened the nation's dominant import-export route.

In a remarkable turn of events that followed the premier himself joining the battle, the federal government has re-controlled almost all territories occupied by TPLF fighters. As the good news about the likely end of the war brings relief to millions affected by the war, the issue of rebuilding is once again the talk of the town. The magnitude of damage on health and educational infrastructures are making headlines.

While resources are being mobilized to restart healthcare services in the two states, officials in the education sector claim that rehabbing destroyed schools might require more than USD200 million. As much as a quick and mobilized response to conflict-affected areas is the right thing to do, conversations on restoring seem to lack both the role and promotion of the private sector.

Small, medium, and big businesses have been on the receiving end of the destruction as much as public institutions. From small neighborhood stores to large hotels and factories, the private sector has been hit with similar magnitude. Damages inflicted on the private sector are not making their way into rebuilding conversations.

It is worth noting that the private sector has a role in rebuilding and also needs support in restoring itself for the social and economic benefit of post-war Ethiopia. Introducing specific interventions to promote private sector development and improvements in the financial sector is of paramount importance. Emergency period measures to alleviate investment constraints might also help in encouraging former businesses to rebuild while making sure new companies will not suffer from post-war uncertainties.

Small-scale infrastructure programs can be designed to accommodate pressing demands for employment during transition periods, promote local businesses, increase the credibility of government structures, and improve the local investment climate. Large-scale economic infrastructure plans, if properly coordinated, can make significant contributions to the long-term productivity of businesses.

Government must intervene to promote the private sector at all levels. At the micro-level, employment subsidies and post-conflict regional economic integration and promotion should focus on building local capacity for business development, sectoral strategies, and regional trade initiatives. Regional agriculture trade policies should be analyzed from a conflict-sensitive perspective due to their impact on rural farmers' incomes. Improvements in the financial system should focus on microfinance and systemic challenges. Microfinance can be an effective instrument to promote business formation during post-conflict periods and require relatively few preconditions. Addressing systemic challenges in the financial sector can begin with interventions that promote greater competition. **EBR**

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**The following were some of the news stories in Ethiopia last month. They were sourced from Addis Maleda, a weekly Amharic Newspaper and sister publication of EBR.**

### Addis-Djibouti Transportation Hikes



The freight and logistics fare to transport agricultural products from Addis Ababa to Djibouti has increased. What used to cost less than ETB120 is now charged about ETB170 per quintal—an increase of 42Pct. A freight truck full with 400 quintals is asking for than ETB68,000. Shipping onwards from Djibouti is also getting more expensive.

### Government Looking to Expand Port Options

The Ethiopian Maritime Authority said it is working to increase the number of ports from four to ten. Currently, the country is using six sea and dry ports, and expects to reach its goal in a ten-year plan. In the last three years, the country has supplemented the ports of Berbera and Tadjoura—minimizing the dependency on Djibouti from 98 to 77Pct.



### ETB338 Million Contributed for GERD



The Public Support Mobilization Secretariat of the dam announced the amount was collected in the four months between July and October 2021. The contributions were from Ethiopians both from within and outside the county in the form of bond sales and direct donations. Of the made contributions, about ETB180.3 million was from the diaspora community while more than ETB90 Million was collected through local donations and bonds.

### Ethiopian Coffee Globally Pricier

The price of Ethiopian coffee on the global market has shown an increase of 58Pct compared to the same time last year with a kilogram of the beans going for USD5.30 from the previous USD3.30. In 2019, it was USD2.80. Ethiopian coffee, which is of the Arabica type, is currently preferred over the Robusta type for its taste.



Addis Ababa-Djibouti Railway's revenue of the first 10 months of 2021 showing a record 36.5Pct year-on-year increase despite Covid-19 challenges.

**USD  
67  
million**



## Bank & Tech Firm Launch Hotel Booking Platform



The Commercial Bank of Ethiopia (CBE) and Eagle-Lion Technology signed a memorandum of understanding to launch a platform to book hotels and issue payments through three apps: Get Room, Get Fee, and Hotel Bidding. Both local and global customers can search for the least pricey hotel and issue payments using their mobile phones.

## Kefi Minerals USD18 Million Growth

The England-based miner of gold in Ethiopia, has secured additional capital through shareholder injection of USD18 million for its projects in Ethiopia and Saudi Arabia. The Tulu Kapi gold project, has seen an investment of USD70 million with plans for a further USD300 million and its shareholders include major regional banks. The owning consortium consists of East African Trade and Development Bank and African Finance Corporation.

# KEFI MINERALS

## <<UNIC>> Launches Sharia-based Service



The United Insurance Company commenced Tekaful, a Sharia-compliant insurance service for the Muslim community. The service has earned the blessings of the Islamic Scholars Congress as one that aligns with Sharia guidelines. Even though the service was first introduced by United Arab Emirates, the feasibility study was later conducted by Alpha, a local finance consultancy.

## Procurement, Asset Administration to Improve

The Public Procurement and Property Administration Agency is on the way to approve the improved draft proclamation on procurement and asset administration. Ongoing as part of a reform process that started in 2003, it is expected to resolve variances between the bid and actual purchasing prices. The draft is now with the Council of Ministers which is deliberating on the topic.



# USD 5,000

NBE fine levied against any bank that violates the new directive outlining prioritization of forex allocation for imports.



# Top 10

## Ethiopian Sectors Receiving American Aid in 2020

Rank	Sector	Amount in USD (Million)
1	Humanitarian	470
2	Health and Population	310
3	Commodity Assistance	160
4	Agriculture	94
5	Governance	71
6	Education	36
7	Administrative Costs	35
8	Environmental Protection	23
9	Multisector Aid	5.1
10	Infrastructure	3.5

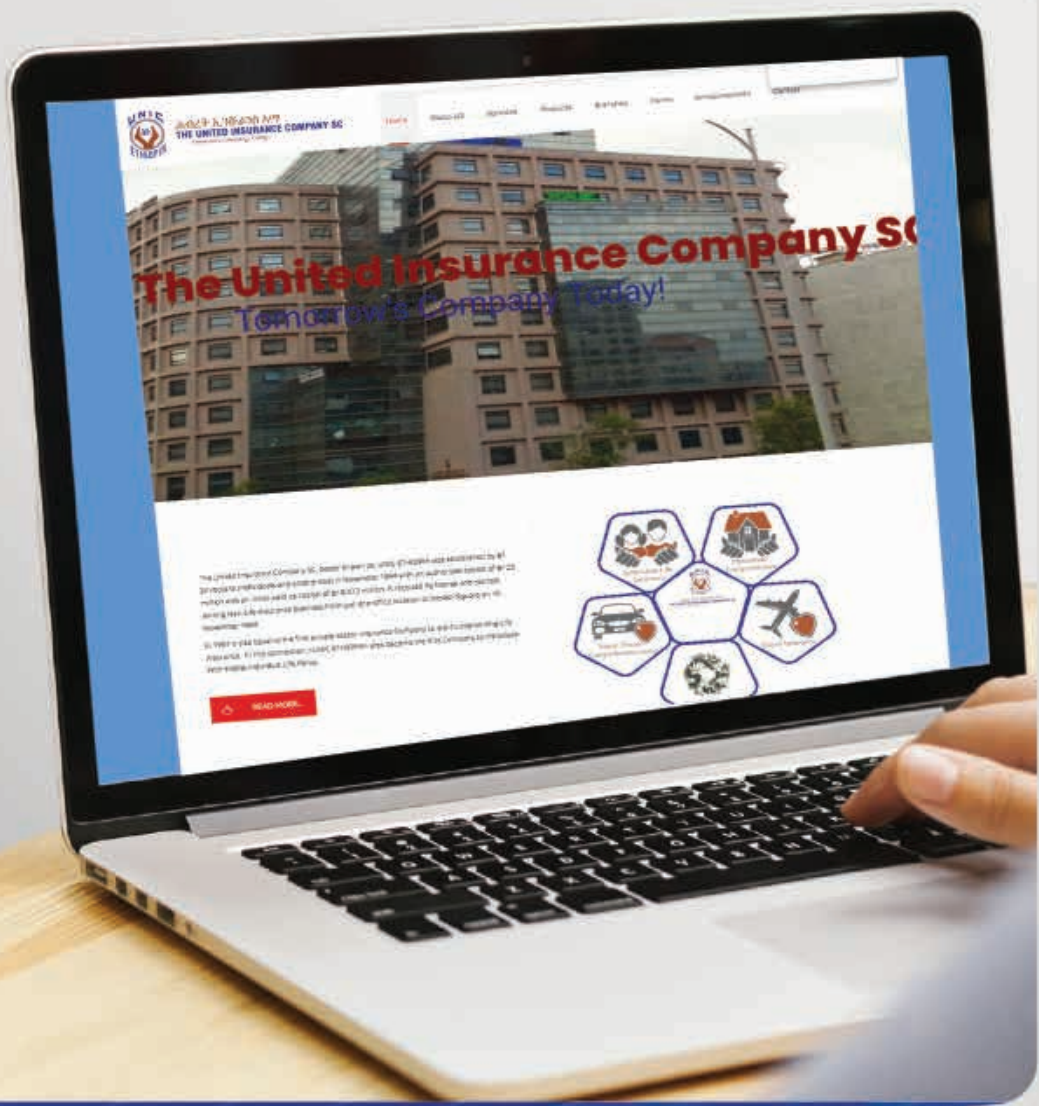
Source: : ForeignAssistance.Gov

Aid flows from nations and organizations to developing countries reached record levels in 2020, amounting to USD161 Billion. Ethiopia received a total of USD1,213,189,277 as direct development assistance from the US in the same year. Ethiopia is regionally the top aid recipient and second globally only to Afghanistan at USD4 billion.

Top funders were the US Agency for International Development (USAID) at USD534.5 million, the Department of State at USD406.4 million, and the Department of Agriculture at USD243.4 million. USAID is also a managing or implementing agency, handling around half of assistance of USD533.8 million with the Department of State coming second.

Chief implementing partners were the World Food Program at USD193.1 million, Catholic Relief Services at USD115.6 million, and the United Nations High Commissioner for Refugees at USD101.1 million. An implementing partner is the governmental, private, or civic society entity that receives the funds from an Implementing Agency to carry out specific U.S. foreign assistance work.

Key sectors were emergency response, developmental food aid or food security assistance, basic health, maternal and child health as well as family planning, agriculture, HIV/AIDS, government and civil society, basic education, operating expenses, and conflict, peace, and security. The objective of the assistance was classified as 100Pct economic and 0Pct military. **EBR**



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**The following are a few of the biggest news stories that took place in Africa in the last month. The stories are sourced from Bloomberg and Reuters.**



## Africa's Top Fiber Operator Is in Talks With Betsy Cohen SPAC

Fintech Acquisition Corp. VI, a blank-check company backed by serial dealmaker Betsy Cohen, is in talks to merge with a unit of African telecommunications conglomerate Econet Global, according to people with knowledge of the matter.

The deal would seek to value the unit, Cassava Technologies, at USD4 billion or more, one of the people said, asking not to be identified discussing private information. Deliberations are ongoing and may not result in a transaction, the people said.

“We continuously review our capital structure and consider all opportunities,” a representative for Cassava said in a statement. “Our primary focus is to continue to strengthen our position as a pan-African technology leader with a clear vision to accelerate Africa’s digital transformation.”

Econet announced in November that it had folded its fiber-broadband networks, data centers, and other assets into Cassava. Its holdings include telecommunications and data center provider Liquid Intelligent Technologies and Sasai Fintech, a so-called super app.

### Morocco

Morocco’s economy is expected to grow 6.3Pct in 2021, one of the highest rates in the Middle East and North Africa region, before slowing to around 3Pct next year. This growth is due to a successful (COVID-19) vaccination campaign as well as a continued fiscal and monetary stimulus, the rebound of exports, buoyant remittances, and the exceptional harvest after two years of drought. Remittances from Moroccans abroad hit a record USD8.6 billion in the first 10 months of 2021, offsetting weakness in tourism revenues. The country’s foreign exchange reserves are enough to cover seven months of imports, according to official figures.

### Nigeria

Nigeria’s state oil company recorded a USD346 million trading surplus in June after recovering from a deficit the previous month. Presenting its latest monthly report, the Nigerian National Petroleum Company (NNPC) said expenditure for the same month fell 29.32Pct. NNPC had made a profit for the first time in its 44-year history, generating an income of USD698 million after-tax in 2020. NNPC’s report said in June 47 pipeline points were vandalized compared to 64 in May, with the Port Harcourt area and Mosimi accounting for 94Pct of the vandalism.

### Ghana

Ghana’s economy expanded at the fastest pace in more than a year in the third quarter, buoyed by growth in the services industry as schools that were forced to close last year because of the coronavirus pandemic reopened. Gross domestic product expanded 6.6Pct in the three months through September from a year earlier. The fastest expansion since the first quarter of 2020, in addition to upward revisions to data from the first two quarters of the year, suggest Ghana will achieve the treasury’s annual growth target of 4.4Pct. Still, Ghana’s government, which is battling with high borrowing costs, is projecting a budget deficit of 12.1Pct of GDP this year. A push to raise as much as USD1.12 billion in tax revenues through the introduction of a new levy on mobile-money transactions has faced pushback in parliament.

### South Africa

The South African rand weakened as investors maintained a cautious stance ahead of a raft of key economic data releases that include current account, mining and manufacturing figures. Yet the rand gained more than 2Pct against the greenback after fears over the Omicron corona virus variant eased because of early signs that it has mainly caused mild infections.





REUTERS

**Bloomberg  
Business**

### Egypt

Egypt is expected to finalize a USD3 billion loan to be used in part to finance sustainable projects, the nation attempts to recover from a drop in tourism during the COVID-19 pandemic. The financing, arranged by Emirates NBD (ENBD.DU) and First Abu Dhabi Bank (FAB.AD), follows the repayment earlier this year of a USD2 billion facility Egypt borrowed last year to finance the state budget and support the economy.

### Sudan

Sudan was unable to access USD650 million in international funding in November when assistance was paused after a coup. The financing included USD500 million in budget support from the World Bank and USD150 million in special drawing rights from the International Monetary Fund. Foreign funding was seen as crucial in helping Sudan emerge from decades of isolation and supporting a transition towards democracy. The United States has put on hold USD700 million in economic assistance since the coup and the World Bank, which had promised USD2 billion in grants, has paused disbursements.

### Uganda

MTN Uganda shares rose 3Pct on its first day of trading on the Ugandan bourse after a deeply undersubscribed initial public offering (IPO) in which the firm sought to sell 20Pct of the company's equity. The telecom operator, a unit of South Africa's MTN Group, launched its IPO in October. Results of the IPO showed MTN Uganda had secured just 60Pct of its target amount, raising USD151 million. MTN Group's shareholding fell to 83.05Pct from 96Pct with the listing.

### Congo

The Democratic Republic of Congo would push to develop domestic battery manufacturing capacity to add value to its exports of minerals such as cobalt and copper. Congo mines around two-thirds of the world's cobalt, an ingredient in lithium-ion batteries, and is Africa's leading producer of copper. Demand for the minerals is rising to power electric vehicles and electronic devices. But Congo, which ranks among the world's least developed countries, exports its minerals for only a fraction of the final cost of the batteries, which are mostly manufactured in Asia. Several development banks, including the African Development Bank, also signed a pledge to help develop Congo's battery industry, but the text of the agreement was not immediately available.



## Congo Anti-Graft Chief Says USD530 Million Mining Payments Missing

The Democratic Republic of Congo's central bank has failed to account for USD530 million that state mining company Gecamines says it paid to the government mostly during former President Joseph Kabila's final term in office, the nation's top anti-corruption official said.

The disappearance of the so-called tax advances was flagged by Inspector General of Finance Jules Alingete.

"None of this amount has yet been traced to the general treasury account, despite incessant requests" to the central bank, Alingete said in response to questions from the consortium.

The missing payments may represent one of the largest misappropriations of funds documented in Congo, should they remain unaccounted for, Belgium-based anti-corruption group and consortium member Resource Matters said in a separate report published on Thursday.

Gecamines is a key player in the mining industry of Congo, the world's largest source of cobalt and Africa's biggest miner of copper -- two of the critical metals in the electric-vehicle revolution. The company is a junior partner in joint ventures with many of the biggest copper and cobalt miners in Congo, including Glencore Plc, Eurasia Resources Group, and China Moly.

# Foreign Aid: Holds Itself Back

*Having commenced after the end of World War II, humanitarian aid has been one of the tools used by Western nations to project themselves as the good guy in global interactions. Recently, the West has been slowly moving towards developmental assistance as the criticism against humanitarian aid has been getting tougher. As the diplomatic standoff between Ethiopia and the West worsens, with aid in the middle of the engagement, it is still difficult to pinpoint the role of aid in economic growth. Also at play is the effectiveness of and bad-practice prone implementation by local actors. EBR's Mariamawit Gezahegn delves into the matter to offer this report.*

“All we lose is their rotten wheat,” said Shimelis Abdisa, Chief Administrator of the State of Oromia, in May 2021 at a fundraising event for Fasil Kenema, the football club of the historic Gondar town. He was seemingly referencing a series of warnings by the US government towards the Ethiopian federal government in connection with its military

engagement with the Tigray People's Liberation Front (TPLF), labeled as a terrorist group by the House of People's Representatives last May.

Warnings involving restrictions on travel visas, duty-free trade benefits, and aid cuts, among others, were frequently forwarded by the US government against Ethiopia and Eritrea. The USA's strong stand and warnings sparked





tough conversations among media, public officials, and Ethiopians at large on the repercussions of aid cuts and possible fallouts with the West in general. A photograph of a Caucasian man wearing a hat bearing the logo of the World Food Program (WFP) alongside a senior official of the TPLF rebels has made aid conversations even tougher.

Polarized and harsh criticisms against Western aid was not just simple political conversation, the outcome will implicate millions of citizens who depend on aid for living. The Ethiopian government declared *persona non grata* against seven top aid agency officials of the United Nations, accusing them of conspiring with the rebels. The federal government gave stark warning and went to the point of revoking and temporarily suspending the licenses of selected aid organizations for alleged meddling in internal affairs.

Recent diplomatic developments with foreign aid at the center of rather tough exchanges between Ethiopia and the West call for a closer look into the overarching aid sector.

In 2013, an ambitious development-based initiative was crafted by the global creative non-profit, Girl Effect, to tackle negative education ideologies for girls in Ethiopia. The initiative used popular media to shift gender norm perceptions that create educational access barriers for girls including disproportionate

household responsibilities, child marriage, early pregnancy, and gender-based violence. Through a musical group called Yegna, the communication platform challenged patriarchal power dynamics and attempted to build a youth movement to empower girls and women.

This empowerment-based intervention partnered with the UK government for USD15.75 million from 2015 to 2018. At the time of the partnership, the group was reportedly reaching 8.5 million Ethiopians through their radio programs, talk shows, and music. The investment, however, was criticized heavily by UK media outlets and deemed a frivolous allocation of the nation's tax payer's money.

Meaning 'ours', when translated from Amharic, the group of five girls was dubbed 'Ethiopia's Spice Girls'. The project never recovered from the negative media coverage. The outrage resulted in a formal investigation by the former Department for International Development's secretary and the subsequent termination of the UK's partnership with Girl Effect in 2017. Despite the timing, the secretary denied her decision was motivated by public outrage.

"The decision was made following shifts in the UK's political climate and was one of many," said Liya Haile, Country Lead for Girl Effect Ethiopia in an emailed response to EBR. "There was an annual

formal program assessment conducted, after which the program received one of the highest grades achievable.”

At face value, the Girl Effect venture can be written off as a wasteful misuse of foreign aid. However, the Yegna controversy encapsulates the complexity of development-based interventions. Development aid, unlike humanitarian aid, is designed to alleviate long-term and ongoing structural issues such as economic, social, and political developments. Such aid objectives need to address the root causes of a structural issue and not just alleviate its symptoms.

Empowerment interventions intend to slowly shift the perception of a community’s behavior that has long been reinforced by cultural norms and values that discriminate against a certain population. The Girl Effect project attempted to tackle the causes of school absenteeism among girls such as cultural expectations to maintain household chores, embarrassment over menstrual hygiene, and gender-based violence by openly challenging these topics. It used both traditional and digital media platforms to start the conversation among young people.

However, such intervention at a community or national level takes a long time. It is difficult to show a measurable impact in the short term. What the UK public viewed as a vanity project was a long-term strategic investment at shaping the youth’s perception of the rights and value afforded to the experiences of girls in Ethiopia. Their deviation from major goals like increasing the number of schools, affirmative action for female students, and gender-equality training resulted in the misunderstanding of the design and mission of the project itself. Ultimately, a country such as Ethiopia which largely depends on foreign aid assistance has to be able to justify program implementation impact to secure continued financial support.

Ethiopia is among the world’s top recipients of foreign aid. In 2019, the country received USD4.81 billion, making up roughly 50Pct of the national budget. The majority of Ethiopia’s aid flows came from the US, UK, and World Bank Group. The US, one of the largest

donors to Ethiopia, donates annually between USD200 and 500 million for both humanitarian and development efforts. The UK, Ethiopia’s second-largest donor, budgeted USD374.8 million for 2019/2020 fiscal year aid programming. Just recently in March 2021, the World Bank approved USD500 million in International Development Association credit to realize Ethiopia’s goal of providing nationwide electricity

access by 2025.

Overall, foreign aid interventions in developing nations have shifted from a humanitarian focus to a more development-based assistance. Ethiopia is no different. The interest in developing Ethiopia is tied to the country’s role within the Horn of Africa. Ethiopia is a key figure in the region regarding maintaining regional stability, regulating migration, and food





security improvements. Such a position aligns the country with the initiatives and objectives of Western nations for that part of Africa.

Donor nations, hence, allocate aid that aligns with their foreign policy needs and prioritized agendas. Accordingly, their programming strategy document details their developmental goals for each year. The USA's 'Sustainable Development Goals' (2019-2024) target

Disaster Risk Management, Resilience of Vulnerable Populations to Key Shocks, Private-Sector led Economic Growth, and Sustained Improvement in Essential Service Delivery Outcomes Focused on Women and Girls. Therefore, their donations and support will be budgeted and allocated under one of these intervention areas.

Foreign aid is either distributed as budget support directly to the Ethiopian

government or as development support to the donors' respective aid agencies. These agencies will then design projects, partner with locally-based Civil Society Organizations (CSOs), contractors, and oversee their implementation.

The major contention of development-oriented aid intervention is the issue of how to measure impacts. Questions of effectiveness can arise when evaluating the duration of foreign aid interventions in Ethiopia. Development aid interventions began in the 1960s. However, Ethiopia is still grappling with the same issues that had been plaguing it like systemic poverty, unemployment, gender inequality, and civil rights violations, among others.

Does this mean aid is inherently ineffective? Is development aid incapable of creating impactful and sustainable change? Answering these questions will require understanding the system of aid distribution and implementation.

In criticizing the resolution efficiency of the sector, it is important to note that despite the prevalence, foreign aid remains instrumental in reducing poverty, providing primary healthcare, and improving the overall quality of life. There are examples that support this. Demographic and Health Survey (DHS) of the United States Agency for International Development (USAID), which collected, analyzed, and disseminated accurate and representative data on population, health, HIV, and nutrition through more than 400 surveys in over 90 countries, notes that the national rate of infant mortality in Ethiopia declined by 52Pct from 2000 to 2019. The rate of female genital mutilation (FGM) has decreased by 16Pct from a prevalence of 73Pct in 1997 to 57Pct in 2007. Furthermore, Ethiopian households' access to improved toilet facilities increased by 12Pct from 8Pct in 2011 to 20Pct in 2019.

By reading through a document published by the United Nations Children's Fund (UNICEF) in 2017/18, one can understand how significant foreign assistance is, particularly to the health sector. According to the document, foreign donors contribute significantly both to state budgets and



national health accounts.

“The share of external assistance to the total health financing resource is up to 85Pct [of the entire investment in the health sector in Ethiopia in the year], indicating high donor dependence,” concludes the document.

Despite demonstrable progress across decades in most areas, critics of aid intervention point to corruption for the lack of sustainable impact. This argument isn't without merit and should account for some of the obstacles faced by the sector. Documentations of resource misappropriation have come to light throughout the years. The funds raised during Life Aid and Band Aid to feed the 1984/1985 famine victims were famously diverted to secure weapons for the then opposition group, who then became rulers of the nation for 27 years, and are now a Parliament-designated terrorist group.

In 2010, two Human Rights Watch investigative reports exposed how donor resources were being misused. Abuse of power and preferential treatment was found among some kebele administrators in determining eligibility for aid including food assistance, healthcare services, micro-loans, land, and agriculture. Similarly, a 2011 investigative report from the BBC and the independent Bureau of Investigative Journalism produced evidence that development aid was being used as a political weapon. Certain villages were being omitted from accessing donated items and financial resources including food items.

Inappropriate use of aid heavily derails its potential and even worse, oppresses the same people it intends to protect. Strict oversight of aid implementation is vital to combat gross abuse of power. The government regulatory body charged with overseeing CSO compliance is the Agency for Civil Society Organizations (ACSO). Apart from registering CSOs, ACSO reviews annual audited reports and monitors the alignment of operations with registration permits.

Unethical operations result in formal investigations and subsequent reprimands. Apart from government

oversight, CSOs also formed a self-governance body early in 2021 called the Civil Society Council which has a mandatory membership to all registered CSOs in operation. The council enforces accountability and observance of the code of conduct. There

are also identified as glaring hurdles to securing sustainable development. Development programs and projects tackle grave and rooted issues such as poverty. These grand problems require significant funding that is sustained over a long period of time. Strategic and

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## **In 2019, Ethiopia received USD4.81 billion, making up roughly 50 to 60Pct of the national budget.**

are established bylaws and the Code of Conduct Observance Panel investigates formal and informal complaints submitted against member CSOs. The panel can make recommendations of reprimand up to deregistration. Such multidimensional accountability measures protect the integrity of the sector and erode obstacles to sustainable change.

continual intervention is necessary to eradicate the problem. Unfortunately, the sector's system isn't always set up to support such endeavors. Donor fragmentation is a common occurrence in the development funding process. This is where many donors are present but each disseminates small amounts of funds. Calls that are posted for CSOs to bid on are often worth less than a million

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## **Inappropriate use of aid heavily derails its potential and even worse oppresses the same people it intends to protect.**

Obviously, not all the obstacles of development can be alluded to as corruption. Systematic and operational issues in how the sector works largely account for the slow-paced impact. Inconsistent and limited amount of funding allocated to the intervention

dollars. On the higher end, they might be one or two million. Such amounts are just too little to make a significant impact on a development issue. They will only be effective if done as a pilot to test innovative strategies that will later be scaled up.



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Another operational issue is the saturation of aid players in the sector space. The vast increase of CSOs has made the space competitive, resulting in a lack of information sharing, waste, and duplication of efforts. Currently, there are over 3,000 international and local CSOs registered and operating in Ethiopia. While there is some division of specialization, several organizations have similar if not identical missions. This makes them compete for the scarce resources of an already fragmented donation.

“Competition criteria of open calls create a disadvantage for small

income from the administrative funds. Therefore, if an organization is unable to win and secure funds, it will cease to exist. Meseret stressed the pressure such realization causes for small CSOs. Most will be forced to accept smaller funds that don’t make large sustainable impacts just to continue making a contribution.

Billions of dollars are donated to Ethiopia in the form of aid. Although this amount is significant to cause lasting change in the quality of Ethiopians’ lives, proper management and strategic allocation is key to ensure the change is sustainable and moves



## Competition criteria of open calls create a disadvantage for small CSOs”

Meseret Azage,  
Founder and General Manager, Meseret Humanitarian Organization.

However, often, donors don’t stick with a single issue for more than a year. Such diversion from one issue to another creates an inconsistent stream of funding with no intervention sustainability. This type of aid volatility makes it impossible to predict and plan resource flow. Ultimately, donor fragmentation and aid volatility force CSOs to plan their intervention scale on available funds instead of the gravity of the issue. Tending to a portion of an issue ends up creating a cyclical process of intervening in the same issue repeatedly but disjointedly. Consequently, small donations lead to crafting interventions that address symptoms rather than root causes of systematic issues. Lack of adequate funding that matches the scale of the issue will always derail the meaningful progression of development aid.

CSOs,” said Meseret Azage, Founder and General Manager of Meseret Humanitarian Organization.

Although they operate at the grassroots level and have a better network with the target beneficiaries, they might not meet the qualifications set by the donors. Such criteria include a number of years in operation, previous management of large-scale donations, and prior partnerships with international CSOs. In such cases, smaller local CSOs may need to partner with larger CSOs as secondary bidders. While the primary CSO oversees the programming efforts, the secondary bidder can implement the program activities at the ground level. This is of course the best-case scenario for small CSOs as larger CSOs may bid individually and implement the program in-house.

CSO program operation depends on

the country forward and out of aid dependence. Development interventions need to move beyond treating symptoms and investing in the eradication of root causes. It is imperative that the sector effectively communicate its strategy to avoid misunderstandings and demonstrate transparency and accountability to foster trust. Donors, government agencies, and CSOs operating in Ethiopia also need to coordinate their efforts more closely to reduce waste, duplication, and cyclical interventions.

Will Aid Cuts Hurt Economic Growth?

Developed countries began sending aid to poorer countries following World War II. The rebuilding of war-torn Europe under the Marshall Plan, an American initiative enacted in 1948 to provide foreign aid to Western Europe.



buildings, and equipment. Such type comes in two forms: those allocated for production sectors including agriculture, manufacturing, mining, construction, trade, and tourism sectors; and others allocated for the development of economic infrastructures comprising of equipment for communication and electronic networks, road and railroad construction, financial infrastructure, and energy distribution.

The second category of ODA is social aid which is intended to build additional physical and human capital in recipient countries to promote economic growth. This comprises of education, healthcare,

A 2014 study by Seblewengel Debebe, on the other hand, concluded that aid shows differing impacts on GDP per capita when differentiated into humanitarian and developmental aid. Even such impact differs further in the short and long term.

Even though the making of the ‘Ethiopian Spice Girls’ has taken a twist and the original backers are no longer present, Girl Effect has continued its project through radio and TV productions. The impact of which will take years and years to measure, as is to be expected from such a grand endeavor of changing national societal norms.

“But all too often we treat the symptoms of poverty and overlook the causes,” says Liya, arguing how aid needs to focus on long-term solutions and not just treating symptoms.

It takes longer to measure Yegna’s impact and the aid investment on it. It may even be impossible as the current diplomatic standoff maintains an uncertain future for the whole aid conversation.

The aid industry brings in scarce foreign currency, employees quite a large number of citizens, and provides services especially in the health and education sectors. As a country where millions of citizens live by the support of donor-funded productive safety net programs and when at times of drought and natural disasters over 10Pct of the population needs humanitarian assistance, the implications of declining or no aid could be devastating. It is indeed life-threatening to aid-dependent citizens, of which there are millions.

Such analysis always requires looking at the whole wide picture, an end-to-end examination of the pros and cons of handling the country’s relations with donors and the local impacts. That requires refraining from making ill-advised public comments regarding the meaningless role of aid, be it by a senior official or lower-ranking administrators. Caught by domestic and other pressing issues, donor fatigue is already an elephant in the room. There will be a big loss as a country and millions will be implicated because of such insensitive comments. **EBR**

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## **There are over 3,000 international and local CSOs registered and operating in Ethiopia.**

The United States transferred over USD13 billion in economic recovery programs to Western European economies after the end of the war. The Marshall Plan is documented as the birthing of the aid tradition. It was also meant to boost economic growth beyond rebuilding Europe. Official development assistance (ODA), commonly referred to as foreign aid, is the mobilization and transfer of resources in the form of grants and loans with favorable terms. ODA from developed countries to developing economies has reached a record of more than USD167 billion in 2019, according to the World Bank.

ODA comes in all shapes and sizes, and so does its effectiveness. There is economic aid mainly focused on raising capital accumulation by increasing a recipient nation’s stock of physical capital such as machinery,

sanitation, and drinking water supplies, among others.

The third category is humanitarian aid which is intended for consumption during emergency situations and includes medicine and food.

For the last few decades, the impact of ODA on the economic growth of the recipient country has been a subject of not just numerous studies, but also of contradicting conclusions and controversies. One such study published in 2018 by Cherkos Meaza Gebregergis, a doctoral student at the University of Verona Department of Economics, is a case in point. Cherkos concluded that in the short-term, foreign aid is negatively related to the economic growth of the recipient country. However, he is reluctant to make the same conclusion on long-term impacts.



**“DIGITALIZED  
ETHIOPIA WILL  
BE REALIZED  
SOONER THAN  
YOU THINK.”**

SHIMELES GEBREMEDHIN  
CEO, ETech



*As Ethiopia prepares for increased digitalization, a slow increase in investment in innovation and technology is evident. Being the first digital company to ever go public in Ethiopia, eTech is working where public awareness towards the use of technology is still inching forward. Yet, the startup has managed to involve more than 525 shareholders to raise ETB200 million in paid-up and pledged capital. EBR's Addisu Deresse talks to Shimeles Gebremedhin, CEO of eTech, about the challenges and prospects facing his company and the sector in general.*

### How was eTech conceived and realized?

The initial idea to establish eTech was conceived on May 16, 2020, but it was legally registered on September 15, 2020. At the time, the world was in a Covid-19-induced lockdown. Ethiopian IT experts were gathered to discuss how we can assist businesses that had been impacted by the pandemic. A group of ten technology experts came up with the idea of using crowd funding [to raise the start-up capital needed to establish the tech-company] and we raised about 75 million in paid-up capital. We floated 20Pct of an ETB1 billion dream capital which we envisioned. And it took roughly two months to raise ETB75 million of that, which was enough to start with.

Our main goal is to provide end-to-end technology solutions. We discovered during our feasibility study that most private ICT companies of the past 15 years have not been successful. So, we went public at Skylight Hotel on January 14, 2020 to involve as many local and diaspora Ethiopians as possible. During this launching, we got well-deserved attention from the then Minister of Technology and Innovation as well as from the Information Network Security Agency (INSA).

### Tell us more about eTech's business model?

eTech is a pioneer technology company to go public. It plans to engage in businesses beyond borders. Going public requires building a circle of trust for not only raising finance but also involving experts in that particular endeavor. For an ICT company, going public is highly advisable as it can also be a source of foreign currency. There is no large ICT company in Ethiopia that has the capacity to compete in international bids or even for local projects whose budget sometimes goes into millions of dollars.

### How much is the company worth right now?

Now, eTech has over 500 shareholders. It floated ETB200 million share units, of which ETB75 million has already been raised. Some foreign investors were interested to invest in our company. We believe Ethiopian companies should first get stronger financially and professionally before opening up the sector to foreign



into the market.

We have been actively working on software development and infrastructure implementation projects. We have a competitive advantage in these two sectors. We have developed electronic health management solution (eHMS), electronic share management system (eShare), electronic voucher distribution system (eEVD), credit & saving portal (eKuteba), and an enterprise resource management (ERP) system solutions that has a high demand in Ethiopia.

Fintech and e-commerce is the other area that we are emphasizing and want to promote to the public in the next few months. We will shortly introduce two new e-commerce platforms, eNiged and Discount System, which we plan to avail to the public soon.

We have also started our own core banking solution with our credit and saving portal and microfinance system. We intend to develop similar solutions that will streamline the complete business process of any organization. Our main goal is to develop solutions that suit Ethiopians'



## The banking sector must invest in public education platforms first."

investors. We believe that professionals in the sector must also be owners of the business.

### It has been a year now since your company was launched, what have you achieved thus far?

For eTech, 2020/2021 has been a year of laying foundations. Besides registering profit within the first year, our company has undertaken an ambitious range of strategic preparations, and decisions that are transforming eTech in every dimension. We have been collecting as much information as possible to penetrate

needs while lowering costs and avoiding purchases in foreign currency. Thus far, we've developed six essential platforms that can be used by companies. We're expecting to release additional offerings this month. As for infrastructure, given that it is the backbone of the technology sector, we are currently working on a large project that will provide a data center and network implementation.

Since cyber security knowledge of the public and hands-on experience in the market are limited, our cyber security department is working to raise public awareness and empower experts with our



networks abroad.

**Your company's goals will overlap with the financial sector which is criticized as seriously lacking innovation. What role could you play to bridge that gap? Why is there a dearth of innovation in the financial sector?**

Ethiopian banks have a history of adopting technologies from overseas. Innovation is not always creating something new. Modifying an existing technology to adhere to local culture, language, and norms is also innovation. The banking industry has a huge demand for IT products and services, but the old habit of acquiring foreign products and services has created a gap. Hence, our products are developed based on other countries' banking rules and principles. This raises the challenge of compatibility and customization.

Building fintech products is not as easy a job as developing other solutions as it requires tangible experience, exposure, practice, and strong security. To bring innovation that is practically helpful for the industry, the central bank should also give priority to local developers.

**Cyber security is now the new front for competition among nations as well as a soft spot for infiltration. Ethiopia is opening the telecom sector and other previously closed-off areas to foreign investment. Are we prepared for the risks?**

The liberalization of the telecom sector to foreign investors has its own advantages in terms of improving service quality, technology transfer, and generation of foreign currency. However, it also brings security issues. Cybercrime is even a threat to well-developed nations who have worked and invested in the endeavor a lot more than us. I strongly advise the government give unfettered attention to the matter and educate the public on how to use technology safely.

**The startup ecosystem is still in its infancy in Ethiopia. Startups with promising potential still have minuscule access to finance. What do you think is the role of eTech-type companies in creating horizontal collaboration with startups to better utilize potential at the**



**The government should bring digitalization to the center of every conversation."**

**grassroots level?**

The younger generation has a creative attitude but a limited grasp of business logic and finance. Considering this, eTech has established a framework of interaction that allows it to maintain well-managed, legally enforceable, and highly effective relationships with individuals and institutions. The framework will aid in the identification of areas for collaboration as well as the development of legal and operational elements for their implementation. This will also aid in the expansion of our services in other continents.

Any talent that identifies with eTech's

goal and vision is addressed by our engagement and partnership model. This mentality and approach of collaboration comes from those with extensive business expertise and a track record of accomplishment. This year, we've set aside a budget of ETB85 million to develop a platform that brings together innovative minds and financing agents. We began this initiative by offering recent graduates the opportunity to develop their creative abilities.

**Outsourced government projects act as a springboard and catalyst for tech companies to take off. How do you**



Russia-made platform is globally popular. If Ethiopia can develop something that spreads globally, I would consider that a rebirth for this nation.

The technology behind developing a social media platform is not that sophisticated. It doesn't require new innovations and is doable. We can just copy the platform and customize it. But, we have to make sure if this actually is something we want to do at this point in time. If not social media, we can at least work on localizing our email platforms. We can take China's long path, which went through a series of small steps before launching.

We shouldn't rely on foreign platforms. What we have seen with the #NoMore movement, the fact that these voices are being silenced on Twitter and other platforms tells you that we cannot pursue our interests on platforms owned by foreigners. These innovations should also be supported by a prudent policy. China disallowed Facebook through policy.

We are all responsible towards this. The government has the responsibility to design a policy to govern the sector. Private sector actors, like us, might help in developing platforms and then citizens will need to support what's made in Ethiopia after launching.

**The Ethiopian government seems to be championing the idea of a more digitalized society in terms of financial transactions and other public services. Is that practical in a society with minimal digital literacy?**

It is an issue, of course. But when you see the young boys and girls, it's clear that it is about to change sooner than later. The older generations are not less aware of technology, but rather they underestimate its advantage. It is more of the lack of satisfaction than of awareness. The current generation, on the other hand, is highly tech-oriented. So, the challenge is bridging that gap for full-scale digitalization.

Educating the public on the advantages of tech-based services should be a high priority. Take the banking sector, for example, they introduce lots of tech-based services. But, they don't teach the public about the technology. They must



## Ethiopia has gone ten years ahead in just the last three years alone.”

**evaluate the government's tradition of outsourcing and collaborating with companies like eTech?**

Public institutions do not have a choice other than outsourcing tech projects. If they dare to do it themselves, they would miss their core objectives because it's not their prime competence. It is natural for these institutions to outsource innovation and technology projects to tech companies while they focus on their primary objectives. In the US, almost all big public projects are outsourced.

Whenever projects are outsourced to foreign companies, public institutions must be careful to decide on the manner in which data is provided. Also, the capacity of companies must be vetted when outsourcing projects. Sometimes, local companies with limited potential are awarded big projects who then struggle to deliver. This then gives weight to the misconceived argument that local firms should not generally be outsourced to.

Of course, working together with the public sector is the only way to ensure the achievement of the goals we set earlier. Improving the nation's transport, health, and food systems is part of our social responsibility. Participating in public projects has a value of great significance.

**Social media is becoming both a place for business and a source of national security threats. Recently, the government vowed to launch its own social media platform. Is that achievable?**

Social media is an opportunity. As it stands right now, if Ethiopia is going to embark on developing its own social media platform, we need to make sure it will not be another platform to spread hate along ethnic, religious, and political lines as well as against minorities. We also have to make sure this platform will penetrate into the global community. Chinese platforms, for example, are being used elsewhere. Similarly, Telegram, the

invest in public education platforms first. They simply bring internet and mobile banking and just drop them on the public with little or no investment in familiarization. In parts of the world with highly-developed innovation and technology experience, investment in public education happens to a great extent.

This investment by the financial sector in educating the public will encourage increased financial inclusion which is to the benefit of the banks themselves. The public cannot use what it does not recognize.

The government should bring digitalization to the center of every conversation. It must enforce the use of technology with the right policy. No doubt, the public will catch up to tech-based services. Ethiopians in other parts of the world effectively use technology to better serve themselves.

#### **Do you envision a digitalized Ethiopia soon or later?**

I have high hopes that a digitalized Ethiopia will be realized sooner than you think. Ethiopia has gone ten years ahead in just the last three years alone. If we can keep the momentum, it will happen sooner. Sometimes, digitalization can just happen in an instance, like what happened during Covid-19. We have seen public offices managing their meetings and trainings using tech-based platforms. These are the same institutions that had very little, if any, prior relation with technology. Thus, technological advancement might happen overnight.

#### **As CEO of a company that has invested heavily with high hopes and is facing current challenges, do you fear additional obstructions?**

The issue of instability was one of the challenges we considered upon establishment. We have put the socio-political landscape as a factor in both the establishment and success of our company. It was a pandemic season when we were preparing to establish the company which gave us the opportunity to consider many possible challenges that we could face going forward. But, we were committed to not be held back



## **Sometimes, digitalization can just happen in an instance, like what happened during Covid-19.”**

by challenges. We are aware of the socio-economic challenges; we are also well aware of the opportunities that come with the pandemic and the government’s attention to innovation and technology.

eTech services will not be limited in Ethiopia. We are currently working to open a branch office in the US and plan to provide software development services overseas. We hope this will bring jobs to Ethiopia through enterprises searching for cheap outsourced services.

As I look into the future, I see more opportunities than challenges.

#### **We see innovative young Ethiopians trying make a mark in the digital world. What do you advise those startups?**

Technology is a blessing. A person with a laptop and an internet connection can change a lot. But, technology needs patience. The first thing I would advise young technologists is to be patient and

look at things in a different way. Also, once the innovative ideas are conceived, they don’t need to implement them by themselves only.

There are a lot of ideas that don’t leave people’s laptops because the owners don’t go out and look for support. People hide their ideas for so long that they become obsolete or other people come out of nowhere to implement them. They also need to understand that being a successful technologist doesn’t correlate to success in the business world. Business and technology need two separate mindsets. They have to consider collaborating with people in the business world to fully materialize their ideas.

Tech businesses are not capital intensive. You can achieve a lot with limited resources. So young people with the right set of skills and mindset can sell their services and ideas from their home to the rest of the world. **EBR**



# “Yes, I Can”

## Weathering the storm to welcome and gratify travelers

### **How do you see yourself being the only Ethiopian to lead a hotel with an international management contract?**

It is an honor and also a responsibility. I hope this will pave the way for more Ethiopians to become General Managers of internationally managed hotels as the sector develops.

### **What are your thoughts on the development of local talent in the field? And their capacity to lead branded international hotels.**

We are seeing more and more Ethiopians taking on international assignments. Radisson Blu as a global brand encourages staff to grow. Our Addis staff have gone to Rwanda, Dubai, Qatar and, recently, to the newly opening Radisson Blu in Juba.

### **What values do you believe in for the workspace and what do you want to instill in your colleagues?**

I believe in hard work, dedication, and to give attention to detail. That is very key in the hospitality industry and more importantly, ensures consistency at all times. I want my colleagues to see that they can grow and be valued within the organization and take on international assignments. They can then be ambassadors for Ethiopia.

### **What are unique attributes of Radisson Blu Hotel Addis Ababa?**

Radisson Blu Hotel Addis Ababa is geared up for business travelers and, in ten years since opening, it is fully run by Ethiopian staff. This was a wish of the hotel's owners since the beginning. All staff take a specific



training called ‘Yes, I Can’, which is our unique approach to treating guests and ensuring 100% guest satisfaction.

We especially cater to business travelers that usually come for short stays. We give efficient service with all systems working consistently. As many of them stay at Radisson Blu hotels all over the world, our service is familiar to them. In addition, we offer traditional and unique Ethiopian hospitality.

### **How is health and safety accommodated in your hotel in these times?**

Health and safety is a major part of what we offer. Regarding security, we are premium level certified by Safe Hotel. Also, we are fully certified by SGS for all of the Covid protocols which we have put in place and maintain on a daily basis.

### **How does the hotel and its staff undertake social responsibility or responsible business activities?**

Responsible business is an integral part of the Radisson Blu chain. We work closely with different local NGOs such as SOS Children’s Village and other local orphanages as well as the community surrounding the hotel. We communicate regularly with these organizations to identify their needs and also give training as and when required, specially on food preparation and hygiene.

### **What mitigation moves were made to combat Covid-19?**

We recently arranged Covid

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Radisson Blu Hotel, Addis Ababa extends a warm welcome to the diaspora community with a Special Discount Package for the Great Ethiopian Christmas Homecoming.

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mitigation training in collaboration with SwedFund and our woreda for single mothers and local residents with low income. Our workers have received regular training to ensure that they fully understand the challenge of Covid in the hotel and in their personal lives.

## How is the hotel tackling climate change?

The Radisson Hotel Group takes its environmental responsibilities very seriously. Throughout the year we do different activities such as taking part in Earth



## In ten years since opening, it is fully run by Ethiopian staff.”

Hour, tree planting, and actively engaging in recycling by working closely with local companies for the recycling of paper and plastic bottles. We are working towards replacing plastic bottles with more environmentally acceptable alternatives. As this is a company-wide drive, we also give training and encourage staff to do the same in their personal lives as well.

## What is needed to uplift the sector from the shocks of the near past?

The current situation has definitely had an impact on the industry. However, I hope this is short-term and I am confident that we will overcome the challenges very shortly and see business travelers and tourists returning to Ethiopia in high numbers. To achieve this, peace and security are needed and guests need to be confident that Ethiopia is a healthy environment in which to stay. As a leading organization in the hospitality sector we need to actively promote the country as a business hub with great investment opportunities and a unique country to visit.

## What are the hotel's plans for the future?

The hotel plans to maintain its position as one of the best hotels in the country and for Radisson Blu to be a place of choice for guests and both local and international travelers.

We are expecting to be full over the holiday season and be exceptionally busy as diaspora guests host their friends and families.



habesha

COLD GOLD

# הנה והנה הנה!



לא יאכלו תרנגולות ויש להם שם מיוחד  
יש להם שם מיוחד לפרטים נוספים



# The Chinese Effect

*Forex reserve shortages and the further devaluation of the Ethiopian birr against foreign currencies have been the usual inflation-causing suspects in Ethiopia. Additionally, in recent months, container scarcity is resulting in even more price hikes, especially of Chinese imports. Adding to an already strained global business environment faced with unprecedented challenges, China's latest power cuts and moves to create a climate-change-conscious economy are felt far afield, writes Selome Getachew.*

**H**anna Behailu, Purchasing Manager for a manufacturing and import-export company, readily procures detergents, consumables, and big construction materials for ongoing projects. Price hikes for the past few months of these and other supplies are obvious to her, as a result.

“Every month, there has been a price increase of seven to 10Pct, amounting to a total of 30 to 35Pct surge in costs

in just the past four months,” Hanna told EBR. Yet, even in these circumstances, her company has cut down one-third of its normal procurement of consumables. She shared her frustration of going out to collect quotations herself. All of her vendors cite the same reason for the condition—forex shortages.

“But, they are also saying some things these days about container shortages and consequent and substantial freight





price surges,” Hanna said.

Abel Tsegaye, a computer Repairman in Hanna’s office, shared a story of his own when EBR visited. For the past 10 years, he has been providing IT-related services to many companies and individuals. With his assistant Abenu, he purchases materials on his customers’

behalf as he’s knowledgeable regarding originality and where to find the right products and specifications. He does this for computers, printers, network equipment, and various other tech gadgets.

Abenu acknowledges that slight price increases are always present in the

market, but what happened in the past five months is unbearable.

“The printer that I bought 2 months back for ETB17,000 is now ETB22,000 while an ETB10,000 printer is now going for ETB12,500,” he told EBR, shaking his head in disbelief.

Suppliers tell that they are forced to import smaller volumes by air cargo which is very expensive compared to container shipping. However, even big exporters from China couldn’t get their hands on containers for their logistical requirements.

Ethiopia’s inflation slowed down slightly in October 2021 to 34.2Pct year-on-year from the previous month’s 34.8Pct. However, this doesn’t reflect on products imported from China; price increments are a constant every month on such imported goods.

Abraham, name changed upon request, has been an importer for a well-known brand for almost the past 20 years. He is one of those savvy importers with large deposits who get quick approvals of forex requests. But not in 2021, even such traders are feeling the pinch.

“I have been waiting for forex approval for four months,” Abraham told EBR.

Adding fuel to the already blazing fire, containers are not to be found. He had to wait for 90 days to secure a booking for four containers from China, which is the common commitment period of a letter of credit. Having finished his stock, Abraham had no option but to go under the table to book the container. With some black market dealers working in the underground, he was asked to pay around USD500 just to expedite his request and take him to the front of the long queue of importers awaiting containers.

Freight expenses from Chinese ports have doubled. They call it the ‘adjustment’ and ‘peak season’ charge—equivalent to double the previous freight charge. One can imagine how these factors affect the price of goods in the market. “I have no choice,” Abraham laments, “but I have to pass the burden over to the consumer by incrementing my selling prices”

“The main reason for the current global container shortage is mainly due to the pandemic and backlogs of containers at ports and in the seas,” according

to Negash Daniel, Deputy General Manager of Freighters International, representative of A.P. Moller – Maersk, the giant integrated container and logistics company with operations in 130 countries. Additionally and currently, the increased movement of goods for the Christmas holiday season from China to Europe and the USA is adding further

pressure on expenses. This is largely due to quite a large number of shipping companies providing chartered services to giant American companies for the Christmas and New Year business season. As a result, smaller shippers like Ethiopian Shipping Lines are running short of containers and leasable vessels to transport increasing imports and exports.

ports more efficient by working for longer hours and speeding up vessel turnaround times.

### **What Happens in China Doesn't Stay in China**

The disruption in the global China-led supply chain may not only be attributed to the shortage of containers and the

The effect has been global, with Apple, Tesla, Microsoft, and Dell all saying that their supply chains are getting hit. China's drive to cut coal has collided with a post-Covid resurgent demand and an unusually hot summer in the months of June, July, and August that battered wind and hydro generation, according to Jun Du, Professor of economics at Aston University of Birmingham, in England.

The good news coming out of this is that China seems serious about emissions reduction, aiming to cut energy intensity by 13.5Pct by 2025, carbon emissions per unit of GDP by 18Pct, and reach peak emissions by 2030. But for China, and no doubt other nations, cutting emissions too fast without alternative clean power production options can result in shut-downs, emergency policy reversals, and even more emissions, Jun Du argues.

As much as the global supply chain has been fighting to get back to normal after a Covid hangover, China's power struggle illustrates how fragile it can still be. The three provinces of Guangdong, Jiangsu, and Zhejiang are responsible for nearly 60Pct of China's USD2.5 trillion in exports. They are the nation's biggest electricity consumers and are being hit the hardest by the outages.

So long as China's economy, and hence the global economy by extension, is excessively dependent upon coal-fired power, the dilemma the world is increasingly finding itself in—between cutting carbon and keeping supply chains functioning—is direct, real, and very current. The net-zero agenda makes it very likely the world will see similar disruptions in the near future.

Even though the global supply chain is coughing following China's intentional sneeze, the global manufacturing powerhouse seems serious about carbon emission reduction. Beijing's unprecedented move, despite its absence from the COP-26 deliberations in Scotland, will bear significant results, both in production culture and climate change in the long term. In the short term, however, global trade might continue to see similar disruptions. For Ethiopia, further news about another cause for potential inflation is just terrible fire to the blazing flame. **EBR**

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## **The dilemma the world is increasingly finding itself in—between cutting carbon and keeping supply chains functioning—is direct, real, and very current.**

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## **The global manufacturing powerhouse seems serious about carbon emission reduction.**

has contributed to inflation. “Freight charges have increased by 265Pct on cargo from China.” Negash suggests increasing container supply and making

industries obliged to restrict production, but reports of candle-lit dinners, failing traffic lights, and people getting stuck in elevators have become common recently.



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# PANDEMIC, SECURITY TOLL HOPEFUL TOURISM

*It wouldn't be an overstatement to assert that the Covid-19 pandemic hit the global hospitality sector the hardest. It is no different in Ethiopia, a nation that has seen a rise in the flow of tourists for successive years before the pandemic turned things upside down. Now, at a time when the effect of the pandemic appears to be easing a little, good news is still scant for the Ethiopian tourism sector with war on its footsteps, writes Bamlak Befekadu.*



**O**n the morning of December 3, 2021, the Oromia Culture and Tourism Bureau (OCTB) was deserted. While the bureau's head was in the State of Amhara responding to the Prime Minister's call for civil servants to join him on the battlefield, other officers were at the Sheraton Addis Hotel, celebrating the naming of Wenchi as the best tourism village by the UN's World Tourism Organization (UNWTO).

Wenchi, a crater lake found 98 km west of Addis Ababa, is the highest volcano lake in Ethiopia. Alongside Mount Dendi—the

second-highest volcano located just 13.5 km from Wenchi in the State of Oromia—the area is one of the target sites for a mega tourism project launched by Prime Minister Abiy Ahmed (PhD).

The recognition is good news for OCTB which is undergoing revitalized efforts to reap benefits of the state's immense tourism potential. It has been months now since paid ads of the bureau have been surfacing all over social media.

The good news was badly needed for the sector experiencing deep struggles. Haile Resort Hawassa, part of Haile Gebreselassie's hotel chain, was among the hardest hit by the economic slowdown



that followed the pandemic. Resting on 52,000 square meters of land, the resort employs over 300 people and had to close off amenities and services including its meeting halls and ballrooms as bookings dropped to virtually zero in early- and mid-2020.

“Scenes at the hotel seem to slowly be getting back to normal,” says Firesew Mekuria, Marketing Manager of the

chain. In an effort to attract patrons, the resort had to cut rates for its 126 rooms by as much as half—to around USD40 to 50. Now, the establishment is on the path of normalcy with business picking up again, but slowly. Domestic tourism is playing a big role in the revival. Occupancy rates are climbing and are currently near 60Pct, near to the lower end of standard occupancy rates. For many hotels, ideal

occupancy rates are between 70 and 95Pct. Of course, this depends on the number of rooms, location, and type of hotel. Target guests, pricing, and other variables also factor into occupancy levels.

How the market is picking up for some hotels doesn’t show the entire picture of the industry. Indeed, the picture is varied and the once hopeful tourism sector still requires more good stories.

Berhanalem Temesgen, 25, who was wandering around the crowded streets of Megegnagna, fled Lalibela, in North Wollo zone of the State of Amhara, to save her life. Once a tour guide in the historical town with knowledge of three foreign languages including French and Italian, EBR found her scanning for vacancies posted on walls and street poles.

“I used to make as much as ETB50,000 in just the few months of the high season,” she recalls. Now, that is only a has been.

The pandemic hit the planet and took its toll on the service sector in general, and hospitality in particular. Deteriorating security and the war worsened the situation, leaving no sign of hope for Berhanalem and her colleagues. As the Christmas season fast approaches, it sticks a knife into memories of good times when tourists from both home and abroad used to stream to Lalibela.

“Most of my colleagues in the industry have changed their line of work while others have joined the regional Special Forces.”Berhanalem told EBR.

As much as hotels in the capital and other states are entertaining the situation of getting back to normalcy, the hope of recovery for hotels in Bahir Dar, the capital of the State of Amhara, is in a worsened condition, according to Wondwossen Fentie, General Manager of the three-star Nova Hotel.”The Hotel had managed to grow its occupancy rates up to 70Pct after a period of inactivity last year, but the outbreak of the conflict has undone all the hard work and progress—with occupancy below 10Pct now,” said Wondwossen.

Similar to hotels in Bahir Dar, the hospitality industry was beginning to see signs of recovery following a lost year caused by the pandemic. Occupancy rates that were lingering at around 10Pct went up, signaling a slow return to pre-pandemic levels. However, tourism, a major source of



players say the road to recovery is still far way. The increased number of bookings cannot singularly signify recovery, as rates would also need to grow from their current low levels, argues Ermiyas Alemu, industry insider and freelance consultant. “Some star-rated Addis Ababa hotels’ charging rates dropped by 75Pct compared to previous seasons,” said Ermiyas.

Ayalew Sisay (PhD), Director of Tour Operations at Chora Tours and former head of the Addis Ababa Culture and Tourism Bureau, doesn’t conceal his fear regarding the near-future fate of Ethiopian tourism due to security challenges in northern Ethiopia alongside the Omicron

because of repeated pressure from western countries, particularly the United States, that are constantly issuing alarms for their citizens to leave Ethiopia immediately. This concern was recently echoed by Redwan Hussein, State Minister of Foreign Affairs. He was quoted by Addis Zemen, the oldest state-run newspaper in circulation, saying that “we have noticed that some international organizations are pressurized to not hold their conferences in Addis Ababa.”

Such developments strengthen Ayalew’s opinion that the better way to revive the sector is by promoting local tourism. Among the types of domestic tourism, hiking and trekking are growing in popularity, especially with urbanites. The trips are closely associated with journeys and pilgrimages to different monasteries and other religious and historic centers in the country. It is common to see colorful posters on taxi windows, telephone or electric poles promoting trips to various religious sites including Tsadkane Maryam—a monastery in the State of Amhara around 200 km from the capital.

Binyam Shifa, Founder of Addis Hiking, is considered a pioneer in the hiking business after first organizing trips eight years ago while working as a gym trainer. Addis Hiking is reputed to be the first to introduce hiking tours as a leisure activity to city dwellers. Promotions and marketing through social media platforms play a large role in the growing popularity of hiking. The business has expanded steadily since it first caught the attention of urbanites around a decade ago.

“Nowadays, my company has over 100 regular and 500 casual clients willing to pay an average of ETB600 for a one-day hiking trip,” Binyam explains. “If it includes camping, the fee goes for as high as ETB2,000 a day.”

“We’ve developed a virtual guide for potential tourists,” said Sileshi Girma, State Minister of Tourism, while also adding that his ministry is “working on facilitating tourist destinations with suitable accommodations and infrastructure.” Nonetheless, the solution put forward by the ministry and stakeholders does not seem to be satisfactory for businesses severely impacted by the pandemic and conflict.. **EBR**



## **We have noticed that some international organizations are pressurized to not hold their conferences in Addis Ababa.”**

Redwan Hussein,  
State Minister, Ministry of Foreign Affairs

income for hotels, continues to languish.

Now, with the state of emergency, travel restrictions, and reluctance from tourists, occupancy rates are as low as 2Pct, with many in the industry left struggling to cover payroll and other operational costs.

According to a United Nations publication regarding socio-economic impacts of Covid-19 in Ethiopia, The Addis Ababa Hotels Association (AHA) reported in April 2021 that 88Pct of its member hotels had either partially or fully closed operations as loss of revenue was estimated at USD35 million per month and more ten thousand employees were at risk of unemployment.

Business travelers account for over 90Pct of Addis Ababa’s tourist flows, according to Amha Bekele, General Manager of AHA. The average occupancy rate in the capital was around 67Pct in 2019. Though hotels are performing better and registering higher occupancies, industry

strain of Covid-19.” Stakeholders like government tourism bureaus should be working on enhancing the number of local tourist destinations and their image, to counter the gap left by diminished tourist traffic,” Ayalew said.

The functions of domestic tourism are numerous. It produces social, cultural, and financial benefits for the local population who might not otherwise be able to reap the fruits of their endowed local resources. As part of a strategy of pressurizing Ethiopia, western nations are pushing their citizens to leave the country and are thus sending off-putting messages and signals to anyone thinking of visiting Ethiopia. This evidences the need for government to enact a strategic change towards potent domestic tourism, Ayalew argues.

Several conferences initially planned to be held in Addis Ababa are also shifting venues to Nairobi and other African cities

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# SERIOUS LEARNING THROUGH FOOTBALL FUN

*Ethiopian football owes much of its existence to the personal effort of players, informal coaches, and established clubs. Formal academia and training camps contribute very little to players' journeys and successes. A recent collaboration between the Ethiopian Football Federation and Three-Point, however, might change the status quo to give additional hope to young boys and girls who aspire to kick the ball on national and international pitches. The partnership could even become a manufacturing hub for the export of professional footballers to Europe, writes Abiy Wendifraw.*

**G**irumneh Mekonnen is a hardworking father who wants to provide everything his family needs. After retiring from a public service job where he spent all of his working life, the 60-year-old managed to buy a three-wheeler taxi—as a primary source of earning—which he drives in Chiro town, in West Hararghe Zone of the State of Oromia.

The man who did almost everything he could for his children is facing a new challenge that has pushed him to search for prominent contacts in the nation's sport arena. His daughter, Abigiya, 16, who has played football since elementary school wants to join a sports academy or secure a trial at a girls' football club. She keeps asking her father if he has any updates for her.

"I do not know how it could happen, but I want to bring that good news home and see her beautiful smile," says Girumneh. "For the past three years, I have been exploring possible ways to meet the right people. I have called prominent journalists based in Addis Ababa to help my endeavors of getting Abigiya into a sports academy." The

dedicated father traveled to the capital and even Arbaminch, over 800 km away from his hometown, to help secure his daughter's dream.

Thousands of Ethiopian youth, desperate of finding a center of football excellence to experience and develop their skills, knock on the doors of sports institutions and other affiliated businesses. "If you are a sports journalist, it is common to receive phone calls from youngsters and their families. They always ask us for our guidance on how to find a club or youth academy," says Abel Jebessa, Radio Host at Ethio FM 107.8.

News that broke out from a press conference at Jupiter International Hotel in October, was music to the ears of Girumneh and his like. The Ethiopian Football Federation (EFF) and Three-Point, a Germany-based company, signed an agreement to cooperatively work on a football development project which aims to produce talent for the future national team.

The man behind this initiative and investment is the 46-year-old Ethiopian-born German Teddy Rupp, Football Agent and also father of Davie Selke, a







German professional footballer who plays for Hertha BSC in Bundesliga. Three-Point is already preparing to construct a four-block building where 100 talented youth will reside and study from high-level trainers. According to Samuel Bamnew, Teddy's father who returned home from Germany to facilitate operational duties as Project Representative in Ethiopia, the construction of the building will run around ETB8 million.

EFF will provide the required plot of land in the CMC area which is part of a piece of land previously designated for a similar project involving the Confederation of African Football (CAF) which is yet to materialize. Building and initial material costs will be equally shared by EFF and the investor whereas operational costs are to be fully covered by Three-Point. It is expected that full ownership will transfer to Ethiopian football's governing body years down the line. The modality has the hallmarks of a private public partnership with the only difference being that EFF is not a government entity, but rather a standalone organization.

EFF officials believe the partnership is a great engagement. "This is the first partnership we have made with a private football development project investor," says Bahiru Tilahun, Secretary-General of EFF. "We are excited to start this journey with Three-Point because the project focuses on producing top-notch talent who may one day wear the national team's jersey. Our football development department will work with them to make sure the training aligns with the Ethiopian youth training manual."

Further details of the agreement indicate that the partnership of the two parties extends beyond technical cooperation. While the academy works towards the young players showcasing—and selling—their skills to football clubs in Germany and throughout Europe, EFF will profit from the potential compensation after successful transfers, as well as the creation of a stock of players for the future. From these transfer payments,

the country's football regulatory body will get a 40Pct share while and the academy is due 60Pct. "This is a great investment for EFF," says Abel.

"We are planning to go operational in three to four months," says Samuel. "The training will kick off with the first batch of 25 talents who will be provided with housing, medical considerations, and meals. We will start with the Under-17 category. The U-20, U-15, and U-13 batches will be accommodated gradually. The academy will cover all the expenses."

Those who made it to the academy are expected to work hard to progress through a different grade of training. After a year-long stay, any failure to progress or impress cannot guarantee a space. "We are a business company, not charity. We know those who did not get the chance to join will be waiting for their turn," says Samuel. "I am sure those players leaving us early will learn something very important that will keep motivating them to fight for their career somewhere else. The language skill and psychological support along with technical football training will also help them grow as a person."

The services Three-Point plans to bring to Ethiopia extend to adult football professionals who want to learn skills in scouting and youth development and coaching. The investor aims to bring trainers and experts from German clubs while the training program will follow that of Hoffenheim, a Bundesliga team where his son Davie spent part of his youth career.

To make the project even more pleasing to thousands of youths in different parts of Ethiopia, Three-Point is planning to perform selection processes all over the country. "The selection will be conducted by professionals who know how to spot talent. There is no room for favoritism," Samuel explains.

Girumneh is not sure whether the Three-Point experts will visit Chiro. "I am sure they will bring the opportunity much closer to my daughter," he says with high hopes.

**EBR**

# MORE ETHIOPIANS EYING GLOBAL HELM

*In recent years, Ethiopia has seen more and more of its citizens campaigning and securing leading positions in global institutions. From United Nations agencies to tech giants in the United States' Silicon Valley, more Ethiopians are tiptoeing up the helm of big multinational corporations and organizations. As much as the trend shows both individual and national success, recent developments paint a contradicting picture of Ethiopians as global leaders, writes EBR's Addisu Deresse.*

In June 2021, SOS Children's Villages International elected Dereje Wordofa (PhD) as its fourth president, in a move regarded as a turning point in its 70-year-plus history. Dereje was not new to multinational institutions, of course, serving previously as Assistant Secretary-General of the United Nations Population Fund (UNFPA). Before leaving for the UN, Dereje served as deputy chief operating officer for SOS Children's Villages for the Middle East and North Africa.

"I am profoundly humbled and honored by the trust placed in me to be the fourth president of this prominent federation, with more than 70 years of impact," Dereje said upon his election.

Having also served as the organization's Africa regional director, Dereje completed his high school education at Hailemariam Mamo School in Debre Berhan, one of the oldest towns in Ethiopia. He received his undergrad degree from Addis Ababa University in management. Before eyeing overseas jobs, Dereje worked in Ethiopia for ten years.

He was one of only two people shortlisted to run for president of world's largest non-governmental

organization focused on children and families at risk.

Out of the 118 registered member countries that can vote, the organization requires a nominee must be supported by at least ten nations to be an eligible candidate for the presidency. About 28 countries supported Dereje's campaign with his role as the organization's African director advantageous in his bid. But, he had to run a campaign to convince those beyond his continent.

In the organization's long-standing history, there had never been a competition between candidates for the presidency. Dereje, however, went against 20 candidates who ran for the top job, until two were finally shortlisted. In the end, he won after running against the incumbent.

This is not the first time for an Ethiopian to swing beyond borders to lead an international institution, of course.

In the past decade, we have seen more and more Ethiopians aspiring to positions in global institutions. Sufian Ahmed, Ethiopia's technocratic minister who led the Ethiopian Ministry of Finance and Economic





Development (MoFED) for more than a decade, ran for the presidency of the African Development Bank in 2015. But Sufian didn't make it as Akinwumi Adesina (PhD), Nigeria's successful agriculture minister won the election in a landslide victory. The former Ethiopian minister, who had once famously said that inflation would be the major challenge of the Ethiopian economy during his entire lifetime, oversaw the east African nation's economy during its heydays alongside the late Prime Minister Meles Zenawi.

Former Addis Ababa mayor and current Senior Minister and Special Adviser to the Prime Minister, Arkebe Okubay (PhD) is another Ethiopian who swung at a top globe-leading job. Well known for his initiative on small businesses along the streets of Addis Ababa and later for being an ardent

advocate of industrialization, Arkebe ran for position of director-general of the United Nations Industrial Development Organization (UNIDO). As the only candidate from Africa, he was endorsed by the African Union. He has published several high-profile publications on Ethiopian and African economies, including the famous 'Made in Africa,' which had been a topic of interest regarding industrialization and the African Economy. Many thought Arkebe was a shoe-in for the top job at UNIDO. However, he lost the bid to Gerd Müller, former German Minister of Economic Cooperation and Development.

Tedros Adhanom (PhD), Director-General of the World Health Organization (WHO), is another Ethiopian who ran a successful campaign to land his

current job. Tedros, ex-minister of the ministries of health and foreign affairs, campaigned for leadership of the WHO boasting accomplishments including the training and dispatching of about 38,000 health extension workers nationwide.

An expert who advised most of these campaigns, including that of Dr. Tedros, told EBR on condition of anonymity that a lot goes into these international campaigns and costs could run into the hundreds of thousands of dollars—especially for the candidates' travels around the world. When calculating the air tickets, hotels, venues for sideline talks, and other related costs, such outlays are understandable.

"Dr. Tedros and his team had to travel to more than 60 countries to earn the votes that got him elected," says the campaign advisor.



tensions. Boutros Boutros-Ghali, former UN Secretary-General once said, “the next world war could be caused by water disputes.” Of course, Ethiopia knows much about this and the quote became a dictating thought for issues surrounding the Nile River for years to come.

“Yes, top positions in these institutions influence the way your nation is seen by the rest of the world,” says Darskedar. “When the Grand Ethiopian Renaissance Dam was progressing, we all thought that we could enter a third world war as we reminisced that one quote from a leader of an international institution.”

A recent zoom video meeting among Ethiopians leaked by Canadian independent journalist Jeff Pearce might paint a different picture though. The video features, among others, Eleni Gabre-Madhin (PhD), Founder and ex-CEO of the Ethiopian Commodity Exchange and current Chief Innovation Officer of UNDP Africa, participating in a meeting that entertained a rebuilding operation after a forced government change in Ethiopia. The zoom event, organized by Peace and Development Center International and chaired by Professor Ephraim Isaac, was not just a simple meeting, in the end. It was rather followed by a revelation of a scandal that possibly have involved a list of Ethiopians in global leadership positions.

Ethiopians holding senior positions in global institutions have also been associated with the banning of pro-Ethiopian voices on social media platforms. The continuous ban of such voices on Twitter is recently associated with an Ethiopian system analyst at the social media giant.

Whether more and more of its citizens heading towards the helm of global institutions will help or hurt is yet to be proven further. For now, Dereje has landed on a job he swung at. More Ethiopians need to cross philosophical and mental borders before their careers cross geographical boundaries. Dereje might have wisdom to share in that regard.

“They need to have passion and they should be determined to help others,” Dereje told local media during his campaign. “I had colleagues who lost their lives because of job-related hazards; therefore, surviving such hardships always builds up the stamina to go ahead.” **EBR**

The other element of campaigning internationally is digital presence. The ever-expanding demand for digital platforms—even more so due to the pandemic—restricted most of Dereje’s campaign to the online sphere. Websites, social media presence, and email marketing are all

Ethiopians, until lately. More Ethiopians on the global stage is not just individual success, but also a national triumph.

“It is a direct result of our slowly changing socio-economic status,” says Dr. Darskedar Taye, international relations Expert and Researcher at the Institute

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## **More Ethiopians need to cross philosophical and mental borders before their careers cross geographical boundaries.**

weapons in the campaign war.

All do not matter, of course, if the candidate is unable to clearly outline his desired accomplishments once elected. This Vision Statement, as per campaigning lingo, is a document that does the rounds with voters for months or years—in the end testifying how fit the candidate is for the position in question.

For many decades, Ghanaians, Nigerians, Egyptians, and South Africans were the expected fellows in regional and international institutions’ corridors of power. This was not so much true with

of Strategic Affairs. According to him, holding top management positions in these institutions could have plentiful implications for Ethiopia.

Directing aid and projects is something that can be done through these top officials at multinational institutions. Sideline talks with top personalities from all over the world on matters related to political, social, and economic aspects that could sufficiently inform decision-makers of one’s own nation, according to Darskedar.

The implications of these top positions are most relevant in regional and global

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# NO-SHOWTIME THEATER STRAINS FROM INCEPTION TO DATE

*As much as artists have been vocal about the power of performing arts in communicating messages that could change society in many ways, the endeavor has failed to reach epic heights expected from a culturally-rich nation like Ethiopia. From censorship to competition from the growing cinema business, theater's voyage has been full of hurdles. Now, the art form is dealing with the pandemic and national security challenges. EBR's Trualem Asmare explores.*



**E**miye Britu, or Mother Britu, is a theater piece about a mother who struggles to raise her children by engaging in various lines of work. The mother then loses her children to people who chose war over peace. The mother is a symbolic representation of Ethiopia. Emiye Britu was written by Bertolt Brecht, a German theatre practitioner who passed away in 1956 in East Germany. The playwright was translated into Amharic by Manyazewal Endeshaw and first hit Ethiopian stages in June 2019.

The show had to stop because of protocols put in place to prevent the spread of Covid-19. Even when some restrictions eased and enabled the resumption of some services, the play could not make it back on stage. The performance requires a lot of people on the stage, thus making it impossible to work around pandemic restrictions.

“We are planning to go on tour and perform for soldiers on the battlefields,” says Kuri Ayele, Communications Director at the National Theater. Arguably, that would be the appropriate stage as the country is literally losing its children because its own children chose war over peace.

The struggle of Emiye Britu is not atypical in Ethiopian performing arts.

Rub Guday, translated as a quarter to, is one of the theater pieces currently showing at the National Theater. Written by Tewodros Teklearegay, showtime is every Thursday at 5:00PM. The theater is based on a story of a family aiming to show the disadvantages of alcoholism. The play, previously shown nine years ago, is now rerunning and attracting weekly audiences of around 300, far from the theater house's full capacity of 1,200 people. Such is the case with pandemic-induced protocols.

“Some people are watching it all over again,” says Tefera Wor-ku, Producer of the play who has been in the business for 20 years.

Tefera is well aware of the challenges of the pandemic on the already struggling theater business. Covid came at a time of increasing rental and performers' salaries expenses. Yet, the theater industry does not get the attention it deserves and tickets are sold for ETB100, which is not enough to cover production expenses. “We work because we love the profession, not as a source of live-

lihood,” Tefera complains.

The pandemic has hit hard any line of business that calls for public gatherings, and consequences on the theater business are even worse, according to Abdulkерim Jemal, General Manager of Hager Fikir Theater, the oldest theater house in the country and arguably in sub-Saharan Africa according to some records. Orders of shutdowns of public areas have rolled down the curtains of all theaters in the country.

“Even when some other places like hotels were allowed to open their doors, theaters were not allowed to follow suit,” said Abdulkерim. “Performances in theaters require a lot of screaming and touching, making it nearly impossible with social distancing protocols of Covid.”

Although performers still receive regular pay-cheques, it is less than what they would have received had they been performing to actual audiences. The pandemic has not only affected the performers but also makeup artists, designers, and many other professionals who involve before, during, and after production. Small businesses and street vendors that relied on theatergoers have all felt the burn.

The story of Covid and theater is worse at Hager Fikir, however. “By the time restrictions were easing and it would have been okay to open our doors, our theater underwent renovations,” Abdulkерim shares the frustration. Theater and music groups are trying to make up for the lost time by performing for gatherings through invitations. As of recently, these groups have also been performing in the various battlefields of the ongoing war in northern Ethiopia. The theater groups have been required to encourage and entertain servicemen—the only job available at the time.

Now that the renovation is complete, Abdulkерim hopes to open the doors of Hager Fikir in two months' time. “We are waiting for the procurement of some materials such as curtains.” Even then, Abdulkерim has reservations on how the public would respond to the theater houses' showtime preparations. He is worried that audiences may not be interested in watching theaters under the current security climate. “Theaters and other entertainment require a national situation in which peace and tranquility are central.” People are focused on everyday news from the battle-



fields—not the ideal feeling to be in when attending a show at a local theater.

Abdulkerim’s reservation is well shared by Tefera. “Viewers from far away do not come and some people leave before the show ends, not to risk staying out late in the evening,” says Tefera referring to the state of emergency imposed in response to possible security challenges in the city. The lack of public transport contributes to such public behaviors as well.

The already difficult theater landscape—heavily damaged by competition from film—was further injured by the pandemic and security climate. As much as artists have always been vocal about the power of art in changing society and their passion for their art, the theater business has never been able to get rid of its hurdles distracting its mission, ever since its inception.

Teklehawariat Teklemariam is responsible for the introduction of the European form of theater in Ethiopia. He studied in Russia and traveled to Europe around the beginning of the 20th Century. He would then write his own play and use it to teach the monarchy about government administration and criticize corrupt leaders. Once Teklehawariat broke the ice, many followed in his path in the 1930s. Yoftahe Negussie, who founded the Addis Ababa University School of Theater, and Melaku Begosew, another pioneer of theater in Ethiopia, were among the most renowned whose plays made theater a popular art among newly established schools in the capital. The newly flourishing schools

would use this art form to create awareness on various issues among students and their parents.

Even though European theater played a part in introducing modern forms of art, Ethiopians also used to engage in dancing, story-telling, and role-playing in various social settings. Most of these social engagements involved some form of art, which were later used as the foundation of storytelling through writing and theater directing.

Hager Fikir Theater was launched as a platform to inspire patriotism among soldiers and the general public during the second Ethio-Italian War. Founded by Mekonen Endalkachew, the theater promoted the use of music and sketch plays to attract audiences for his motivational speeches every Sunday. The plays used to be improvised based on the day’s main issue of concern. During the occupation which lasted from 1936 to 1941, all cultural theater performances were banned, books were burnt, schools closed, and cultural production heavily censored as part of Mussolini’s effort to set up an apartheid-based colony.

The departure of the Italians marked the beginning of a new era and for several decades theatrical art productions enjoyed golden times in a more comprehensive manner. The famous National Theater, formerly Haile Selassie I Theater, was inaugurated in 1956 in the presence of Ethiopia’s last emperor. The Municipality Theater, built under the office of Addis Ababa’s mayor, would follow. These stages

showed performances written and directed by Ethiopian playwrights and directors. With the coming to the spotlight of theater giants such as Yoftahe Negussie, Melaku Begosew, and Eyoel Yohannes, the 1950s and 60s saw good days. Tsegaye Gebremedhin, Mengistu Lema, Tesfaye Gessesse, Abate Mekuria, Debebe Eshetu, and Weyayehu Nigatu have all seen their fair share of superstar moments.

Tsegaye is cherished to have started a new style of theater that was no longer attached to the values of the Ethiopian Orthodox Tewahedo Church, and one that showed the exploits of the aristocracy, but with the evils of life as experienced by the poor.

Performing arts have never experienced heydays during any of the past administrations in Ethiopia even though the mid-1900s experienced relative highs during the emperor’s reign. Censorship has been typical of the monarchy and Derg regime, while self-censorship was the norm under the Ethiopian Peoples’ Revolutionary Democratic Front (EPRDF) government.

The productions that survived through self-censorship of the EPRDF period had to face competition from the mushrooming number of films. The jury is still out regarding the current administration’s handling of the sector though positive signs are present.

“It can be one of the most profitable lines of work if some changes are made,” Tefera recommends. The adjustment of ticket prices and introduction of booking systems would change a lot. **EBR**

# Why Share Companies Fail in Ethiopia



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Share Companies are one form of business organization that often issue shares to raise capital for operational and strategic reasons. In other countries, shares of public companies are traded on regulated stock exchanges. In the stock exchange process, investors can place orders to buy and sell shares. Shares can be a valuable part of an investment portfolio. Owning shares in different companies can help build savings and protect money from inflation and taxes. It's one option of maximizing income from the investments to the individual. When we see it from the company's side, managing shares has become a central task.

The fundamental component of most investment portfolios is the issuing and managing of shares. Corporate governance is the system by which companies are directed and controlled so that they meet the objectives they set out to achieve.

Wealth maximization is a primary objective of any corporate or share company. The board and management work hard to achieve this, and their successes and failures are measured accordingly. The board, as the primary tactical leader of the company's strategic aims, has a focus on maximizing wealth, or what in accounting is termed as making a profit. The success pages of share companies in Ethiopia are just a few; of course, the finance industry is an exception.

## Leadership failure

Poor leadership makes any business fail. The presence of strong corporate governance is important in share companies. The board, management team, and particularly the general manager must be able to make the right decisions to make the company effective. From financial management to employee management, leadership failures will trickle down to every aspect of the company's performance. The most successful entrepreneurs learn, study, and reach out to mentors to improve their leadership skills.

A lack of foresight by a board will eventual-

ly bring disastrous failure to a company. This is because the board is the primary stakeholder that has a strategic role to impact corporate governance. Though board directors are elected by shareholders or appointed by other board members to represent the shareholders of the company, the transparency of nomination directly affects the quality of the board.

According to [greatboards.com](http://greatboards.com), the most important qualities of an effective board member are: dedication and commitment, ability to lead and influence others, straightforwardness and impartiality, being knowledgeable and an insatiable learner, and valuing discretion and confidentiality.

The lack of commitment and dedication among the board members of any company take the lion's share as a primary reason for the leadership failure of share companies in Ethiopia. The revised Commercial Code that introduced board of supervisors (Article 331-336) states that a board of supervisors can be established by a Memorandum of Association, is directly accountable to the general assembly, and has the responsibilities of ensuring proper supervision and inspection in the company.

In addition to commitment and dedication, the board member's knowledge about the industry the company operates in; the organization's operations, mission, and vision; the organizational culture and the roles and responsibilities of the board as well as the basic principles of good governance contribute immensely to the success of any share company.

The revised commercial code allows non-shareholders to be selected for a board of directors position. This may be a good measure in an attempt to fill the knowledge and experience gaps that companies suffer from. However, the code limits the number of elected non-shareholders of a board to one-third.

The future of any company depends on having



capable and insightful leadership that has the ability to rise above daily business and organizational challenges and is capable of leading and influencing others to pursue and meet futuristic aims of the company. The presence of a consistent spirit towards organizational goals and the drive to set the right sense of direction to common agreed-upon business goals is instrumental.

### **Weak financial management**

Except for financial institutions, news regarding several share companies in Ethiopia having multiple cases of poor financial management is frequently heard. Stories about share companies failing to start operations because of gross financial mismanagement at early stages are not new in Ethiopia. Such problems find their roots in poor corporate culture where knowledge-based financial management is missing.

Indeed, financial management problems create disputes among different parties in an organization. Although such problems are not unique to share companies, the situation leads to a broad range of corporate failure that may reach company dissolution. Installing a functional mechanism in the corporate governance system, one that explains and resolves issues among shareholders, principals, and executives, is one of the available solutions to address such issues. The installation and practice of management accounting with financial accounting could also offer solutions to solve weak financial management problems that share companies in Ethiopia are frequently known for.

The reason why auditing the very formation process of a company is required, according to the revised commercial code, is because financial management problems often happen at that stage. According to Article 261, when subscribers assemble, they have the right to hear an external auditor's report on the formation process. If the founders fail to register the company in the commercial register, repayment of shares contributed by subscribers is also included (Article 254/3). Liability of the founders, found in Article 250 of the same document, mainly focuses on the financial matters of the formation stage of share companies. Article 395 of the Commercial Code gives the right to sanction transactions valued more than 10Pct of the company's capital and have a conflict of interest nature to the general assembly of

shareholders.

### **Capital Shortage and Lack of Profit**

Entrepreneurial asset and capital are important ingredients that a business needs to succeed. When we look at businesses in Ethiopia the issue of capital is a recurring theme. Raising capital from potential shareholders or accessing loan facilities upon establishment is not easy for businesses that have to prove their financial sustainability. Even after accessing some loans, the very high cost of capital and loan interest exacerbates their risks of failure.

Before applying for a business license and joining the commercial battle field, it is advisable to secure sufficient capital. In reality, especially in sole proprietorships and private limited companies, the registered capital and overall business operations explicitly show the problem of capital registration. In present day Ethiopia, a new restaurant may register a capital of just ETB3,000, while it can actually require in excess of a hundred thousand Birr to operate. A sizable number of companies prefer not to show the whole capital in use in the financial system. We can see this in capital management. In any case, the lack of capital that a business needs in adequate amounts is a serious problem that share companies face, especially in their formative years.

Indeed the lack of capital is an alarming sign of sound business performance and sustainability. It shows that a business might not be able to pay its bills, loans, and other financial commitments. Lack of capital makes it difficult to grow the business and it may jeopardize day-to-day operations.

It significantly contributes to the failure of company initiatives during the formative phase, and later at the operational stage. This leads to an eventual lack of profit even while revenue grows. Shareholders usually focus more on short-term profitability than long-term sustainability.

Except for a few cases, most share companies are categorized as small business. And according to Small Business Trends, only 40Pct of small businesses are profitable, while 30Pct break even. The rest, 30Pct of small and medium enterprises, report losses. When a company reports losses year after year, it sends a message of demotivation to shareholders, staff, management, board members, and others. This would ultimately take the company to a stage of liquidation.

# Ethiopia Defeated Colonialists Once Again

IT'S THE BEGINNING OF THE  
END OF WESTERN-HEGEMONY



*Mohammed Bedewi*  
*(PhD),*  
*a university professor*

The war that has been waged against Ethiopia by neo-colonists is not like ones encountered before. It is multifaceted, congruent, and coordinated on several fronts, employing every possible way to enact regime change with the anticipation of complete disarray, and a civil war that proceeded to create a complete collapse. It also set an unprecedented level of convergence between neocolonial powers, which were otherwise known to pursue unreconciled stances on several spheres. The inexplicability of this unholy alliance between these groups remains to be a mystery and a puzzle for many. Moreover, what exactly Ethiopia has done to deserve such a level of hostility and conspiracy makes the puzzle even worse deep in the cynics.

Despite the peace-loving attitude that the Ethiopian people and their leaders are known for, the national history, unmistakably, is defined as a history of war and unrest. Perhaps the strategic location of the country and its endowed water and other resources might be major reasons for these foreign aggressions. The country has also gone through several internal conflicts in asserting power in the process of state formation.

The paradox is, though, there has never been a single occasion where Ethiopia has neither provoked nor acted belligerently against foreign invaders. Instead, Ethiopia, in spite of all these hostilities which jeopardized its stability, chose to stick with the principles of collective security and self-defense. It has always advocated for a global solution to peace and justice. Ethiopia stood on the right side of history during the first and the second world wars. It supported freedom fighters and fought for the abolition of slavery and colonization. To this effect, Ethiopia was one of the dear members of the League of Nations, a founding member of the United Nations, a nation that championed the birth of the African Union and also played a key role in the non-aligned movement.

Ethiopia remains an independent and non-colonized nation and has played an indispensable role in the fight against colonialism, standing along

fellow Africans during the struggle for freedom. If it were not for the free land in Ethiopia, African fighters could not have taken refuge anywhere in pursuing their liberation struggle. Thus, it not only remains to be an icon of freedom and endurance but also contributed an all-time far-reaching pan Africanism spirit that inspires all Blacks within and beyond the African continent.

As I write this article, the war at the military front hits its last chapter while the situation continues in the psychological warfare and diplomatic arenas as well as economic sabotages and sanctions. Western media is continuing to air false narratives and erroneous facts about the country, though in light of the progress at the battlefield, I am certain that these media will soon run out of stories as their single supplier, the TPLF, will soon turn mute. Given their determination to break the country down, I wouldn't be surprised if Western media themselves take over the role and produce the script and run the play at the same time. Sadly, many in the audience fell in their trap and have become victims of the fake stories, and made regretful, ill-informed decisions that have caused a lot of damage to the country and the tens of millions of innocent citizens.

Who would judge those Ethiopians who have developed an unforgiving attitude towards Western media because they are deeply hurt by the consistent lies and fake news coverage orchestrated by a number of them? Because they manufacture unprecedented amounts of fake news and did everything to intentionally misinform their global audiences, they have left enough "bad taste in the mouths" of Ethiopians.

It is also worth noting that such coordinated, hostile action is not without reaction and repercussions. In fact, the injustice against the country bounced in a significant way and caused an all-round fierce reaction across Africa. The movement rose to a level where the youth in Niger, Mali, Sudan, Kenya, Tunisia, South Africa, and Jamaica were already out in the streets chanting the slogans

and echoing “Hands-off Ethiopia, #NoMore!” which has now culminated to become an international phenomenon, with zealous power that is galvanizing substantive support for the anti-neocolonial movement. Thus, it is no longer about Ethiopia and Eritrea; it is rather about hundreds of millions of Black people around the world. The war against Ethiopia is a face of the resistance movement that just set the fire but with enormous potential to burn oppressors’ fingers everywhere where similar injustice prevails.

Arguably, its potential to shake the already fading hegemony is imminent as it appears at the right time when global political tension has reached its peak. A recent move by European countries contemplating their NATO engagement following the incident in Afghanistan, the Chinese decision to dramatically expand duty-free privileges for African agriculture products under the Belt and Road Initiative with the bid of expanding the Africa-China trade regime to an historic USD300 billion over the next three years, the G7 countries’ resolution that transpired during the recent meeting held in the UK, and calls for recognizing the roles of the state in the economic development are some of the actions, among others, that plummet the neo-colonialist ideology that inherently denies society and its values and pronounces individualism and market. This suggests nothing but the beginning of the end of Western hegemony.

Obviously, Ethiopia will soon defeat TPLF, the Western block’s implanted agent in the horn of Africa. Despite all-around support they provided to this group, TPLF has completely lost the war after unimaginable human casualties as a result of its human-wave war strategy. Needless to mention the level of catastrophe the innocent citizens living in the war regions, including Tigray, have faced. It’s expected that the terrorist leaders and their operatives will be brought to justice sooner or later, and be held accountable for all the tragedies they have committed. Ethiopians everywhere, however, should continue to work hard and detoxify the resonated false narratives, bring back life in the war-torn areas, and fast action responses to restore confidence to those going through pain and agony.

Of course, these actions should be followed by aggressive all-rounded social and economic rehabilitation efforts that should start immediately in areas where people reconvene to their places. The citizens who were betrayed by their compatriots and denied their right of existence are in desperate need of being met with the basic needs for themselves and their families. Reinstating their livelihood should not take any more time; it should overlap the

offensive action of the war. These may include, among others, ensuring food and shelter, running water, extending health services and schools, supplies for agricultural operations, reinstating power and telephone services, and restoring banking, finance, and market infrastructures. Ethiopians should also take this challenge as an opportunity and turn it to an historical advantage to wane dependence on handouts and aid, especially from Western countries, and rehabilitate their economy in a different manner.

Ethiopia shall never forget its patriots who sacrificed their precious life to enable the rest of us to live safely and with uncompromised freedom. Though it is instinct wisdom for Ethiopians—how precious and demanding freedom is—this very incident helps reiterate the same and consolidate solidarity and unity, especially among the new generation who for decades have been brainwashed by TPLF propaganda propagating ethnic divisions as opposed to promoting national unity.

The rehabilitation effort needs pinning down a doubling of efforts, with due focus and priority for the comforting of martyr families and the militia forces who marched to the battle leaving behind their families with no earnings and compensation.

Ethiopia should also take this opportunity and securitize its foreign relations. This incident unfolded a new reality that potentially altered the order of importance. As many new enemies and foes emerged, Ethiopia also made new friends during this trying time. The unconditional and unwavering support that Ethiopia indulged has been second to none for its victory and overcoming of the situation. We Ethiopians are indebted to these friendly countries and though few, international institutions who stood by us and have become a voice for us when badly needed. Our special thanks goes to Eritrea, Kenya, Djibouti, South Sudan, Somalia, and the African Union from the region as well as Russia, China, India, and Turkey who, at every forum being held to discuss the matter, unequivocally told biased Westerners the truth: that Ethiopia is capable of finding a solution for its domestic challenges.

In conclusion, let us seize this opportunity and turn our country around for the better. We should remain vigilant and steadfast during this trying time. Winning this war is not an option. The option in hand is rather making this victory all rounded and making poverty history.

As we are all on the war against terrorists together, it is compelling to address the root cause that made us vulnerable to all kinds of meddling. We should repeat the victory on this front too and confirm that our fate is in our hands.

# Hypocrisy of the Neoliberals

PREACHING DEMOCRACY WHILE WORKING TO UNSEAT AN ELECTED GOVERNMENT AND RUSHING FOR GEO-POLITICAL DOMINANCE



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Arguably, the in-cubing democrat-led government of the United States has been facing multi-faceted challenges at home. The chaotic influx of immigrants, a broken system of handling immigration, inefficiency in the supply chain management of commodities, significant rejection of Covid-19 vaccine by citizens, and inflation that caused price hikes on gas and other essential goods are few of the factors that attributed to the disgruntling situation American officials face. Americans are highly upset; the rift on the already divided nation has widened, and, consequently, major polls have suggested that President Biden's overall approval rate has declined to as low as, 48Pct in the early days of December.

The situation is even worse when it comes to foreign relationships. America's prominence on global affairs has been consistently dwindling since President Barack Obama's period. Of course, President Trump has further sidelined the US from major global leadership positions such as the deal on climate change and the Iranian Nuclear Deal. This has sharply plummeted and enhanced the fading away of American hegemony across the globe.

The disastrous evacuation of American forces from Afghanistan, which shocked the entire world, has taken a big toll on the declining of American moral value as a guardian of global peace and security. The administration of President Biden has ventured into another mess, by turning its back on one of its oldest and closest allies in Africa, Ethiopia. Owing to the ill-advice of the democrats' gangs in the political establishment, the administration strangely chose to side with what has become a full-fledged homegrown terrorist organization—the TPLF. The terrorists have ruled Ethiopia for about three decades before they were toppled in 2018 by popular uprising. The group, in its desperate move to take power back from the democratically elected government has been enjoying full-fledged support from the Biden administration and many other western governments, as well as media and civil society organizations. According to the group's

self-claimed speaker, their action of retaking power is under the consent, if not direct guidance, of the American administration. This unholy marriage has enabled Ethiopia, galvanizing tens of millions of supporters across the world to stage several rallies in multiple countries, chanting the slogan: #No-More!—a movement that requests America and its allies to keep their Hands off Ethiopia and Eritrea.

It is in the midst of such an extremely tense atmosphere that America convened a summit between December 7to9, 2021 that brought together over 100 countries to discuss matters regarding the safeguarding of democracy. In contrast to what has been claimed, to many who closely monitor America's recent moves in Africa, the Middle East, and Southeast Asia, the real motive of the forum was nothing but revitalizing American supremacy and its geo-political interests. The agenda also suggests the usual arrogance in the Western block, applying an old trick for solving a new challenge.

In reality, the summit failed before it started, when it politicized the invitation and discriminated countries which have differing political stances. The primary qualification for the invitation happened to be the participants' loyalty to the US regime, rather than to their adherence to democracy. Had this been otherwise, countries with poor democracy and human rights records should not have been in the room, while countries like Ethiopia, which have at least held a peaceful and relatively credible election, were avoided. Also, worth noting in the matter are the invited countries that didn't show-up to the event. Similarly, there were several countries that boldly aired their views on the maliciousness of the very objective of the summit. They said it would bring more harm than good in strengthening global democracy. In fact, the world took this incident as a wakeup call and started raising fundamental issues about whether America, with such a level of prejudice, double standard and moral crises could qualify to convene a summit to discuss one of the most compelling agendas of our time.

Risking the act of repeating the obvious, the summit's intention at best is to halt and, if possible, counter the increasing influence of the BRICS countries in general and that of China, Russia, and Turkey in particular through the building of a new alliance with countries that are willing to serve as a buffer. Moreover, the summit unveiled that the real interest of the neo-colonialists is geo-political power and immigration; not terrorism, the Covid-19 pandemic, climate change, or other threats to humanity.

The US's foreign relationship performance is at an historic low level of credibility. As it went from one failure to another, without sufficient lessons drawn, its record went from bad to worse every day. What is more worrisome and scarier is the institutions that are supposed to play the check and balance role and protect democracy, i.e., the media, the two legislative houses, and the intelligence services have also lost their credibility. Sadly, this makes the failure beyond the administration or the executive to a larger system that values such institutions.

It sounds, in all indications, that the democrats in a nutshell are headed at high speeds to a cliff edge. They failed to recognize that we are living in a fast-changing world and missed that they need to be vigilant enough to cope up. A change in partnership works only if it's cordial and based on mutual respect and benefit. The era of conspiracy and covert action for regime change using mercenaries who would sell out their own people is outdated.

Africa particularly has reached a point of no return in this regard. It is sick and tired of the double standards and the undermining. Whether the issue in the table is democracy, terrorism, or human rights, it should be on the negotiation table with equal rights and status. There should not be a difference in how a terrorist, whether identified as so by the American congress or Ethiopian parliament, should be treated. A terrorist is a terrorist! Nothing is more of a double standard than telling the Ethiopian government to negotiate with a terrorist organization when America has never given the slightest possible considerations for negotiations during their fights with Al-Qaida or ISIS.

America should adhere to certain global principles. Its foreign policy should not only take into consideration its national interest in pursuing its foreign policy. It is one thing to stand for national interests but another to strive to attain it at the expense of others. There is no big or small country when it comes to national interest. They are all sovereign equal states!

America should also refrain from a divide and rule approach. The Cold War legacy of proxy war seems to be rejuvenating itself again. It wasn't productive back then; it will not be useful in the twenty-first century.

In light of this, for many political analysts, the underlying reason for America's meddling in the internal affairs of Ethio-

pia stems from two converged reasons: the panic from the ever-growing Chinese dominance in the horn of Africa and the protection of Egypt's interest over the Blue Nile River. America seems determined to do what it takes, including supporting a terrorist organization with a vivid record, to get its will. Its vindictive action extends beyond Ethiopia and intimidates friends of Ethiopia in the region. Sanctioning Eritrea and denouncing the alliance between Ethiopia, Eritrea, Somalia, and Djibouti to partner on common development and security issues, is a living testimony. It is really a pity to see Eritrea, which only recently recovered from decades of sanction and isolation by the US administration, based on false allegations by the TPLF, now being subjected to another round of harassment.

Given how the current US government is behaving in Ethiopia and with its neighboring states, America has no moral authority to stand for democracy. This staged circus is at best a policy disguise to deter Chinese, Russian, and Turkish influence in the region. Western nations should really know that the sun has set for neo-colonialism. Africa is louder and clearer in speaking this message now more than ever. It clicks on a big "NO" to any dialogue about its affairs when it is not in the room.

While working on this article, the writer has just learned that some 50 countries, out of which 17 are permanent UN Human Rights Commission members, continue the conspiracy against Ethiopia and urge the UN to call for a special meeting on Ethiopia. Interestingly, no single African country signed this petition. While this is outrageous, it also sent a very strong message to the West and the UN that Africa will no longer be used by others to stand against its own interests. It is an understatement to conclude that the EU and the UN commission who turned a deaf ear on all kinds of atrocities by terrorists of the TPLF on Ethiopians in the states of Amhara and Afar, call this meeting to rescue the god-child before it is wiped out by patriotic Ethiopians who are determined to protect their country.

Indeed, it is a blessing and disguise; the northern Ethiopian episodes unveil the real face of the United Nations, what it stands for and who it serves as well. The refusal of Africa to take part in these evil moves is a clear message to the UN. The UN no longer lives up to its core values. It's hypocrisy. While Africa always believes that the UN is an indispensable platform for world peace and stability, it will however want to see it fundamentally overhauled. The continent will continue working hard until it earns the rightful position proportional to its size in the rank and file of the decision-making body, including veto privilege which is now monopolized by the five permanent members of the security council. The slogan therefore is YES, we need the UN, but not this one!

# #NoMore Movement

## THE REVIVAL OF PAN-AFRICANISM



*Gutu Merdasa (PhD),  
is a development prac-  
titioner*

Kudos to the children of Ethiopia and Eritrea who stipulated these inspiring, but also resentful words, which went viral hours after being expressed to now be echoed by tens of millions across the world. Africans—and all Black people for that matter—who are sick and tired of neo-colonialists and their non-stop attempts at reasserting their fading hegemony are continuing to welcome the movement.

As part of another desperate move by waning Western influences, Ethiopia has once again been targeted at an unprecedented scale and manner as the West continues to take advantage of the current political instability in the country. In undermining the government's attempts at enforcing law and order against the Tigray People's Liberation Front's (TPLF) tyrants, America and its Western allies have impeded on the right for self-governance of the government. They continue to support TPLF as it had served their interests in the Horn of Africa region during the past three decades of power.

In response to this meddling and unlawful interference in its internal affairs, Ethiopia has been determined to resist the pressure from Western powers. Western media,

UN agencies, and several nongovernmental organizations which operate in the country under the cover of humanitarian aid have jointly made enormous support aimed at strengthening TPLF and ensuring its return to power illegitimately. The West's generosity to TPLF goes beyond finance and diplomatic back up, as it also includes military guidance to the rebels who faced fierce resistance from Amhara and Afar militias and farmers languishing their dream of entering Addis Ababa.

Jeffrey Feltman, the key face of neoliberal forces, was appointed as the Special Envoy for the Horn of Africa for the U.S. Department of State since April 23, 2021. This senior diplomat who has served as former United Nations Under-Secretary-General for Political Affairs has been working tirelessly to implant a pseudo-government

who would serve their interests in the region and restore their power, which has been increasingly eroded as a result of the recent geopolitical developments in Afghanistan and elsewhere. Thus, the underlining reason for the unprecedented level of commitment by the US government to TPLF is its intention of taking back the region under its close sphere of influence. Americans are increasingly aware of new players in the region. Turkey, China, and Russia have become increasingly influential in the region. Knowing the position of the current regime in Ethiopia, as a strong national development-oriented government, the US seems committed to reinstate the TPLF to power, out of the coffin. The TPLF used to be a rubber stamp government doing everything to protect the USA's interest in Ethiopia and the horn of Africa.

One recent vivid example of the contradictory actions of Western media is the difference in the narratives spread following the announcement by the Ethiopian Prime Minister on November 22, 2021 to join the army at the battlefield. The large media outlets in no time filled the air with the headlines such as: "Nobel Peace Prize Winning Prime Minister Steps to War," intended to ridicule and defame his actions and attempts to defend the nation, as if the Nobel Prize is a compensation paid in exchange to not doing what is necessary and rightful to save the country. What makes this discourse more interesting is that the same media outlets that are currently fueling this narrative were the ones praising the former US President Barack Obama, also a Nobel Peace laureate, when he bombarded Libya, Afghanistan, Yemen, and Syria in the wake of his award. The only difference between the two is that Obama is an American and Abiy is an African president.

### **No more double standards!**

The USA's obsession with controlling Ethiopia is very concerning and, at times, strange. On top of all the propaganda and fake news spreading, Western embassies are also relentlessly lobbying African and Asian diplomatic commissions to

evacuate their staff from Ethiopia. Learning that these efforts have not yielded fruit, the US Embassy in Addis Ababa has further changed the rhetoric to a security threat, advising their citizens to stay away from all public areas including restaurants and shopping centers. Such a message from the embassy reminds me of an old allegory about a man who brags about prophetic abilities. The man once prophesied that his neighbor's house will be burnt down in a few days. However, nothing happened after his prophesy. He waited for a few days and witnessed that nothing has happened to his neighbor's house. He then decided to set the house on fire himself to self-fulfill his prophecy.

One other interesting and noteworthy recent event is this a video that was released by Jeffrey Pearce on November 24, 2021 of a secret meeting between the TPLF and their newly acquired Trojan horses of TPLF-affiliated Ethiopian descendants and confederators and former US and UK diplomats (kingmakers), discussing frustrations with the slow speed of progress and new measures to expedite it. One thing that has been agreed during this meeting was the need to put new pressure on two fronts: hijacking the peace process currently entrusted to former Nigerian President Olusegun Obasanjo, and to continue [the military] option to unseat the legitimately elected government and replace it with TPLF.

Indeed, it is ridiculous to witness such level of arrogance, undermining the will of 115 million people and trying to prescribe a Zoom government for the second-most populous country in Africa. The video also portrays TPLF, accused of serial perpetration of genocide against Anuaks, Amharas, and Afars, to mention a few, over the last three decades, is now playing a game of victim on a global stage. In actuality, it is the tens of thousands of innocent Ethiopians in the states of

Afar, Amhara, and Tigray who are victims of its ill-advised war. The TPLF's act would only succeed with the same audiences that it had fooled in the 1990s, of which many presided in the Zoom meeting. Ethiopians have had enough of corrupt and inept bandits. The people of Tigray are also very tired of the costs being paid unnecessarily due to the political arrogance and naivety of the TPLF leaders.

The video also confirms the American government's direct involvement in the war, for those who naively or out of ignorance did not believe so.

Ethiopia is indeed fighting an African war against neocolonialism and neoliberalism. The good thing is brave Africans have already known and joined the #NoMore movement all over the world. It is encouraging to learn that Burkina Faso's youth not only joined, but also pursued the fight in a meaningful way by telling French colonialists enough is enough and stay away from our natural resources. Yes, bravo to Burkina Faso, you raised Thomas Sankara's torch to the next level, and proved that his sacrifice is not all in vain.

American powers that have decimated tens of millions of communities across the world and destroyed numerous countries, have neither the moral authority nor the impartiality to play a positive role in bringing peace in Ethiopia.

The west has waged a hybrid war on Ethiopia. Not only through it's the sophistication of their participation in the war and the presence of broad new domains in the game which range from high-tech military and intelligence, to the financing of local terrorists and factions, to the economic sabotage and spreading of hate speech and fake news that could deeply divide and shake the social fabrics of the country. That's why Africa has to stand with Ethiopia; because no one is immune from such ideological war.

# Lessons from Digital India



*Michael Spence, a Nobel laureate in economics, is an emeritus professor at Stanford University. EBR received the article from PS.*

Over the past five years, India has experienced an unusually rapid expansion of digital connectivity and access to services. This has had a positive impact on the inclusiveness of economic growth; on efficiency and productivity in retail, supply chains, and finance; and on entrepreneurial activity.

India's engagement with digital technology dates to the late 1980s. Major investments in computer science and education were made under Prime Minister Rajiv Gandhi's administration (1984-89). And with the expansion of internet access in the 1990s, India became home to many major outsourcing companies in IT administration, business processes, and customer service. But because the infrastructure needed for widespread mobile-internet access remained deficient, penetration lagged and data costs for mobile users ended up being among the highest in the world.

Then, in 2010, when much of the country's existing service offerings were still in 2G and 3G, IBSL, a small telecoms company, purchased spectrum in an auction that included rights to much faster 4G frequency bands. IBSL was then acquired by billionaire Mukesh Ambani's energy conglomerate, Reliance Industries, which thus gained the 4G spectrum rights.

Over the next five years, the resulting new subsidiary, Reliance Jio, invested heavily in building the fiber-optic infrastructure to support broadband access and a national mobile-internet system. During this period, Reliance Jio was granted the right to use the same spectrum for voice services, in addition to data, allowing it to introduce highly affordable smartphones with extremely low-cost data plans. Reliance Jio mobile phones and voice and data services were launched in 2016.

The result was explosive growth in the number

of Jio subscribers (which reached 400 million in 2020) and smartphone users across the country. Data costs in India went from being among the highest in the world to the lowest – from roughly USD3.50 per gigabyte before Jio to less than USD0.30 cents per GB after its entry and expansion.

The combination of higher speeds and low costs led to rapid growth in internet use in multiple sectors, including e-commerce, social media, streaming video, and other forms of digital content. Major players – including Amazon, Netflix, and Facebook – entered the Indian market or expanded their presence there.

The data prices that Reliance Jio set upon entry would seem unlikely to have been sustainable in the long run. But the company benefited from some excess capacity in the underlying network infrastructure; and, more importantly, it used its early growth to integrate forward into a wider range of profitable service offerings on its network, enhancing the returns on the investment in low-cost mobile-internet offerings.

In 2019, for example, it created Jio Platforms, a wholly owned subsidiary that includes Jio smartphones and data-service plans as well as a growing array of downstream digital businesses. Then, in the first half of 2020, Jio Platforms raised USD20 billion from leading global players in digital services, including Facebook (now Meta), Google (Alphabet), Intel, Qualcomm, and an A-list of private-equity investors.

Since its inception, Jio Platforms has created a long list of digital-services apps and taken majority stakes in a growing number of companies providing similar services. These strategies have fueled the rapid growth of India's mobile internet, expanding opportunities for startups and entrepreneurs.



So far in 2021, 38 Indian startups have achieved unicorn status (meaning they are privately valued at over USD1 billion) in sectors such as social commerce, education, financial services, and health care. And though there have been a few disappointing IPOs by Indian digital-services firms in recent weeks, overall funding has accelerated as global capital flows are diverted away from China, owing to that country's regulatory tightening.

It is instructive to compare India's digital growth story with that of Mexico, where per capita income (adjusted for purchasing power parity) is three times higher. It took Mexico more than 16 years to reach internet penetration of about 72Pct, whereas India expanded its coverage from 16.5Pct to 41Pct in the space of just five years following Jio's arrival.

More chapters in the Digital India story will be written in the coming years. But the country already offers important lessons for understanding and adapting development models to an era in which traditional sources of employment (especially manufacturing) will be displaced by automation and artificial intelligence.

Internet-based digital technologies are crucial to economic and financial inclusion. India's experience shows that the rapid expansion of the mobile internet creates opportunities for employment, value creation, and growth far exceeding the returns to investors. Some of those additional benefits can be captured by forward integration into the digital-services opportunities that open with the mobile internet's expansion and upgrading (in terms of speed).

Yes, the up-front investments are substantial, and the returns may not be realized for many years. Reliance is a large and profitable energy company that used its resources to finance long-term investments in the mobile internet, setting the stage for Jio Platforms' rapid expansion. That model, which did not require significant public-sector investment, probably will not work everywhere.

Nonetheless, the argument for public support and investment in the rapid rollout of the mobile internet seems overwhelmingly strong. With the appropriate incentives, it represents a major opportunity for achieving more inclusive growth, given the broader economic, social, and development benefits.

India's experience (along with that of other countries) shows that relatively high-speed and affordable mobile-internet access is the critical asset in creating new economic ecosystems within which innovation, entrepreneurial activity, and expanded consumer services can emerge and thrive. Hundreds of millions of Indians are already benefiting from these positive, dynamic externalities.

Policymakers in other developing countries should take note. In a sense, the mobile internet is no different from traditional infrastructure investments that create dynamic positive development effects by raising the returns on a wide range of private investments. Both the Chinese and the more recent Indian experiences show that digitally enabled growth engines are extremely powerful, and can be introduced faster and at lower per capita income levels than one might have previously thought.

“ Quote

*“A continent of around 1.3 billion people needs a permanent voice and seat at the UNSC.”*

Prime Minister Abiy Ahmed (PhD)



From the Horse's Mouth



**“Ethiopia will continue to attract FDI since the country's long-term fundamentals are attractive”**

Zemedeneh Negatu

**“Ethiopia will not need to import wheat this year,”**

**Shimelis Abdisa,  
Chief Administrator of the State of Oromia,**

said this while visiting wheat plantations in the region on December 17.

**“We have planned to cover 607,000 hectares with the grain this year, of which we have already sown 162,000 hectares.”**



**# The Number**

**ETB  
1  
BILLION**

Amount of money raised for the military campaign in northern Ethiopia during a fundraising event at the Sheraton Addis Hotel, on November 8, 2021.

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Welcome Home

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Soo Dhawoow

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