THE POLITICS OF TELECOMMUNICATIONS AND DEVELOPMENT IN

ETHIOPIA

by

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DISSERTATION ABSTRACT

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The purpose of this study was to explore salient issues in the Ethiopian
telecommunications sector. In doing so, the research investigated the institutional history
and origins of state-monopoly of telecommunications in Ethiopia from the first
ministerial level communications-related institution, the Ministry of Posts, Telegraph and
Telephone, to Ethio-Telecom presently. Using a theoretical framework informed by
political economy of communications, development studies and political science, the
study explored the foundations, rationales and implications of contesting ideologies in the
Ethiopian telecommunications sector involving the Ethiopian state and the International
Monetary Fund (IMF). The study also explored the extent to which, and why, the
Ethiopian public endorses/denounces state monopoly of the telecommunications sector. It
also investigated the premises on which Sino-Ethiopian partnerships in the Ethiopian
telecommunications sector are laid.

A triangulated, multi-method research approach involving document analysis,
online survey and semi-structured interviewing was employed in this study. World Bank
documents and other secondary resources were analyzed to chronicle the institutional
history of telecommunications in Ethiopia. IMF reports and Ethiopian People's

Revolutionary Democratic Front economic programs and political manifestos were carefully examined to address contesting liberalization discourses pertinent to the Ethiopian telecommunications sector. An online survey was administered to collect public opinion about, among other things, state monopoly of telecommunications in Ethiopia. Ethiopian government officials, IMF country representatives, Ethio-Telecom consultants and other important figures were interviewed to explore the pros and cons of Sino-Ethiopian relations in the Ethiopian telecommunications sector as well.

The study revealed that a host of different factors, most notably the rise of China as an alternative global economic power, have shifted Ethiopia's preference of global development partnership from West to East including in telecommunications infrastructure development. Growing concerns over state monopoly of telecommunications were reported by users, particularly in relation to lack of quality of services and fear of surveillance.

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CHAPTER I

INTRODUCTION

Over the last two decades, the telecommunications sector in many countries has been expanding rapidly. The fast-paced growth of telecommunications services can be explained by a number of factors, such as advancements in telecommunications technology, market liberalization, and privatization (Donner, 2006). The output of the world's economy has also been growing at a faster rate during the period. In particular, many developing countries and transition economies have experienced rapid growth. It has been widely recognized that advancement in telecommunications technology is one of the driving forces of globalization and the rapid growth of the world's economy (Martínez, 2008; Meso et al., 2005).

Telecommunications today is a sector that involves technologies far more than the traditional domestic and long-distance telephone services. A few examples of what constitutes telecommunications presently include Internet, wireless technologies, aeronautical and maritime navigation, radio astronomy, satellite-based meteorology, cellular communication, data, voice, fiber-optics, TV broadcasting and next-generation networks. Telecommunications service providers are expanding into new territories such as entertainment as evidenced by the likes of AT&T and Verizon that stream and sell television via the Internet through pay-per-view and on demand arrangements. Consumers today no longer have to go to their TV screens to view their favorite live sports or other events, as they are able to stream them on their smart phones.

This growing pervasiveness of telecommunications into multiple technological platforms and services makes the sector a multi-trillion dollar industry. On one hand,

telecommunications involves equipment manufacturing, sales, installation and consultation. On the other hand it constitutes services such as subscriber lines and data networks. With both equipment and services combined, telecommunications was a US$5 trillion sector by the end of 2013 (Plunkett Research, n.d). According to the International Telecommunications Union (ITU) the penetration rate of mobile phone subscriptions per 100 people worldwide reached an astonishing 96 people in 2013 whereas households with Internet access at home reached 40 for the same year. ITU predicts there will be about 3 billion global Internet users, out of which two-thirds will be from developing countries, by the end of 2014. During the same period mobile-broadband subscriptions are expected to reach 2.3 billion (ITU, 2014).

The importance of the telecom sector across the globe has never been more imperative as manifested by the reluctance of governments to avoid "a hands-off approach" amidst flagship neo-liberal and free market economic policies. As in everything else, the September 11 attacks on the World Trade Center in 2011 have changed the way states approach telecom operations (Curwen, 1997; Hills, 2002; Preston, 2001). No more do states view telecom merely as powerful technologies and economic corporations but also as a critical hub for combating security threats by enemies, imagined and real. The growing importance of the telecommunications for and beyond profit motives means governments, liberal or not, find it difficult to allow the sector to go completely unregulated explicitly or implicitly. This creates a different kind of challenge for the global capitalist order, whose agenda is set by its premium financial powerhouses like the International Monetary Fund, the World Bank and the World Trade Organization (Abbott & Brady, 1999; Bruce, Kessides, & Kneifel, 1999).

Following neo-liberal prescriptions of the Washington Consensus,[1] the IMF and the World Bank began in the early 1980s linking loan guarantees for heavily indebted developing countries to structural adjustment programs (SAPs), which mandated that loan-receiving governments restructure their economies according to neo-liberal principles (Abouharb & Cingranelli, 2007; Bello, Cunningham, Rau, & Institute for Food and Development Policy, 1994). These include: putting more emphasis on production for export than on meeting the needs of national and local markets; severe spending cuts, especially for social programs; sweeping privatization measures; reduced regulation on the activities of transnational corporations; and, in a number of cases, significant currency devaluations (Steger & Roy, 2010).

When the Third World Debt Crisis hit the world in 1982, the IMF and World Bank devised stringent SAPs that forced 29 sub-Saharan African countries to adopt the neo-liberal model before the decade was over (Mkandawire & Soludo, 1999). During the 1990s, the familiar dynamics of deregulation, liberalization, and privatization measures enforced export-oriented production at the expense of domestic food production, thus exposing many African countries to famine, epidemics and ensuing political instability. Consequently, despite Africa's adoption of free-market imperatives constructed in the global North, the continent's commodities trade fell from 7% of the world's trade in the mid-1970s to less than 0.5% in the 1990s. Instead of economic recovery and repayment of all external debts, the past three decades of neo-liberalism have seen the lowest rates of economic growth ever recorded in Africa, along with rapidly rising disparities in wealth and wellbeing (Bush, 2007).

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[1] The Washington Consensus represents the set of views about effective development strategies that have

IMF, the Ethiopian State and the Chinese Alternative

One of the least developed countries of the world, the Horn of Africa nation of

Ethiopia has experienced devastating consequences of the Washington-based global

financial architects. Notoriously resisting the neo-liberal construct, Ethiopia was left out

of favor in many instances by the Bretton Woods institutions and particularly the IMF.

Although not a self-declared Communist as its predecessor,[2] the current ruling party of

Ethiopian People's Revolutionary Democratic Front (EPRDF) is known to be

sympathetic to Marxist-Socialist ideals of economics and development, and it maintains a

strong sense of regulation, albeit claiming to practice a free market economy (Gill, 2010).

Many argue that such a double standard of economic policy by the ruling party is

manifested by its strong grip on areas that it identified as critical to development, such as

the financial sector, aviation, power and electricity and, more importantly,

telecommunications. EPRDF's vehement resistance to IMF's aggressive deregulation

prescriptions in these sectors marks some of the major themes of the communiqué

between these two parties. As recently as the summer of 2011, the IMF has severely

criticized the Ethiopian government's five-year Growth and Transformation Plan (GTP),[3]

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[2] EPRDF's predecessor, the *Derg*, came to power on September 1974. *Derg*, which means "committee" or "council" in Amharic, is the short name of the Coordinating Committee of the Armed Forces, Police, and Territorial Army. It is a committee of military officers, which ruled the country from 1974 to 1987. The *Derg*'s government was formally known as the Provisional Military Government of Socialist Ethiopia. The *Derg* introduced major changes in economic reforms including the nationalization of more than 100 companies, restructuring of trade unions and nationalization of rural and urban land.

[3] The Growth and Transformation Plan (GTP), according to the EPRDF, aims to sustain an 11% average economic growth for the upcoming five years. It envisages doubling the current economic growth by registering an average 14.9% economic growth during each year of the period. It also aims to end Ethiopia's dependence on foreign direct investment and replace it with a domestically driven economy. Among the targets of the GTP are: raising the current 2000MW power generating capacity to 10,000MW; building a fertilizer-producing company that would contribute to the average of 550,000 metric tons of fertilizer demand; significantly increasing the current 4 million mobile phone subscribers to 6.1 million; and increasing the 0.74 million subscribers of the fixed line to 8.5 million (Ministry of Finance and Economic Development, 2010).

which was announced in October 2010, for its "lack of feasible financial and implementation planning and adequate prioritization of targets in the plan" (World Bank, 2011, p. 3). The Fund further contends that the focus given to the public sector investment is crowding out the private sector, pointing to the government's regulation in the financial industry in recent times. The Ethiopian state's position amidst such criticism remains uncompromised, however.

Close observers of the Ethiopian state and its economic policy would know that one sector that is at the center of such friction between EPRDF and IMF is telecommunications (Noam, 1999). In many instances, leading officials of the EPRDF have ruled out the privatization of Ethio-Telecom, the only state-owned telecommunications provider for Ethiopia's 83 million people. Amidst continuous attempts of coercion and cooption by the IMF to liberalize the sector, EPRDF claims to remain unfazed by repercussions of cuts in loans and aid. True to the claim, Ethiopia's telecommunications industry is characterized by a vertically integrated market run by a state-owned enterprise outside the realm of competition. Ethio-Telecom has a monopoly over all telecom services including fixed, mobile, Internet and other value added services (Temesgen, Ketema, & Negi, 2010). The government maintains its apprehension about the impact of telecommunications liberalization on the economy, not least on power relationships. Progress so far indicates that despite pressures from international financial institutions for competition, and in the absence of local initiative for liberalization of the communication sector, Ethiopia's telecommunications market structure will continue to be state-owned for the foreseeable future.

In a country where aid constitutes more than 90% of the government's budget (Gatune, 2010), it is ironic how the Ethiopian state sets its own terms of negotiation with its primary donors. One theory attributes such a political stance to Ethiopia's location in an increasingly strategic region. In his statement of Support for Democracy and Human Rights in Ethiopia Act of 2008, former U.S. Senator Russ Feingold highlights the significance of Ethio-American relations:

> Ethiopia sits on the Horn of Africa—perhaps one of the roughest neighborhoods in the world, with Somalia a failed state and safe haven for terrorists, Eritrea an inaccessible authoritarian government that meddles across national borders, Sudan a genocidal regime, and Kenya still emerging from a profound electoral crisis. One look at the deteriorating situation across the Horn and the importance of a robust relationship with Ethiopia is obvious ("A Bill to Reaffirm," 2008, para. 2).

This policy of appeasement towards Ethiopia for the strategic alliance it offers in exchange is even more interesting given the ruling party's poor track record of human rights issues. Rawlence & Human Rights Watch (2010) highlight how development agencies have turned a blind eye to the Ethiopian government's repression of civil and political rights, even though these agencies recognize human rights to be central to sustainable socioeconomic development. Donors defend the decision to support the government, the report further notes, by pointing to Ethiopia's stability.

Another factor that has come to play a mammoth role on how EPRDF maintains its counter-neo-liberal policy is related to the emergence of China as an economic superpower in the past two decades. Following its alignment with the World Trade Organization and spectacular growth, China along with India is gaining attention in the African economy, including in Ethiopia, as a key trade partner (Alden, 2007). In a span of less than a decade, trade between China and Africa has increased from US$10 billion

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in 2000 to US$28 billion in 2005, and to a whopping $120 billion in 2010 (Men &

Barton, 2011, p. 34). In the past few years, China has given more loans to poor countries,

mainly in Africa, than the World Bank. The Heritage Foundation, an American think-

tank, estimates that in 2005-2010, about 14% of China's investment abroad found its way

to sub-Saharan Africa (The Economist, 2011).

Although Ethiopia has many development partners and continues to attach great

importance to such partnerships, EPRDF has singled out China's role as "so beneficial"

that it is in Ethiopia's interest to deepen this relationship "in every way possible" ("The

World, Africa, China and Ethiopia," 2010, para. 7).[4] EPRDF officials attach little or no

importance to the West's criticism of China's development approach in Africa that

doesn't take into consideration human rights issues. The party deems it right to be

skeptical "when some appear to be more concerned about human rights or governance in

say, Ethiopia, than Ethiopians themselves" ("The World, Africa, China and Ethiopia,"

2010, para. 3). EPRDF contends that the West's criticism of the Chinese presence in

Africa has covert motives related to the former's national interests, thereby using claims

of human rights abuses as a rationale. The Ethiopian state has on more than one occasion

described China's approach to Ethiopia as "generous" and, in an implicit attack on

Western neo-liberalism, committed to creating possibilities for consolidating "sovereign

choices and independently chosen paths of development" ("The World, Africa, China and

Ethiopia," 2010, para. 7). It is therefore not surprising in any measure to see the tenacity

with which Chinese firms are involved in major investment activities being carried by the

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[4] Dr. Tekeda Alemu, State Minister of Foreign Affairs of Ethiopia, visited China in 2010 and delivered a
speech at the China Foreign Affairs University on the subject of "The World, Africa, China, and Ethiopia:
China-Africa Relations."

Government of Ethiopia (GoE), especially in the road construction, electricity and telecommunication sectors. Evidently, by 2009, direct Chinese investment in Ethiopia had reached US$900 million (Men & Barton, 2011).

In this context, it is not surprising that Ethiopia has struck a deal with a Chinese company for its first major partnership in telecommunications. In tandem with the very cordial Sino-Ethiopian partnership narrative, the "Chinese alternative" gave EPRDF its ticket of independence from IMF directives in avoiding the privatization of the telecom sector. This is partly because, despite being a pioneer in the African telecommunications landscape, Ethio-Telecom struggled to catch up with technology and was utterly inefficient in providing a reasonably sound service to its customers. With dissatisfied customers who would leap at a competitor and foreign investors ready to buy the sector at will if the market were to be liberalized, EPRDF understood it had to find a partner that would boost the country's telecom service efficiency without compromising state ownership of the sector.

As a result, in 2006, the Ethiopian government selected China's ZTE Corporation[5] as a strategic partner in the local telecom market, and Ethio-Telecom inked a framework agreement with the Chinese company in the construction of a local national telecom network. As one of the biggest Chinese telecom companies, ZTE has offered Ethio-Telecom credit (vendor financing) to the tune of $1.5 billion, conditional on ZTE doing the job of expanding and improving the Ethiopian telecom infrastructure without bidding.

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[5] ZTE Corporation, formerly Zhongxing Telecommunication Equipment Corporation, is a Chinese multinational telecommunications equipment and systems company headquartered in Shenzhen, China. As of 2011, it is the second-largest Chinese telecoms equipment maker (after global number two Huawei) and the world's fourth-largest mobile phone manufacturer.

This credit was as big as the then total worth of the Ethiopian telecom monopoly (Whelan, 2010).

Rationale to the Research and Research Questions

Although the specific research questions that are the driving guidelines of this study are discussed later in this section and throughout the subsequent chapters, I find it important to address this simple yet fundamental inquiry: what is the rationale for researching telecommunications in Ethiopia?

Before he retired some 15 years ago, my father worked as a district manager for one of the predecessors of Ethio-Telecom, the Ethiopian Telecommunication Authority. There were no mobile phones in Ethiopia during that time. Landlines were available but there was a long waitlist, years sometimes, for new subscribers to get the service installed in their houses. The few households that had access to landlines used it sparingly since the monthly service fee was expensive. It was common to see locked dial pads of telephone apparatuses that were deliberately reduced to call receiving capacity in many homes. The aim was to prevent children and extended family members from making non-essential calls that would incur expensive charges. It was a very common practice for most people to give the phone number of their neighbors who had access to a landline.

I remember one of the benefits my father got as part of his employment package was access to a landline. In addition to the access, our household was able to make 100 free calls every month. I was probably the most excited family member about this deal because it won me a lot of friends who would come to my place to hang out "dialing." We made a habit of sneaking into the phone area in the absence of my parents to call random numbers for no good reason. My parents never found out about our dialing

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adventures because we had free access and there were no bills to expose me and my partners in crime.

A little more than two decades later, I find it interesting that I am still curious about this idea of "access." My view that notions like telecommunications as commons, universal access and service in telecommunications, communication rights, and freedom of speech are central to sustainable economic development has been a major motivation behind my interest in researching telecommunications. The horizontal expansion of access has hardly caught up with the vertical upsurge of innovation in information communication technologies, making notions like "bridging the digital divide" utopian, if not obsolete. On one hand, the global hegemony of neo-liberal capitalism has made access to information communication technologies a practice based on affordability and monetary value. On the other hand, states and their agents view the digital world as the next frontier of surveillance and "digital imperialism," a sort of rendition to George Orwell's *Nineteen Eighty-Four*, thereby making access harmful or even undesirable at times.

One of the very last breeds of state monopoly of telecommunications globally, Ethiopia presents a unique opportunity for a litmus test of whether universal access in telecommunications services could be achieved through state intervention. Although the concept of universal access and universal service in telecommunication is a dynamic proposition, proponents of market fundamentalism see it as a detrimental idea. The popular wisdom of the day is that the market should *take care* of it and that "market failures" do not exist. Market fundamentalists argue that deregulation and consequent competition have solved, or will do so, problems of access (Faulhaber, 1997; Pilati,

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1999). Others argue that market failures exist, but intervention is not the answer (Hart, 1998; Neu & Scanlan, 2000; Shuler, 1999; Xavier, 1997). Intervention, they contend, alters technological neutrality and slows down innovation. As Faulhaber (1997) remarks, innovation would be hampered should "the invisible hand of the market be replaced (whether intended or not) by the visible one of the government" (p. 5). According to Garnham (1997):

> Such an acceleration [of universal service] is likely to lead simply to highly inefficient patterns of investment with a large amount of fixed plant earning unacceptably low rates of return; the result of this will either delay long-term network development and traffic growth, by asking existing subscribers to pay more than they otherwise would for this excess capacity, or by diverting tax revenue from where it could be spent more efficiently (p. 211).

Conversely, protagonists of universal service recognize the existence of market failures and argue for intervention. "Latent" proponents of universal service admit the need for public intervention, although they also argue that intervention should be minimalized as much as possible. This group advocates for a restricted extension of universal service obligations that are explicitly focused on the solution of identified problems (Downes & Greenstein, 1998; Gillet, 1994; MacKie-Mason, 1998; Mansell & Steinmueller, 1996; Murroni, 1997; Noam, 1995; OECD 1997; Wolak 1996). "Manifest" proponents of universal service view telecommunications as a public or merit good. Consequently, intervention is justified by the fact that telecommunication services expand inappropriately or insufficiently as regards what would be the optimum for all society (Bar & Munk Riis, 1998; Bergman et al., 1998; Burgelman, 1996; Gómez Sáenz de Hermúa, 2000; Hadden & Lenert, 1995; Parker, 2000; Shields et al., 1993). A third group, universal access/service "fundamentalists," propose strong equity arguments, and essentially perceive access to telecommunications service as a right. For this group,

calculations in cost and pure economic efficiency are marginal priorities. They contend society is forced to provide the service to everyone, regardless of any economic, or even technological, considerations (Bar & Munk Riis, 1997; Biton Tapia & Dalmazo, 1999; De Reuck & Joseph, 1999; Forestier, Grace, & Kenny, 2002; Goggin, 1998; Latzer, 2000; Poullet & Van der Mensbrugghe, 1995).

Herein lies the paramount relevance of the Ethiopian telecommunications sector. To what extent is the state-monopoly of telecommunications in Ethiopia based on legitimate concerns of universal access and service? Answering this question inevitably calls for revisiting the century-old yet dynamic debate of whether states or markets bring about economic development, although I also recognize there are multifarious spillover issues to be addressed. In this sense, the aim of this study is to provide a wholesome account of pertinent issues in the Ethiopian telecommunication sector. In order to present such a comprehensive treatment, this research is guided by the following research questions:

RQ1: What is the institutional history of telecommunications in Ethiopia?

Ethio-Telecom and its predecessors have more than a century long history of state-controlled service in Ethiopia. In fact, the original predecessor of Ethio-Telecom is the oldest telecommunications service provider in Ethiopia. What were the circumstances under which telecommunications services in Ethiopia began? What role did the Ethiopian government play in the institutionalization of telecommunications in Ethiopia historically? What was the significance of international players like the International Bank for Reconstruction and Development and International Development Association in telecommunications infrastructure development in Ethiopia?

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RQ2: To what extent does the Ethiopian public endorse/denounce state monopoly of the telecommunications sector?

Since its inception in 1894, Ethio-Telecom (formerly Ethiopian Telecommunications Authority) has remained completely under state control. How do Ethiopians measure the role of telecommunications under monopolized state control? In addition to technical efficiency and service affordability, how do customers assess the operating model of the telecom sector in Ethiopia? In a nutshell, amidst the confrontation of EPRDF with neo-liberal forces and the emergence of the "Chinese alternative" in the mix, what is the view of the major stakeholders, the Ethiopian people?

RQ3: What are the underlying reasons behind the differences in telecom liberalization policies between the IMF and the Ethiopian state?

The Ethiopian state maintains (and will likely continue to maintain) its grip on the telecommunications sector of the country amidst persistent and immense pressure from the IMF and the World Bank. In an increasingly volatile and fiercely competitive technology market, what is the rationale for Ethio-Telecom to insist on retaining its current state ownership model? How do the IMF and its collaborators respond to this policy? What do they envision the Ethiopian telecom sector to look like and why? Given that the ruling party Ethiopian People's Revolutionary Democratic Front (EPRDF) has requested that the World Trade Organization (WTO) grant a grace period of eight years for the sector to be liberalized, are there realistic possibilities of deregulation?

RQ4: What are the premises on which Sino-Ethiopian partnerships in the Ethiopian telecommunications sector are laid?

The Ethiopian state has established multi-layered partnerships with China in the past decade including in the telecom industry. The "Chinese alternative" has comprehensively attracted sub-Saharan Africa, a region that has been historically dominated by the West's structural adjustment entrapments. In synthesizing the most trenchant criticisms of the Western approach to aid giving, Halper (2010) explains how China's governing model is increasingly becoming more appealing to the developing world and some of the middle-sized powers than America's market-democratic model. Halper argues that given a choice between market democracy and its freedoms and market authoritarianism and its high growth, stability, improved living standards, and limits on expression, a majority in the developing world—as well as many middle-sized, non-Western powers—prefer the authoritarian model.

Whereas the position of developing countries to jump to the Chinese alternative is understandable, many crucial questions remain: what's in it for China? What are the premises on which Ethio-Chinese partnerships are founded in the telecom sector? What are the costs and benefits of Ethio-Telecom's technical partnership with ZTE? Is Ethiopia benefiting from the Chinese partnership as much as the EPRDF claims it is? As Haroz (2011) questions, "is the Chinese motive symbiosis or exploitation" (p. 1)?

Significance of the Study

In his *Foreign Affairs* article, "Will the Nation-State Survive Globalization?" Wolf (2001) raises a key question about the fate of the nation-state in the face of the "global" economy—an economy in which neither distance nor national borders impede

economic transactions. He explores the spillover effects of market forces, both predatory and benign, and asks whether governments have become weaker and less relevant than ever before. "Does globalization, by definition, have to be the nemesis of national government?" Does the state even matter?

Wolf's analysis on the significance of the nation-state in the global economy has been widely discussed and debated amongst different scholars (Bullard, 1997; Greenfeld, 2011; Gritsch, 2005; Hankiss, 1999; Hirst & Thompson, 1995). While many, including Wolf, argue that the nation-state as an increasingly irrelevant entity is a far-stretched proposition, there is a sense of common understanding that today's global economy has undermined—or at least complicated—traditional senses of sovereignty and autonomy. Today, transnational corporations are more global than ever as they relentlessly seek to acquire any remaining untapped markets. Regional economic integrations globally are commonplace as evidenced from the EU in Europe to NAFTA in North America to ECOWAS in Africa. Local trade regulations are growingly becoming subordinate to international trade standards set by the likes of the World Trade Organization (WTO).

While the tide of economic globalization may be unsettling to traditional structures of governance, particularly to politically and economically fragile countries in the developing world, I argue the demise of the nation-state is a flawed thesis. My hope is this study will provide useful insights into how countries, including those that are politically and economically weak, are adapting, evolving, and integrating into the global economy while they find ways to maintain their sovereignty. In this particular study, this will be illuminated through how a donor-dependent country like Ethiopia has withstood relentless pressures to privatize/liberalize its telecommunications sector.

This study also raises important discussions that are salient in the politics of development. The tensions between the interventionist policies of the Ethiopian government and the free market doctrines of the IMF and its associates indicate that the decades-old battle of Keynesian versus Hayekian ideals of economics and development is still relevant. The Ethiopian state rationalizes its refusal to open up the telecommunications sector by arguing that it views telecommunications as a vital driver of not only economic development but also *equitable* growth. Central to the Ethiopian government's argument is that the notions of universal access and universal service in telecommunications are critical to collective economic development. Market forces, state officials argue, by the virtue of their profit driven ethos, will only seek the affluent and the privileged, marginalizing and further disenfranchising the poor. This is consistent with Chomsky (1999), who criticizes the doctrines and development of pro-corporate system of economic and political policies that restrict the public arena and support private power perpetuated by institutions such as the International Monetary Fund, World Trade Organization and the World Bank to the detriment of the global poor. Stiglitz (2002) reiterates that markets have failures and imperfections. These "failures" and "imperfections," Stiglitz argues, should be corrected by the state:

> Behind the free market ideology there is a model, often attributed to Adam Smith, which argues that market forces—the profit motive—drive the economy to efficient outcomes as if by an invisible hand. One of the great achievements of modern economics is to show the sense in which, and the conditions under which, Smith's conclusion is correct. It turns out that these conditions are highly restrictive. Indeed, more recent advances in economic theory—ironically occurring precisely during the period of the most relentless pursuit of the Washington Consensus policies—have shown that whenever information is imperfect and markets incomplete, which is to say always, and especially in developing countries, then the invisible hand works most imperfectly. Significantly, there are *desirable government interventions* [emphasis added] which, in principle, can improve upon the efficiency of the market. These

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restrictions on the conditions under which markets result in efficiency are important—many of the key activities of government can be understood as responses to the resulting market failures (Stiglitz, 1999, p. 73).

Although there is theoretical and scholastic validity to the arguments of the Ethiopian state in its interventionist economic policies, the self-proclaimed vanguardism of economic development by EPRDF has its critiques too. Profound levels of inefficiency have caused frustration and mistrust in the state-monopoly of telecommunications, casting serious doubts on whether the state is capable of delivering its lofty goals. More importantly, widespread reports about the state's use of public telecommunications infrastructure to perpetuate political repression through mass censorship and surveillance are consistent with arguments about the dangers of dictatorship and neopatrimonialism under the guise of "state-led development." Sen (1999) emphasizes the importance of freedom in achieving any meaningful development. Freedoms, he argues, "are not only the primary ends of development, they are also among its principal means" (p. 10). Development in this sense is not a predefined conception by the elite to be delivered to the helpless poor. Neither should it be solely judged in terms of notions such as gross national product. It should incorporate the impact of democracy and political freedoms on the lives and capabilities of the citizens. "Development requires major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states" (Sen, 1999, p. 3). Critics argue that interventionist development runs the risk of a dictatorship and relegates freedoms and rights as inferior or residual targets:

> Authoritarian development is also a pragmatic tragedy. History and modern experience suggest that free individuals with political and economic rights—call it *free development*—make up a remarkably successful problem-solving system. Free development gives us the right to choose amongst a myriad of spontaneous

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problem solvers, rewarding those that solve our problems. These public and private problem-solvers accomplish far more than dictators who implement solutions provided by experts. We see how free development allows a squeaky wheel to get the grease, while authoritarian development silences the squeaky wheel—perhaps with a police raid and a prison term (Easterly, 2014, p. 7, emphasis in original).

The investigation of the role of the state in the Ethiopian telecommunications sector is a key theme of this study. Through an in-depth analysis of policies, documents and interviews, this study contributes to development scholarship, particularly in terms of providing empirical data that can provide useful premises in the politics of development. Does the interventionist state bring about the fast-track route to development or does it make way for political repression and dictatorship? Are rights the end products of development or are they the means to development? This study provides insights that weigh in on these questions by examining the implications of state-led development through a case study of the Ethiopian state and its monopoly of the telecommunications sector.

The increasing accessibility of information communication technologies and services across the world has been lauded by many as the end of totalitarianism and dictatorships. Ronald Reagan, in his speech at London's Guildhall on June 14, 1989, boldly predicted that "technology will make it increasingly difficult for the state to control the information its people receive…The Goliath of totalitarianism will be brought down by the David of the microchip" (Kalathil & Boas, 2003, p. 1). More than two decades after Reagan made this speech, the tendency to make a causal relationship between technological advances and democratization remains a powerful assumption in popular thinking.

This conventional wisdom has been particularly persistent in identifying the Internet as a key driver of democratization, even amidst a decline in the general "information age" optimism that characterized much of the 1990s. While the invention of communication technologies from the printing press to the Internet have disrupted central authority and control, governments—"democratic" and authoritarian alike—had historically learned to adapt to and adopt these technologies with the aim of strengthening their control further. In his *New York Times* article, "Imprisoned by Innovation," Morozov (2013) argues the latest technologies in communication, through the illusion of "access," have brought surveillance to our homes and made us voluntarily spied upon. "Smart technologies," Morozov argues, "are not just disruptive; they can also preserve the status quo. Revolutionary in theory, they are often reactionary in practice." In this sense, "access" has slowly become a much more illusive concept as it starts dragging the baggage of surveillance with it. The "solutionism" that technology was supposed to bring about is now the very tool that builds the most sophisticated and draconian system of censorship. As Morozov (2014) warns, "we must not fixate on what this new arsenal of digital technologies allows us to do without first inquiring what is worth doing" (p. 124). This study offers an important insight into "unpacking" the notion of "access" that the Ethiopian states uses as a core rationale in defending its grip on the telecommunications sector.

Overview

The dissertation consists of nine chapters. Chapter II provides a discussion about the demographic, political and economic contexts of FDRE. It introduces the history of state formation processes of Ethiopia that led to the current political set-up of the country,

thereby shedding some light onto the root of ideologies and policies affecting the Ethiopian telecommunications sector. Other relevant contextual topics in this chapter include a discussion on the evolution of EPRDF as Ethiopia's ruling elite and the party's political and economic programs that have direct influence on the political economy of telecommunications in Ethiopia.

Chapter III deliberates on theories relevant to the issues of economic development and the conceptualization of the interventionist state in development discourses. The first part of the chapter discusses the philosophical underpinnings of the modernization theory and neo-liberalism, and how they conditioned economic and development practices in the developing world. In an attempt to shed light on the developmental vis-à-vis dysfunctional attributes of the Ethiopian state, two contesting theories—the theory of the developmental state and that of the neopatrimonial state—are considered. Then, the chapter discusses some key issues in the political economy of communications that provides the framework for interpreting the findings of the study. Toward the end of the chapter, a review of previous research is presented and the research questions of the current study are outlined.

Chapter IV deals with methodological considerations of the study. The first part of the chapter provides a philosophical rationale for employing a triangulated approach in this study. This is followed by a discussion on the background, processes, sampling, analysis and other important considerations in each of the data collection methods involved including survey, document analysis and semi-structured interviews. Issues of validity and reliability are also discussed, followed by an outline of the limitations of the study.

Chapters V through VIII present analysis and major findings of the dissertation. Chapter V provides an overview of the Ethiopian telecommunication sector from the introduction of the first telephone set in Ethiopia in 1894 to the establishment of the newly reformed Ethio-Telecom presently. This chapter gives particular emphasis to the history of telecommunications infrastructure development in Ethiopia over the past six decades. In doing so, it offers structural, administrative and financial peculiarities that defined telecommunications in Ethiopia in the pre-Chinese era.

Chapter VI presents survey findings on the spillover effects of the state-monopoly of the telecommunications in Ethiopia. Chapter VII explores policy tensions between the IMF and the Ethiopian state in relation to state monopoly vis-à-vis deregulation discourses through a study of policy papers, development programs and other documents. Chapter VIII analyzes the Ethiopian state's increasing economic partnership with China in the telecommunications sector. It examines the interest of both countries in the partnership and projects a cost-benefit analysis of China's investment in Ethiopia's telecommunications sector.

The study's concluding chapter, Chapter IX, summarizes the main findings of the study and highlights future research directions.

CHAPTER II

A CONTEXTUAL SURVEY OF THE FEDERAL DEMOCRATIC REPUBLIC OF

ETHIOPIA

The Ethiopian nation has gone through a long history of state formation process that involved contesting approaches that included assimilationist, secessionist and "accomodationist" camps (Abbay, 2004). Some of the existing political programs and economic policies that directly affect governance and operations of the state-controlled telecommunications sector are results of these historical precedents. As such, although it is not the goal of this study to explore state-formation processes, it is necessary to shed some light into the historical evolution of the Ethiopian state in order to understand contemporary centralist, top-down and quasi-authoritarian policy directions.

The chapter begins by highlighting some key geographic, demographic and economic facts about Ethiopia. It then briefly explores some of the salient components of the Ethiopian constitution, which is the supreme law of the land. This is followed by a discussion on the historical evolution of the Ethiopian state that, among other things, looks into the proliferation of global capitalism, the roots of neopatrimonial governance and the rise and fall of Marxism-Leninism in Ethiopia. The last part of the chapter reviews the make up of the political and economic principles of Ethiopia's ruling party presently.

Ethiopian Geography, Demographics and Economy

The Federal Democratic Republic of Ethiopia (FDRE) is a land-locked country in the Horn of Africa covering 1,133,380 sq. km. It shares a long border with Somalia in the east. Other neighbors include South Sudan and Sudan to the west, Eritrea to the north,

Djibouti to the north-east and Kenya to the south (see Figure 1). With a population of

nearly 87 million at 2013, according to official estimates, Ethiopia is Africa's second

most populous country after Nigeria (Central Statistical Agency, 2008; World Bank,

2014a)[6]. The official language is Amharic, but many other local languages are also

spoken. English is widely used for official, educational and commercial purposes. While

the Ethiopian Orthodox (Tewahido) Church, an ancient Christian sect, has a wide

following in the north and on the central plateau, much of the southern and eastern part of

the country adheres to Islam ("Location, climate, language," 2014).

Figure 1: Political map of FDRE. Reproduced from GeoCurrents (2013) and U.S.
Department of State (n.d.).

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[6] The population statistics used here reflect official reports of FDRE. Other sources like the World Bank
provide a significantly different data. See http://data.worldbank.org/indicator/SP.POP.TOTL

Ethiopia's capital city, Addis Ababa, is the largest city in the nation, with a population of 3,384,569 according to the 2007 population census with annual growth rate of 3.8% (Central Statistical Agency, 2008). Addis Ababa, as one of the two cities in Ethiopia that enjoys a chartered city status, is both a city and a state. Addis Ababa is host to the African Union (AU) and its predecessor the Organization of African Unity (OAU) as well as the headquarters of numerous continental and international organizations including the United Nations Economic Commission for Africa (UNECA). As a result, it is commonly referred to as "the political capital of Africa" to signify its diplomatic and political significance to the continent (United Nations Economic Commission for Africa, n.d.).

The Ethiopian economy predominantly relies on the agriculture sector, which accounts for 46.6% of the gross domestic product (GDP) and 85% of total employment. According to the National Office of Population estimates, 83% of the population lived in rural areas, while 17% lived in urban areas in 2011 (see Table 1 and Table 2). As of 2012, 48.4% of Ethiopia's GDP stemmed from agriculture, hunting, forestry and fishing (African Development Bank et al., 2013). With the lowest level of urbanization in Africa, Ethiopia heavily relies on its agricultural sector employs 75.7% of the labor force (Food and Agriculture Organization, 2013).

Ethiopia is one of the poorest countries of the world. According to a 2011 estimate, 30.7% of the Ethiopian population lives below the poverty line (World Bank, 2014b). The country has the lowest road density in Africa that exacerbates the isolation and vulnerability of many rural communities, particularly in years of drought (Schmidt et al., 2009). In recent years, Ethiopia has registered a sustained growth in GDP, although the

government's double-digit growth figures had been contested by external institutions like the World Bank that put the figure to 8.5% for the 2012 fiscal year (Ministry of Finance, 2010; World Bank, 2014c).

Population (census results)	
11 October 1994	53,477,265
28 May 2007	
Males	37,217,130
Females	36,533,802
Total	73,750,932
Population (official estimates at July)	
2011	82,101,998
2012	84,320,987
2013	86,613,986
Density (per sq. km) at July 2013	76

Table 1: Major population size statistics of Ethiopia (1994-2013). Adapted from CSA (2013).

Regional States	Population		
	Male	**Female**	**Total**
Tigrai	2,489,994	2,571,997	5,061,991
Afar	917,999	732,000	1,649,999
Amhara	9,633,991	9,578,003	19,211,994
Oromia	16,227,993	15,992,008	32,220,001
Somali	2,957,999	2,360,001	5,318,000
Benishangul-Gumuz	522,997	504,997	1,027,994
Southern Nations, Nationalities and Peoples	8,903,996	8,983,009	17,887,005
Gambela	212,003	194,001	406,004
Harari	108,000	107,000	215,000
Chartered Cities			
1 Dire Dawa	198,000	197,000	395,000
2 Addis Ababa	1,479,000	1,624,999	3,103,999
Total	43,715,971	42,898,015	86,613,986

Table 2: Administrative divisions and official population estimates of FDRE at July 2013. Adapted from CSA (2013).

Although growth in GDP put the country in a much more favorable condition in the past decade, it was accompanied by unprecedented inflation rates that reached as high as 40% in the past few years (International Monetary Fund, 2008). The United Nations

Development Program ranks Ethiopia 173rd out of 187 countries with its Human

Development Index (HDI) of 0.396 for the year 2012 (United Nations Development,

2013).

The Constitutional Framework of the FDRE

Adopted in Addis Ababa by the Constitutional Assembly on December 8, 1984, the

Constitution of the Federal Democratic Republic of Ethiopia (FDRE) establishes a

federal and democratic state structure. It stipulates all sovereign power resides in the

nations, nationalities and peoples of Ethiopia. It is the supreme law of the land and

declares human rights and freedoms, emanating from the nature of mankind, are

inviolable and inalienable. The constitution affirms all Ethiopian languages shall enjoy

equal state recognition although Amharic shall be the working language of the Federal

Government (Constitution of the FDRE, 1995).

The Constitution stipulates that FDRE shall have a parliamentarian form of

government. Structurally, the FDRE government and its member states comprise

legislative, executive and judicial powers. The two Federal Houses, the House of

People's Representatives and the House of the Federation, have different but

complementary responsibilities, organizations and constituencies. Members of the House

of People's Representatives are elected by the people for a term of five years on the basis

of universal suffrage and by direct, free and fair elections. Members of the House, on the

basis of population and special representation of minority nationalities and peoples,

according to the Constitution, shall not exceed 550. The FDRE Constitution grants the

House of People's Representatives legislative power in all matters assigned by the

Constitution to federal jurisdiction. Accordingly, the political party or coalition of

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political parties that has the greatest number of seats in the House of People's Representatives shall form and lead the Executive (Constitution of the FDRE, 1995).

The House of the Federation, on the other hand, is composed of representatives of nations, nationalities and peoples. The Constitution stipulates that each nation, nationality and people shall be represented in the House of the Federation by at least one member. Furthermore, it is stipulated in the Constitution that one additional representative for each one million of its population shall represent each nation or nationality. The House of the Federation shall have a mandate of five years, and no one may be a member of the House of People's Representatives and of the House of the Federation simultaneously (Constitution of the FDRE, 1995).

According to the Constitution, the President of the FDRE is the Head of State. The House of People's Representatives shall nominate the candidate for President. The nominee shall be elected President if a joint session of the House of People's Representatives and the House of the Federation approves his candidacy by a two-thirds' majority vote. The Constitution specifies that the term of office of the President shall be six years and no person shall be elected President for more than two terms. The President's duties include the opening of the Federal Houses; appointing ambassadors and other envoys to represent the country abroad; granting, upon recommendation by the Prime Minister and in accordance with law, high military titles; and granting pardons (Constitution of the FDRE, 1995).

The highest executive powers of the Federal Government are vested in the Prime Minister and in the Council of Ministers. The Prime Minister and the Council of Ministers are responsible to the House of People's Representatives. In the exercise of

state functions, members of the Council of Ministers are collectively responsible for all decisions they make as a body. According to the Constitution, the term of office of the Prime Minister is the duration of the mandate of the House of People's Representatives. The Prime Minister is the Chief Executive, the Chairman of the Council of Ministers, and the Commander-in-Chief of the national armed forces. The Constitution also empowers the Prime Minister to submit for approval to the House of People's Representatives nominees for ministerial posts from members of the two Houses or from persons who are not members of either House and possess the required qualifications. The Council of Ministers is responsible to the Prime Minister and, in all its decisions, is responsible to the House of People's Representatives. The Council of Ministers ensures the implementation of laws and decisions adopted by the House of People's Representatives (Constitution of the FDRE, 1995).

The Historical Evolution of the Ethiopian State

The Horn of Africa nation of Ethiopia is one of oldest states in sub-Saharan Africa with records that evince prehistoric habitation.[7] It is prehistoric in the sense that it provides archeological evidences for the oldest known human ancestors that date back 3-5 million years like *Ardipithecus ramidus kadabba*, *Australopithecus anamensis*, and

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[7] The term "Ethiopia" was first used by ancient Greek writers like Homer and Herodotus in reference to the east-central African kingdom south of Egypt (Herodotus, Rawlinson, & Bowden, 1998; Homer, Fagles & Knox, 1990; Homer & Fitzgerald, 1998). The original designation of the term was not exclusive to the landlocked country of today, but would have also included the present-day countries of Djibouti, Eritrea, Sudan, Somalia, Kenya, Uganda, Central African Republic and Chad (Yamauchi, 2001). In his book "A History of Modern Ethiopia", Bahru (2002) writes the term evolved to capitulate its present application after the subsequent translation of the Bible into Ge'ez, the ancient literary language. The fourteenth centaury account of *kəbrä nägäst* (Glory of Kings) which recounts the origins of the Solomonic lines of the emperors of Abyssinia through the story of the Queen of Sheba and King Solomon is not only significant in terms of associating Abyssinian Kings with the House of Israel but also cementing the application of the term Ethiopia to the country (Prahlad, 2006). The name Abyssinia, on the other hand, is derived from the Arabic word Habesch, which signifies mixture. Although it is not uncommon for Ethiopians to refer to themselves as "Habesha" (Abyssinian), the original sense of the term is narrower in that it represents the northern highlanders of Semitic ethnicity (Toggia, 2008).

Australopithecus afarensis (Johanson & Edey, 1981; Sarmiento et al., 2007).[8] The

earliest recorded Ethiopian statehood dates back to the 8th century BC, to a kingdom

known as Da'amat that ruled over present day northern Ethiopia and Eritrea (Tronvoll,

2009). Although smaller successor kingdoms sprouted following the fall of the Da'amat

in the 4th century BC, it is the emergence of the Axumite Empire, arguably the most

important regional power by the end of the first AD, that lay the first blocks in the long

evolution of the political, economic and social maps of contemporary Ethiopia

(Phillipson, 1998).

During its heyday between the third and seventh centuries AD, the Axumite Empire

was a prosperous centralized kingdom that controlled economic and political relations in

northeast Africa and Arabia. It established strong diplomatic and trading partnerships

with Rome and Byzantine and became one of the four great powers of the time with

Rome, Persia and China (Burstein, 1998; Henze, 2000; Phillipson, 2004). In the fourth

century AD, Axum adopted Coptic Christianity, which would remain the most decisive

institution in the political history of Ethiopia throughout the millennia (Crummey, 2000;

Hastings, 1994; Taddesse, 1972). Even after the decline of Axum in the twelfth century

A.D, the Ethiopian Orthodox Church continued the consolidation of its doctrine and

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[8] Some of the most famous and iconic hominid fossils have been discovered in Ethiopia, thereby commonly referred to as "Cradle of Humankind" by evolutionary theorists and scientists. Ethiopia has long provided critical missing links in the hominid evolution timeline. *Australopithecus afarensis* "Lucy" is arguably the most famous hominid fossil ever found. When it was discovered in northeastern Ethiopia in1974, it became the most compete hominid to be unearthed dating to roughly 3.2 million years ago. *Ardipithecus kadabba* (1997) is one of the earliest known hominid species with an age of about 5.8 million years. Older than Lucy, Ardi is the most complete skeleton of an early hominid. The first pieces of the 4.4-million-year-old Ardi were uncovered in 1992. *Ardipithecus* represents an early form of upright walking and reveals how apes went from living in the trees to walking on the ground.

organizational structure throughout the Zagwe Dynasty that ruled the country for about a century (Heldman, Munro-Hay, & Grierson, 1993; Lulé, 2010; Mengistu, 2004).[9]

Toward the end of the 13th century, Yekunno-Amlak of the Amhara of the Wollo region overthrew the Zagwe to embark on what came to be known as the Solomonic Dynasty. The Solomonic rule would flourish for the next three centuries under the *kəbrä nägäst* that backed the new rulers as legitimate heirs to the throne and portrayed the Zagwe as usurpers.[10]

While the northern Semitic monarchy continued consolidating its grip on power, there was limited or sporadic tradition of centralized statehood in the remaining parts of what is now recognized as the territory Ethiopia. The eastern and northeastern lowlands are home to Somali and Afar peoples, who have traditionally lived in loosely institutionalized clan formations (Markakis, 2011). The south and west of the country are populated by dozens of different ethnolinguistic groups (Marcus, 1994).

The Oromo provide a case for an exception. Presumably beginning their expansion from different directions in the Horn of Africa, the Oromo, the largest ethnic group in present day Ethiopia, controlled much of the southwestern parts of the country in the second half of the 16th century (Yates, 2009). This event coincided with the Muslim conquest of Christian Ethiopia. With the vigorously expanding Ottoman Empire

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[9] The Zagwe ruled approximately from 1137 to 1270. The Zagwe were distinct from the Axumite in two fundamental ways: (i) its ruling class was made up of the Agaw people; and (ii) it was self-admittedly "non-Israelite" and did not claim Solomonic blood. According to Henze (2000), however, the Zagwe did not break with Axumite traditions but rather reaffirmed them in terms of upholding the concept of divine kingship, devotion of Christianity, and architecture.

[10] According to Marcus (1994), the *kəbrä nägäst* is "a national epic that glorifies a particular monarchical line and tradition and also indelibly associates Ethiopia with the Judeo-Christian tradition" (p. 18). It recounts the visit of the Queen of Sheba (Makeda) of Ethiopia to King Solomon in Jerusalem and the subsequent birth of Menelik I, who would start the 'Solomonic' line of rulers in Ethiopia.

controlling most of its coast and internal ascendancy of Muslim sultanates and caliphates, the Ethiopian empire was experiencing an inevitable decline (Trimingham, 1965). The culmination was a continued assault on the Christian highlanders by forces loyal to Ahmad ibn Ibrahim "Gragn" of Harar between 1529 and 1531 resulting in severe damage to the former. In 1543, a combined Abyssinian-Portuguese coalition led by newly crowned *Nigus* Galāwdēwōs defeated Ahmad and the Turks to restore Christian dominion (Henze, 2000; Milkias 2011). On one hand, the Oromos, who espoused neither the Christians nor the Muslims, suffered severely from the jihadic war. On the other hand, "the sedentary communities on both sides [Muslims and Christians] destroyed each other and by doing so destroyed the very dam that had checked the migration of the pastoral Oromo for many centuries" (Hassen 1990, p. 20). As a result, the Oromo, who had "a remarkably egalitarian culture with a complex age-class system, through which all men rotated in their lifetime" advanced significantly toward the north (Henze, 2000, p. 91).[11]

The Abyssinian-Portuguese alliance that reaffirmed the continuity of the Solomonic dynasty flourished after the death of Galāwdēwōs with the arrival of Jesuit missionaries, albeit with disastrous consequences to follow. A few years after getting crowned in 1607, Sūsinyōs, then under mentorship by Jesuit advisors, declared his conversion to Catholicism and imminent structural transformation of Ethiopian Coptic Christianity.

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[11] The bedrock of the organizational structure of the Oromo was the *gada* system. The *gada*, according to Jalata, was "a preclass institution based on democratic principles" and "the pillar of Oromo culture and civilization" (1993, pp. 19-20). Although Hassen (1997) warns any definition of *gada* cannot be complete enough to describe the complex attributes of the system, he endorses Asmarom's description that emphasizes the military and political aspect: "[It] is a system of classes (luba) that succeed each other every eight years in assuming military, economic, political and ritual responsibilities. Each gada class remains in power during a specific term (gada) which begins and ends with a formal power transfer ceremony. Before assuming a power of leadership, the gada class is required to wage war against a community that none of the ancestors had raided. This particular war is known as butta and is waged on schedule every eight years (p.8).

This resulted in a series of bloody resistance and rebellion, forcing Sūsinyōs to abdicate in favor of his son Fasiledes, who ordered the ejection of Jesuits out of the court and eventually out of Ethiopia (Pennec & Toubkis, 2004). In what some would refer to as the Abyssinian Renaissance, Fasiledes oversaw the emergence and prominence of the "Gondärine Era" after he established Gondar as the capital of his state (Tegegne, 2009).[12] The Gondarine period is significant in two major ways. On one hand, it reaffirmed the undisputed position of the Ethiopian Orthodox Church as the complementary accessory of the state (Crummey, 2000; Isaac, 2012). On the other, it facilitated the assimilation of the Oromo to Abyssinian feudal political economy, religion and political administration (Yates, 2009).

The aftermath of the Gondärine era was marked by what came to be known as *zamana* masāfint. It is an era when the country witnessed a major political instability that threatened the existence of central statehood.[13] Although Gondar remained the capital, regional chiefs became king-makers, seeking advantages to themselves and their regions. Kings became mere symbols as evidenced by the crowning and dethroning of 28 reigns between 1755 and 1855 until the rise of Téwodros II (Abir, 1968).

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[12] Two things are important to note here: (1) The establishment of Gondar as permanent capital marks a significant departure from Ethiopian imperial tradition. After the decline of Axum, monarchs and their entourage became mobile courts and ruled from their encampments. They moved when natural resources like firewood got depleted; (2) Henze and other historians argue the Gondarine civilization can be labeled as the Ethiopian Renaissance. The Gondärine's keen interest in architecture made Gondar nicknamed by many as the "Camelot of Africa" for its castles that resembled that of medieval England. Literature, sculpture, music, pottery and fine art in general were encouraged and oftentimes state-sponsored.

[13] According to Abir (1968), the term *zamana masāfint* literally means "Era of the Princes." In Ethiopia, however, this period is understood by many to be the "Era of the Judges" because of its resemblance to the Old Testament time when "there was no King in Israel: every man did that which was right in his own eyes" (Henze, 2000, p.121).

Unification, Independence, and Modernization

After the century old rule of the princes and a massively divided court, the first

reaction toward unification came from Kassa Hailu of Qwara, a bandit-turned-emperor

who set in motion the modern history of Ethiopia. After defeating all the chief princes, he

was crowned as Emperor Téwodros II, King of Kings of Ethiopia.[14] Téwodros's military

might was only equaled by his ambition for modern civilization. He strived to restructure

the Ethiopian military in terms organization, discipline and armament, and was decisive

in banning the brutal tradition of billeting by salary (Bahru, 2002). He is also credited for

making the first attempt to end the then pervasive practice of slave trade in the Ethiopian

society as well as outlawing concubinism. His reign also oversaw the rise of Amharic to

become the official language of Ethiopia. However, the emperor's most popular episode

involved his fundamental religious, political and economic clashes with the clergy of

Ethiopian Orthodox Church. He expropriated "what he deemed was land in excess of the

clergy's requirements" and distributed it among tribute-paying peasants (Bahru, 2002,

p.35). This action marked the beginning of the end of Téwodros as it agitated the church,

which then aligned itself with his conspirators and archrivals. Frustrated by the church's

stubbornness against reformation, and insubordination and defection of regional lords, the

latter days of the emperor were marked by ruthless retributions (Pankhurst, 2001). When

he felt his repeated appeals to the Queen of England for technical and armament

assistance was not adequately addressed, he imprisoned the British missionary contingent

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[14]Because of the belief that their authority is elected by divine power, Ethiopian kings chose names that
were connected to divinity or to previous kings. For example, according to Mehari (2007), Téwodros II
carefully selected his name. The first Téwodros, though he had a short reign, left a lasting impression of
saintliness and justice. In the fourteenth or fifteenth century, an apocalyptic book known as Fĕkkârê Iyäsus
prophesied that another Téwodros would come, and that he would bring peace and justice after a difficult
time. Kassa saw himself as someone who was destined to execute this, and henceforth adapted the name
Téwodros.

in Ethiopia. This resulted in a British assault of Magdala, the emperor's last stronghold. In defiance, the emperor committed suicide on April 11, 1867. In the words of Henze, "In his ideals [Téwodros] was woefully ahead of his time. In his methods of putting them into effect, he was still a medieval monarch" (2000, p. 142).

Although the life of Téwodros came to a tragic end, his seeds of unification prevailed. His extraordinary accomplishments, short lived as they were, inspired his successors to envisage an Ethiopian empire rather than provincial lordship—a clear departure from *zamana masāfint* reasoning. In the words of Bahru, Téwodros's coronation "symbolized the end of the divorce between political power and political authority" (2002, p.42).

In the immediate years after the death of Téwodros, two strong figures emerged as serious contenders to the crown—Kassa Mercha of Tigray and Menelik of Shoa (Henze, 2000). These men would prove to be enormously significant in the modern Ethiopian state formation process, partly because they have learned from the futilities of Téwodros's methodology to bring about unification (Shiferaw, Taddese, & Pankhurst, 1990). In addition, they learned how to coexist for most of the time in spite of their evident egos to the crown, a rare treat in Ethiopian politics. A telling example of this is what came to be known as the Leche Agreement where Menelik unequivocally recognized the suzerainty of Kassa—now under the crown name of Yōḥānnis IV (Briggs and Blatt, 2009). On the face of it, Menelik seemed to have been defeated and humiliated. However, this very act would later prove Menelik to be the astute diplomat he was, a key trait that will eventually bring him unparalleled success compared to his predecessors (Marcus, 1994).

The reign of Yōḥānnis IV brought about a loosely unified Ethiopia. Unlike

Téwodros, he didn't conceive Ethiopia's unification as a form of centralized nation but

rather a feudal federation, an amalgamation of autonomous regions and their rulers under

his suzerainty. Yōḥānnis's liberal methods in politics did not extend to religious freedom,

however. An uncompromising Coptic Christian himself, he personally presided over a

meeting to successfully unify the Ethiopian Orthodox Church that was going through

doctrinal turmoil since the *zamana masāfint*. After helping consolidate the church,

Yōḥānnis turned his attention to Islam, albeit violently. Islam was to be renounced and

repressed, making the Yōḥānnis era to be one of the most difficult to be a practicing

Muslim (Milkias, 2011).

In the end, Yōḥānnis's alternative bid for Ethiopian unification came to a tragic

finale when he was killed by the Mahdists of the Sudan who were angered by the

emperor's implementation of the Hewett Treaty.[15] It is essential, however, to recognize

Yōḥānnis's massive contribution to Ethiopian independence from foreign invasion in

circumstances that were arduous, if not impossible. His was a reign that came up against

persistent attempts of foreign invasion and provocation that, if successful, would have

thwarted Ethiopian independence, leave alone state formation.

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[15] The Hewett Treaty is a tripartite treaty involving Ethiopia, Britain and Egypt signed by Yōḥānnis IV on June 3, 1884. The treaty is deemed to be one of the most important in the international relations history of Ethiopia in that it ended the enmity between Egypt and Ethiopia that had resulted in a series of many battles, among which the battles of Gura and Gundet in the mid 1870s were the most important (Shinn and Ofcansky, 2004). Although Ethiopia defeated the invading Egyptian forces decisively both times, Yōḥānnis wanted a long-term peace and stability against an enemy that showed a protracted interest in controlling the Nile basin. What Yōḥānnis did not see coming was by taming one enemy, he arose another that would eventually cost him his life. Sudan was at the height of its resistance against Egyptian rule by then through the infamous Mahdist movement that arose as a combination of religious revivalism and Sudanese nationalism (Bahru, 2002). When Ethiopia signed the Hewett Treaty with Egypt, the Mahadists identified the former as an ally to their oppressor. The Mahadist anger escalated to war when Ethiopia gave a passage to cornered Egyptian garrisons that would have otherwise been destroyed by the Sudanese.

When it became clear that the quest for Ethiopian unification by both Téwodros and Yōḥānnis didn't transpire, it was Menelik of Shoa who rose to the throne in an attempt to succeed where his predecessors failed. Although Yōḥānnis and Menelik had an uneasy relationship, they mostly refrained from open conflict.[16] Their explicit mistrust of one another was only equaled by their calculated tolerance as evidenced by their tacit understanding that Yōḥānnis would independently oversee the affairs of the north while Menelik would expand to the south (Bahru, 2002)[17]. As a result, even before his coronation as *nəgusä nägäst* (King of Kings) of Ethiopia on November 1889, Menelik incorporated various Oromo groups, followed by the annexation of Guraghe, Arsi, and Harar. Others like Wolaita, Kafa, Beni Shangul and Asosa were added to his empire later on (Henze, 2000). While some of the annexations were negotiated, most of them involved bloody battles. In succeeding Yōḥānnis, Menelik effortlessly took over the north, annexed the south and made the center his political capital. In Menelik, Ethiopia found its closest form to its current map.

Unfortunately for Ethiopia, there was little time to heal the bruises of incessant battles of unification internally as forces of colonization loomed externally. The opening of the Suez Canal in 1869 meant the strategic and commercial importance of the Red Sea inflated, and in the eyes of Europe it was too valuable to be left alone (Marcus, 1994). This was followed by the infamous Berlin Conference (1884-1885) that formalized and validated the scramble of Africa by Europeans for Europeans. This meeting would have a

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[16] Under the premises of the Leche Agreement, Menelik agreed to be Yōḥānnis's subordinate. By the same token, Yōḥānnis promised Menelik to recognize the latter's autonomy: "I shall respect your sovereignty if you will faithful to the agreements decided between us" (Marcus, 1975, p.56).

[17] One of the reasons they avoided military confrontation was because both were aware of the external threats of provocation and invasion posed on the country, most notably by Egypt and Italy.

direct consequence for Ethiopia as Italy, under the blessing of Britain, began deploying

its troops, on one hand, and negotiated with Menelik, albeit treacherously, on the other

(Bahru, 2002).[18] The two parties finally came to a diplomatic stalemate upon Menelik's

realization of the deceitful interpretation of the Treaty of Wuchale that was drafted by

Italy and signed by the two parties in May 1889 (Jonas, 2011).[19] Toward the end of 1895,

Menelik, accompanied by his wife Empress Taitu, his generals and a nationwide army,

marched to the north to meet the Italians in battle. In what would be remembered as an

unprecedented victory not only for Ethiopia but also for Africans under colonial rule,

Menelik and his troops decisively defeated the Italian forces at the Battle of Adwa to

sustain independent Ethiopia (Milkias & Getachew, 2005).

  With colonial threats thwarted and internal centralization consolidated, Menelik and

his political entourage succeeded where their predecessors failed. However, it is

important to note that the tendency to treat Téwodros, Yōḥānnis and Menelik

independently from one another that is commonplace in Ethiopian history writing

sometimes steals the opportunity to see the unison in their trinity. The post *zamana*

masāfint Ethiopia that took its present shape by the turn of the 20th century was more of a

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[18] Italy, along with Germany, came to the colonial race late compared to Britain and France because they were going through internal struggles of unification until 1870 and 1871 respectively. As a result, Italy was desperate to catch up with her European counterparts and annexed the present territories of Libya, Somaliland and Eritrea, and made an unsuccessful attempt to occupy Ethiopia. Britain supported the Italian invasion of Ethiopia believing the Italians would perpetuate British imperialist interests both on the Red Sea and the Blue Nile.

[19] Article XVII of the Treaty of Wuchale stated that the emperor of Ethiopia "could" have recourse to the good offices of the Italian government in his dealings with other foreign powers. In the words of Bahru, "the role prescribed for Italy was little more than that of a glorified postman" (2002, p.75); but the Italian text of the treaty had the word "must." Based on their own text, the Italians proclaimed a protectorate over Ethiopia (Rubenson, 1964).

slowly cooked stew than a quickly fried potato. It involved a relay of different ingredients and different cooks and at times different recipes, but always the same taste.

The place of Menelik in the history of Ethiopian state formation remains significant but controversial. Assessing his legacy in the state formation process of contemporary Ethiopia, particularly in the context of the dominant political school of thought today in Ethiopia, is contentious. Three of the most challenging questions that stirred Ethiopian politics in the 20th century—that of land (Ellis, 1976; Gilkes, 1975; Merera, 2008); ethno-nationalism (Aalen, 2011; Engedayehu, 1993; Gashaw, 1993) and Eritrea (Haile, 1987; Tekeste, 1997; Tekle, 1989)—were sown during Menelik's Ethiopia.

The Rise of Teferi: From Reformation to Absolutism

When Menelik became ill and was clearly not capable of leading the country shortly after the turn of the 20th century, the question of peaceful succession was once again to be a grueling exercise. Prominent figures of Menelik's cabinet became increasingly wary of the growing presence and ego of Empress Taitu, a woman of extraordinary and unrelenting strength in character and arguably the most assiduous strategist at the victory of Adwa (Bahru, 2002). Her incessant appointments and dismissals in the absence of her incapacitated husband were probably meant to validate her candidacy to the crown although it ended up antagonizing the Shoa dominated cabinet and nobility that eventually forced her complete retirement from Ethiopian politics (Milkias, 2011).

The withdrawal of Taitu and the eventual death of Menelik officially opened the scramble to the throne amongst powerful factions that was eventually won by forces loyal to *Abeto* Iyasu. Iyasu's rule that lasted for 5 years between 1911-1916, although short, was very significant for his distinctive and unconventional administrative methods that

also, unfortunately, brought forth his demise. Unlike his predecessors, the teenage ruler developed a benevolent and mutual relationship with marginal groups like the Somali (Milkias, 2011). His departure from the dogma of the aristocracy of Shoa and his inclusive policy toward historically estranged people occasioned reverence in the periphery but resentment in the center. Iyasu's radical democratic experiments in terms of recognizing Ethiopian heterogeneity in faith and ethnicity was a clear deviation from the Téwodros-Yōḥānnis-Menelik administrative praxis, except that it was not tempered by political sophistication and method. His plotters, now gathered against what they viewed as a common enemy, would eventually propagate his blatant sexual lust and the unfounded story of his conversion to Islam, essentially alienating him from the Ethiopian Orthodox Church and, therefore, legitimacy to rule (Bahru, 2002). They eventually prevailed bringing a premature end to the controversial ruler, and after a period of some uncertainty none other than the illustrious *Ras* Teferi Mekonen, a.k.a. Haylä Səllasé, would capitalize on the situation.

Arguably, no single past leader in Ethiopian history divides pubic opinion more than Haylä Səllasé does. His followers speak of him in awe and adoration to this day. His global influence is such that he is practically worshiped in some cultures and places (Barrett, 1997). On the contrary, the younger and educated generation of his time alludes to him "with a degree of resentment and ridicule almost unprecedented in Ethiopian history" (Bahru, 1994, p.31).

When Haylä Səllasé's presence was starting to be strongly felt in Ethiopian politics in 1916, he was the personification of reformation. He understood the importance of institutions for a strong financial and economic base and instilled the foundation to

Ethiopian bureaucracy. His achievements in the education sector, oftentimes personally overseen, were unmatched. Landmark pubic institutions in areas like construction, transportation and communications still carry the emperor's imprints. His was a reign that is remembered as the pillar of Ethiopian centralization, a line of thinking that is vociferously dismissed by the dominant ethno-nationalism political discourse of contemporary Ethiopia, but an extraordinary achievement when seen in the context of the era he operated (Marcus, 1987).

Unfortunately, Haylä Səllasé's reforms and achievements were negatively correlated with his political longevity. The longer he stayed in power, the more he became obsessed with it. He suffocated the educated elite to be extensions of his absolute rule and not agents of change (Marcus, 1999). Regions hardly had internal autonomy (with the exception of Eritrea), a clear relegation from the progress made during the Yōḫānnis and Menelik era. He aborted early signs of progressive land reform and tried to hold on to the feudal landlords and the nobility. Worst of all, his increasing concern with glamour and luxury was in stark contrast with the destitution of the peasantry and the famine-stricken community of northern Ethiopia (Bahru, 1995).

International Relations, Modernization and the Proliferation of Global Capitalism

One of the distinctive features of the Teferi era was the significant importance attached to international relations and diplomacy. Teferi always felt Ethiopian sovereignty and security depended on successful interpretation of global political and economic trends as well as integration into and representation in international platforms (Bahru, 2011). He incessantly sought to secure Ethiopia a membership at the League of Nations, thinking it would provide unquestioned sovereignty under international law and

abrogate the Tripartite power's arms embargo. Ethiopia joined the League of Nations in 1923, although this act didn't bring the absolute sovereignty Teferi hoped it would as it failed to protect Ethiopia from Fascist Italy's invasion in 1935 (Henze, 2000).

Teferi's astute attentiveness to international affairs led him to believe that Ethiopia's economic dependence on Europe limited its bargaining potential both politically and economically. He sought on diversifying Ethiopia's trade partners by turning to the likes of United States, India and Jamaica. He particularly singled out the United States to be the most important ally, correctly predicting it would be the most dominant power after WWII. The United States was also keen to support the emperor in light of the Ethiopia's participation in the United Nation's effort in Korea (Vestal, 2011). As a result, in addition to facilitating Ethiopia's entry to the United Nations in 1943, the United States played a crucial role in the recovery of Eritrea to Ethiopia and the modern development of the Ethiopian military, among other things. So close was the relationship between the two countries that Ethiopian investment accounted for 70% of the Point Four program of the United States (Bahru, 1995).

Haylä Səllasé's partnership with the United States facilitated Ethiopia's growing integration with the global capitalist order. His visit to the United States in 1954 may as well represent the peak of Ethio-American relations. Most notably, America became the primary destination of Ethiopian coffee and it became Ethiopia's chief partner in military equipment, capital, education and technology. By the time he died in 1974, Haylä Səllasé would have made more than 80 official visits to different countries. Arguably, he remains the most important figure in the history of Ethiopia's foreign affairs to this day (Levine, 1961).

Feudal Aristocracy and the Rise of Neopatrimonial Governance

While Haylä Səllasé's African and global glory was ballooning, his local acceptance rate was slowly deteriorating. The issue of land is probably one of the most controversial and lingering themes in Ethiopian politics even to this day. This may not be surprising given the fact that it has been the principal generator of revenue for the Ethiopian State for centuries. When Haylä Səllasé returned from his exile in Great Britain after the ousting of Fascist Italy, his legitimacy to rule was scrutinized by a section of the population who believed he should have led the resistance against the Italians from inside. Circumspect of threats like these and others, Haylä Səllasé took different measures to stamp his absolute authority (Marcus, 1994).

One such measure was the widespread practice of neopatrimonialism—the use of state resources in order to secure the loyalty of clients in the general public. Although neopatrimonalism is nothing new in Ethiopian political history, it was Haylä Səllasé who can be deemed to have systematically instituted it to assert his uncontested absolutism. He molded his government with a clientelistic design where progression toward the top could only be achieved through successfully recruiting patrons that fed the system (Kapuściński, 1983).

At the same time, he successfully atomized his political appointees by reshuffling them constantly to ensure that potential rivals would remain competitive rather than collaborative. The result was exactly what he aspired for—extreme concentration of personal power around himself, and a minimal degree of independent bureaucratic policymaking (Bahru, 1995). He no longer embraced modernization as an agent of change for Ethiopia as he once used to but as a tool to buttress his absolutist regime. Even

when embracing modernization, Haylä Səllasé always understood the absolute

importance of sustaining his celestial figure, as can be noted on his address, King of

Kings, Lord of Lords, Conquering Lion of the Tribe of Judah. This was a key discourse

that kept the majority of the rather religious citizenry in complete submission even in the

face of economic hardship (Bahru, 1995).

One major method to reward patrons and cadres was the extensive privatization of

government land. This was not surprising given the most important asset of any given

feudal agrarian economy is land (Pankhurst, 2001). The aim, just like everything else in

the political maneuvering strategy and apparatus of Haylä Səllasé, was to broaden the

basis of support for the monarchy, although, more often than not, it reduced the peasantry

into nothingness in the eyes of the feudal lords who were mostly the patrons of the

Emperor (Henze, 2000). This process of privatization was mostly prevalent in the south

where Menilek's conquests had successfully secured vast acres of land. The most notable

practice was the *gabbar* system where northern settlers acquired tributary rights over

Southern peasants, the *gebbar*. In most instances, the land of the *gebbar* was forcefully

seized or coercively bought with an extremely deflated price by the eventual feudal lord.

Equally exploitative was the *madarya* system where "land given to those in government

service in lieu of salary was made convertible to freehold" (Bahru, 2002, p.191). These

practices created an unprecedented tenancy consisting of more than 65% of the

population in most Southern regions and subjecting the peasantry to an unwavering trap

of poverty (Bahru, 2002). Most feudal landlords subjected their tenants in absentia

through different sharecropping arrangements. Between the cut to the landlord, the strain

of the tithe and sometimes land tax, the Ethiopian tenancy had to endure an unbearable

burden. As the Emperor aged, however, this very act of turning a deaf ear to the peasantry will come to haunt him (Bahru, 2002).

Revolts, Coups, and Revolution: The Decadence and Decline of Haylä Səllasé

Although Haylä Səllasé's obsession with absolute power created a strong central government, it woefully misconstrued and ignored the gravity of the many calls for reform (Henze, 2000). The very few attempts that were made by the Emperor to address these issues were perfunctory at best. One example was the revised constitution of 1955, a major disappointment for the progressive populace of Ethiopia who aspired for a transition toward a modern constitutional monarchy or a republic. Unsurprisingly, the revised constitution was only a reaffirmation of the Emperor's ploy to perpetuate the status quo, a mere façade for a "modernizing" Ethiopia (Bahru, 2002). Not only did the constitution fail to appease the growing plea for reform, but also unequivocally sealed the divine immunity of the aging emperor.[20]

One of the first serious challenges to the Emperor came from prominent members of the resistance against the Italian occupation. Leaders of the Resistance like Belay Zeleqe, Negash Bezabih and Tekle Wolde-Hawariat resented Haylä Səllasé because he chose exile over leading the resistance from within (Bahiru, 2000). Their bitterness toward the emperor was further compounded after his restoration when he, in a typical neopatrimonial fashion, rewarded his compatriots in exile with honors and political appointments while he systematically attempted to isolate and marginalize leaders of the resistance. The latter constantly showed their apathy by trying to delegitimize the

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[20] Article 4 of the Revised Constitution of Ethiopia of 1955 stipulates: "By virtue of His Imperial Blood, as well as by the anointing which He has received, the person of the Emperor is sacred, His dignity is inviolable and His Powers indisputable. He is consequently entitled to all the honors due to Him in accordance with tradition and the present Constitution. Any one so bold as to seek to injure the Emperor will be punished."

Emperor's restoration to power or in some cases by attempting to dethrone him. Haylä Səllasé's retribution was swift that resulted in the imprisonment and execution of the opposition (Bahru, 2002).

Between his restoration in 1941 and his dethroning in 1974, Haylä Səllasé never looked back in cracking down anything that came between him and his absolute rule. The attempted *coup d'état* of 1960 by Mengistu and Germame Neway was one such example. The Neway brothers challenged the regime for more eclectic reasons. Both were zealots of the Black Lion Organization[21] and declared their concerns about the backwardness of the Ethiopian mass and the need to revamp the economic and political structure, although land, the most fundamental question of the mass, was missing in their discourse (Milkias, 2011). The duo finally executed their coup while the Emperor was on an official visit to Latin America in December 1960. In the end the coup was an utter failure mainly because of lack of clear communication and inept organization.

Although the attempted coup was instantly foiled, it played a significant role in undermining the Emperor's invincibility. Different peasant rebellions sprouted in different parts of the country. While these rebellions may not have been necessarily related to each other, they represented discontent over the administration's inefficiency and corruption on land allocation and multifarious taxation. These rebellions were no match for the emperor's military and were averted swiftly, although they succeeded in reaffirming the system's refusal to reform, and, in doing so, setting in motion a force that

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[21] The Black Lions Organization led the anti-fascist resistance movement during the Italian occupation of Ethiopia. Although the organization had marginal impact in the resistance movement, it made "eloquent attempts to give the struggle coherent ideological and political direction" (Bahru, 2002, p. 74).

would finally bring down the Haylä Səllasé regime—the Ethiopian Students Movement (Kapuściński, 1983).

When Haylä Səllasé expanded schools and higher institutions in Ethiopia with the belief that development can only be achieved through education, little did he knew that the force he had created through this system would occasion his demise. So dedicated was the Emperor to Ethiopian scholarship that he personally oversaw the Ministry of Education and supervised the expansion of education facilities including high schools, colleges and universities. Haylä Səllasé's miscalculation in the purpose of the emerging educated elite, however, lay in his faulty assumption that the critical mass he was creating, by its very design, couldn't be confined in the box of reform he hatched for it (Bahru, 1995). Haylä Səllasé envisioned the educated mass would serve his system and modernize it from within. The educated elite, on the other hand, believed the Emperor's neopatrimonal system that is held together by clientalist networks and corrupt bureaucracy is incapable of reform. By the beginning of the 1970s the growing consensus among this group was that the system cannot be rectified and should be toppled (Marcus, 1994).

After the Ethiopian Student Movement evolved though various stages, its most critical phase of the early 1970 was characterized by radicalization, a legacy that still defines contemporary Ethiopian politics. Although many circumstances including the worsening situation of the urban masses and escalation of imperial repression contributed to the revolutionary tone of the Ethiopian Student Movement, no other factor catalyzed the cause more vigorously than the situation in rural Ethiopia. The Ethiopian University

Service (EUS)[22] played a significant role in this regard by exposing the abysmal condition of the peasantry to university students. The mission of the movement crystallized in the minds of students and progressive sections of the community under one of most emblematic slogans of modern Ethiopian history, "Land to the Tiller" (Bahru, 2002).

Military Rule, Socialism and Command Economy

The Ethiopian Student Movement was unparalleled in its resolution for progress and change at many different levels. Its commitment to social justice and equity was contagious across urban Ethiopia, as evidenced by its mustering civil servants and service providers to its cause. However, this movement also left a thorny legacy to the Ethiopian political culture by sowing the seeds of political mistrust, intolerance and animus that repeatedly consumed buds of democracy and dialogue (Bahru, 2010). It was characterized by the "you-are-with-us-or-against-us" narrative where embracing the farthest left was not only advocated but expected. Reminiscent to Lenin's declaration on the undisputed dictatorship of the proletariat and the perils of neutrality, the movement interpreted ideological differences as reactionary to change. [23] Questioning Marxism-Leninism was seen as betrayal to the cause. In the words of Bahru, "Marxism-Leninism was embraced as a creed rather than as a system of thought to help interpret the Ethiopian reality" (2002, p. 226). In essence, the movement, under a Marxist-Leninist ideological

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[22] The Ethiopian University Service (EUS) was a program inaugurated by the then Haylä Səllasé I University in September 1964 "calling upon students to interrupt their university studies to serve their country for one year… primarily as teachers in the rural areas of Ethiopia" (Korten & Korten, 1966, p. 1).

[23] In a speech discussing the Chief Committee for Political Education, Vladimir Ilyich Lenin told the assembled delegates that "It is with absolute frankness that we speak of this struggle of the proletariat; each man must choose between joining our side or the other side. Any attempt to avoid taking sides in this issue must end in fiasco."

façade, unwittingly reinvented the long-standing culture of dissenting alternative views practiced by the crown.

Even more unfortunate in this process of change was the ill fate the Ethiopian people had to live through, as the agenda for change set forth by the unsuspecting students was disowned by a lurking military caucus. So focused were the students on challenging the crown that they didn't quite envisage the Ethiopian political trajectory once the Emperor is gone. The removal of the crown was treated as an end rather than an episode in the movement to create an inclusive and egalitarian nation.

Focused on averting the popular unrest, the crown was oblivious to the brewing dissatisfaction in the military and miscalculated the latter's standing. At first, the military was remotely following the growing pubic discontent on the government's failure to bring about meaningful political and economic reform. Eventually, sections of the military started raising their concerns about rising inflation and corruption in the government (Tiruneh, 1993). Whereas these concerns came to prominence gradually, the immediate causes of the inevitable revolution came from two directions. The first one was the famine that affected several provinces in the north, and that—to the fury of the public—was concealed from the outside world in what many believed to be an attempt to keep the prestige and eminence of the emperor at the expense of thousands of lives (Tiruneh, 1993). The second—and more climacteric—immediate cause for the 1974 revolution surfaced as a result of a mutiny by a section of the military in the south over poor food and water conditions (Tareke, 2008). The protest resulted in an immediate dynamo effect where other units throughout the military in the country showed their support.

The Ethiopian military had its own inner factional tensions on and before the prelude to the revolution. This was a deliberate strategy inducted by the Emperor in order to prevent a person or a group from becoming too powerful. This strategy worked to a certain extent until the military started uniting in support of demands for better salaries and working conditions. In an array of perturbed responses, the government introduced some changes to appease both the public and the military. It reshuffled the cabinet, changed personnel in the prime minister position, revised the constitution, introduced substantial reforms, postponed unpopular changes in the education system, instituted price rollbacks and controls to check inflation and installed a series of salary increments to the military (Bahru, 2002).

These measures were not enough to appease both the public and the military who sensed an increasingly weakening government. By now the military has largely organized itself and formed the Coordinating Committee of the Armed Forces, Police, and Territorial Army that soon came to be called the *Derg*. The *Derg* was mainly comprised of junior officers who broke away from senior officials whom the former thought sympathized with the crown. None of these junior officials, who totaled about 120, were above the rank of major and remained largely anonymous during the time. They elected Major (later Colonel) Mengistu Haile Mariam chairman, the man who would rule over Ethiopia for the next 17 years with absolute power and despotism (Henze, 2000).

The *Derg*'s discreet organizational structure and its carefully designed representative composure from all over the country were critical elements in its success to mobilize the entire military establishment, thereby effectively decapitating the government's executive power. In the propaganda ground, the *Derg* also played smartly

by professing its allegiance to the Emperor to buy time while at the same time arresting members of the aristocracy, military, and government who were closely associated with the crown. By the end of July 1974, the *Derg* engineered to win a series of political and administrative concessions from the crown that effectively made the Emperor and his associates non-factors in the affairs of the country (Tiruneh, 1993).

The "creeping coup" by the *Derg* had all the necessary conditions to succeed. Seizing on the momentum of the public's unrelenting demand for change, the *Derg* adopted a nationalist persona by proclaiming *Etiopia Teqdäm* (Ethiopia First) as its guiding philosophy (Milkias, 2006). It soon abandoned the revised constitution and the plan to create a constitutional monarchy, arrested more affiliates of the emperor, and nationalized imperial holdings (Clapham, 1988). The final act of the *Derg* was to accuse the Emperor of covering up the famine of the early 1970s that allegedly had killed 100,000 to 200,000 people, much to the outrage of the people that demanded the Emperor's arrest (Bahru, 2002). The *Derg* finally imprisoned the Emperor on September 12, 1974, and eventually transformed itself into the Provisional Military Administrative Council (PMAC) under the chairmanship of Lieutenant General Aman Mikael Andom, and proclaimed itself the nation's ruling body (Tiruneh, 1993).

The formation of the PMAC was one of the first signs that the popular revolution led by students, teachers and proletarian supporters was hijacked by the military. PAMC's subsequent and swift violent actions gave a prelude to the grim trajectory of the Ethiopian state for the next 17 years. First came the assassination of the ailing Emperor in 1975 in his captivity under the allegation that his loyalists could galvanize support against the revolution. This was followed by the assassination of PAMC's elected

chairperson Lieutenant General Aman Mikael Andom by a clique loyal to Majors

Mengistu Haile Mariam and Atnafu Abate. Scores of other assassinations and

disappearances involving former cabinet members, aides of the royalty and critiques of

the Mengistu leadership became commonplace (Henze, 2000).

In a short period of time Mengistu Haile Mariam assumed total military,

administrative, and political control of Ethiopia. To his credit, the major the revolution's

chief demand and the Ethiopian students' primary slogan "land to the tiller" was

implemented. All lands—rural and urban—were nationalized and overseen by *gäbäré*

mahbärs (peasant associations) and *qäbäles* (smallest administrative divisions). While

this move was originally celebrated and embraced by many, the peasant associations and

qäbäles soon became tools of control and oppression (Bahru, 2002). *Qäbäles* and *gäbäré*

mahbärs became very powerful bodies that collected taxes and assumed "free action"

endorsements that gave them the power to hunt and kill government opponents without

judicial proceedings (Bahru, 2002).

Mengistu, now an absolute strongman of the *Derg*, advocated for *hebrätäsäbawinät*

(socialism) as the political and economic directive of the state (James et al., 2002;

Makonen, 2001). In collaboration with radical student groups from Ethiopia and abroad,

Marxist scientific socialism infiltrated into every government, social, political, economic

and even cultural facets of the Ethiopian society. In a move to strengthen its communist

credentials, partly with the aim of ensuring Soviet support, the *Derg* established the

Commission to Organize the Party of the Workers of Ethiopia (COPWE) that was

eventually replaced by the more civilian Workers' Party of Ethiopia (WPE) in 1984

(Tiruneh, 1993). This was followed by the formulation of a new national constitution that

formed the People's Democratic Republic of Ethiopia (PDRE) in 1987, formally

abolishing the PMAC. The new constitution gave extraordinary powers to the President.

The power of the state at the local government level was limited to executing the central

government's decrees and orders. Although Mengistu's government attempted to give

WEP a civilian façade, more than 50% of the Party Congress was composed of military

affiliates. Practically, "the seemingly civilian Ethiopian Workers' Party served the *Derg*

only as an instrument of political control" (Milikias, 2011, p. 70).

From the onset the *Derg*'s path to totalitarianism faced some serious challenges. A

number of Marxist parties of varying political programs and interpretations of the

Ethiopian socio-economic context emerged, the Ethiopian People's Revolutionary Party

(EPRP) and the All Ethiopian Socialist Movement (MEISON) being the most active and

conspicuous (Kiflu, 1993; Pausewang and Tronvoll, 2002). The EPRP was ruthlessly

crushed during the time the *Derg* launched the Red Terror, which gave license to its

followers to capture and kill the rebels (although EPRP also made a similar offensive

through its "White Terror" campaign). On the other hand, MEISON took a more

diplomatic direction initially by giving critical support to the *Derg*. However, MEISON

soon had a falling out with the *Derg* as well and its leaders were killed in combat or

executed after being captured (Gebre-Yesus, 1980; Tareke, 2008; Tibebu, 1991).

It was, however, a guerilla offensive from the north that would bring the *Derg* to its

demise. In early 1988, two Marxist-oriented insurgent groups, the Eritrean People's

Liberation Front (EPLF) and the Tigrayan People's Liberation Front (TPLF), began to

coordinate their attacks against the *Derg*. With changing global geopolitical trends and

pressing civil war in the north, Mengistu Haile Mariam was forced to throw his Soviet

cloak and embrace free market economy (Milkias, 2011). In the meantime, the TPLF

created an umbrella organization called the Ethiopian People's Democratic Revolutionary

Front (EPDRF) by bringing together major ethnic dissidents. In 1991, EPRDF defeated

the *Derg*'s army and entered Addis Ababa in May. Almost all major *Derg* leaders were

soon arrested and jailed with the exception of Mengistu Haile Mariam who fled to

Zimbabwe shortly before Addis fell to the rebels. Once the EPRDF seized full control of

the country, it collaborated with EPLF, which had already occupied Eritrea for the latter

to carry out a referendum and secede (Henze, 2000).

Ethiopia since EPRDF

EPRDF and the Rise Ethno-nationalism

When the Derg was under a verge of collapse and news of northern insurgents

reached the masses, people who were critical of the regime hardly put any resistance to

the tide and the military apparatus disintegrated quickly. In the meantime, TPLF

underwent a process through which it reformed its agenda of liberating Tigray and

Tigrayans to removing the leadership of the *Derg* from the entire nation. In order to

garner legitimacy for its newfound nationwide cause, TPLF sought to forge a united front

by collaborating first with the Ethiopian People's Democratic Movement (EPDM), a

breakaway organization of the EPRP constituting mainly of Amharas from Gondar,

Wallo, and northern Shoa regions that later renamed itself the Amhara National

Democratic Movement (ANDM) (Vestal, 1999). Later TPLF brought together military

captives of Oromo lineage from the war with the *Derg*, and together with defectors form

the Oromo Liberation Front (OLF), it created the Oromo People's Democratic

Organization (OPDO) to claim legitimacy in the Oromia region (Habtu, 2003; Merera,

2007). The front was completed when the Southern Ethiopia People's Democratic Front (SEPDF) comprising 46 linguistic groups from southern Ethiopia was added. This coalition formed the EPRDF (Vestal, 1999).

Once Mengistu fled, the EPRDF led by the TPLF took control of Addis Ababa without much resistance and bloodshed. The relatively peaceful proceedings that followed were helped by the adoption of a provisional charter signed in London in July 1991 that subsequently formed the Transitional Government of Ethiopia (TGE) constituting the EPRDF, the Eritrean and Oromo Liberation Fronts, and about 20 other ethnic-based organizations and political factions (Vestal, 1999). However, what seemed to start as a democratic venture cultivated a tenacious clout when the Oromo Liberation Front (OLF) expressed its concern about TPLF's indefinite interest of political domination despite the latter's minority standing (Pausewang, Tronvoll & Aalen, 2002). Part of OLF's discontent stemmed from TPLF's move to cultivate, endorse and popularize OPDO, which the former believes is deliberately designed to nurture TPLF's minority rule instead of advancing the cause of the Oromo, the largest ethic group in the Ethiopian populace. OLF eventually departed from the government and announced its return to armed struggle. In a similar fashion, members of the Southern Ethiopia Peoples' Democratic Coalition (SEPDC) also left the government (Vestal, 1999).

When the attempt to address the question of Ethiopian ethno-nationalism, first through cultural homogenization and state centralization and later by means of a Marxist-Leninist framework failed, the third experiment was unleashed by EPRDF on the basis of ethnic federalism (Habtu, 2003; Mengisteab, 1997; Tesfaye, 2002). As briefly discussed earlier, the history of state formation in Ethiopia is a contested discourse that comprises

some profound divisions among its stakeholders. At one extreme, pan-Ethiopian nationalists argue Ethiopia is a nation-state of a 3,000 years old history of the Ethiopian state that has successfully developed an "Ethiopian" identity and assimilated other "periphery" cultures into the Amhara-Tigray core culture. For some, the ruling classes of this core "Ethiopian" identity "cannot be identified with a particular ethnic group. They are a multi-ethnic group whose only common factors are that they are Christians, Amharic speakers, and claim lineage to the Solomonic line" (Gashaw, 1993, p. 42).

At the other extreme lie ethno-nationalist groups like the Oromo Liberation Front (OLF) who argue contemporary Ethiopia is created by the expansion of Abyssinia (central and northern Ethiopia, the historic core of Ethiopian polity) that "colonized," through the conquests of Menelik II, most of the southern nations and peoples in the last quarter of the 19th century. Ethno-nationalist groups therefore believe that contemporary Ethiopia is "a colonial empire that needs to undergo decolonization where 'ethno-national' colonies become independent states" (Lewis, 1993, p. 160). The image of Ethiopia for this camp is conclusively that of colonial-state (Hassen, 1990; Jalata, 1993; 1995, Lewis, 1993; Smith, 2013).

A third, "more sensible" (Habtu, 2003, p. 9) and constructivist alternative to the previous state formation theses of Ethiopia is that of a non-colonial, historically evolved empire-state. "The ancient Ethiopian state, short-term contractions in size notwithstanding, expanded, over a long historical period, through the conquest and incorporation of adjoining kingdoms, principalities, sultanates, etc., as indeed most states in the world were formed" (Habtu, 2003, pp. 9-10). This group sees Ethiopia as a multicultural collage where its polity draws sense of nationhood from the salient bonds

that hold it together (Levine, 1974; Yates, 2009).

Consequently, EPRDF's ethnic-nationalism experiment carved up the nation into ethnic regions along with a new constitution that provides some radical ethnic self-rule provisions. Such was the unprecedented endorsement of ethnic nationalism under the TGE that Article 39 of the 1994 Ethiopian constitution stipulates "Every nation, nationality or people in Ethiopia shall have the unrestricted right to self determination up to secession" (Constitution of the FDRE, 1995). This makes the Ethiopian state the only country with such a provision globally. The rationale for adopting this resolution by EPRDF and other participants of the TGE was to satisfy the ideological and ethnic differences of the stakeholders involved in the making of the post-Mengistu era. It was believed that such provisions would forge a long-lasting political framework that would be acceptable to all. The flipside, however, is that "if this pragmatic formula failed to work, the country might implode and catapult Ethiopia toward an ethnic quagmire" (Milikias, 2011, p. 82).

The leader of both TPLF and EPRDF at the time, Meles Zenawi, who would become the grand connoisseur and architect-in-chief of EPRDF's Ethiopia until his death in August 2012, became the President of the TGE. Internally, the power structure of the EPRDF assumed, both at politburo and central committee levels, equal votes for the three ethnic entities (TPLF, ANDM, and OPDO) and the multiethnic entity SEPDF although in reality many commentators agree TPLF to be the mover and shaker of the Front. Soon after EPRDF added other "affiliate" parties to its roster in the remaining five regions including Benishangul-Gumuz, Gambela, Afar, Somali, and Harari.

One of the first lines of duty under the new regime was overseeing the separation of Eritrea from Ethiopia in 1991. Between 1991 and 1995, the political space grew narrower as many EPRDF unaffiliated parties left or were pushed out of the TGE (Vestal, 1999). In May 1995, the first national elections took place in which EPRDF won the majority votes and Meles Zenawi was sworn in as Prime Minister. The EPRDF formed the Federal Democratic Republic of Ethiopia (FDRE) government and remained at the helm of Ethiopian political power since then.

Assessing the legacy of EPRDF in the unfolding evolution of the Ethiopian state is not only a daunting task but also methodologically unsound given the unfinished and active role it still is playing in the country. However, it is fair to conclude that perceptions and attitudes toward EPRDF's rule, archetypal to modern Ethiopian political history, are controversial, if not polarized. Supporters claim that Ethiopia took some progressive and brave steps in the right path under the leadership of EPRDF. They argue equitable state building and electoral democratization are slowly being implemented with elections taking place in 1992, 1994, 1995, 2000, and 2005. They contend private and independent media are constitutionally allowed to operate; the right to free speech was granted in a departure from the totalitarian *Derg* period; long-standing group identity questions were constitutionally addressed and ethnic groups were empowered through self-governance and cultural and linguistic autonomy, replacing unitary authoritarianism with a multiethnic egalitarian nation state; and a relatively robust free market economy with large-scale privatization was put in place abandoning the inefficient and sterile command economy (Berhanu, 2008; Hammond, 1999; Henze, 2000; Young, 1997; Young, 2000).

On the other hand, dissidents point out that the EPRDF ethnic coalition doesn't truly reflect a legitimate representation of the Ethiopian populace but is rather a pretext to sustain TPLF's minority hegemony. They accuse TPLF of deliberately amplifying ethnic tensions that has the aim of creating insecurity for other groups, which in turn affords TPLF uncontested power. They argue constitutionally guaranteed human rights have been violated every year; the press, though free to operate constitutionally, has been harassed, with editors being regularly incarcerated or exiled; political parties that EPRDF considers threatening to its hegemony have been outlawed, and those that chose to compete have been systematically hunted down with their members reportedly getting harassed, arrested, made to disappear or flee; elections have been marred by irregularities, harassment, intimidation, ballot rigging, and even outright murders by supporters of the government; the EPRDF-led government appoints and refused to reorganize the election board into a neutral body; and extra-judicial arrests and even killings have been reported over the years. Critics charge EPRDF of: favoritism to unaudited TPLF-owned mega-business empires and parastatals that monopolize key sectors of the Ethiopian economy; intimidation of the rural masses are prevalent through confiscation of farmlands and denial of fertilizers in retribution to opposition party support; widespread jamming, content filtering, blocking, online surveillance over information communication technologies have been practiced targeting dissidents; and diversion of international aid as a tool to maximize control and submission (Albin-Lackey & Human Rights Watch, 2005; Human Rights Watch, 1998; Human Rights Watch, 2005; Kendie, 2003; McCracken, 2004; Pausewang, Tronvoll, & Aalen, 2002; Rawlence, B., Lefkow, L., & Human Rights Watch, 2010; Vestal, 1999).

The Politics and Economy of *Abiyotawi Dimokrasi*

When EPRDF assumed power in 1991, some of its initial public declarations were the disbanding of command economy, the championship of pluralism, and establishment of free market civil society. For historians who follow the origins and evolution of EPRDF and particularly TPLF, this was more of a strategic rather than ideological move that had the aim of, on one hand, appeasing the West which supplied Ethiopia with economic aid, and on the other hand, distancing itself from the global fall of communism with the disintegration of the Soviet Union. Regardless, EPRDF's core values remained to be influenced by Marxist-Leninist tenets (Tadesse & Young, 2003).

TPLF's Marxist-Leninist affiliations date back to its founding. Like most of the leftist political parties of Ethiopia, the TPLF had grown out of the Ethiopian Student Movement of the 1960s and 1970s in Addis Ababa University (AAU) (Berhe, 2004). After the establishment of Tigray Student Association in 1971, students of Tigrayan origin aspired to expand their association to a larger Tigrayan constituency by creating the Tigray National Organization in 1974, which in turn transformed itself into TPLF in 1975. Between 1975 and 1991, TPLF revised its political program a number of times (Berhe, 2004). At first, it sought to struggle for the liberation and independence of Tigray based on discourses of oppression as outlined in its 1976 manifesto. In the latter years of the 1970s TPLF embrace a more nationwide liberation agenda in which Tigray would gain autonomy. In order to mobilize the Tigrayan rural mass and find an alternative to Soviet socialism due to USSR's alliance with the *Derg* regime, TPLF rebranded itself under Maoist lines. In the 1980s, however, Maoism was rejected for being accommodative to the bourgeois and was replaced by a "purer", "less revisionist" and

unapologetic Albanian socialism (Young, 1996). During the same decade the Marxist

Leninist League of Tigray (MLLT) was created within TPLF under the influence of

Meles Zenawi and Abay Tsehaye. This ideological wing of TPLF had been largely

influential in adopting the eventual guiding principle of EPRDF "*abiyotawi dimokrasi*" or

"revolutionary democracy" (Abbink, 1995).

As Bach (2011) discusses, the notion of bringing about democratic platforms

through revolutionary means "emerged from a Leninist interpretation of Marx's

Proletariat Dictatorship thesis" (p. 641). Revolutionary democracy is henceforth an

opposition to capitalist liberal ideology juxtaposed with Lenin's revolutionary project.

Championing the writings of Nikolay Gavrilovich Chernyshevsky, a

Russian revolutionary democrat, utopian socialist, and leader of the revolutionary

democratic movement of the 1860s, Lenin emphasized the central role enlightened elites

need to play in leading the unconscious masses to revolution. "Proletariat dictatorship"

was to be distinct and antithetical to "parliamentary bourgeois democracy". Lenin's

"elitist" approach champions the vitality of a vanguard party that should circumvent

internal factions, maximize ideological homogeneity and adopt "democratic centralism."

Revolutionary democracy has thus been interpreted as "a bridge between pre-capitalist

and socialist societies" (Bach, 2011, p. 642).

Discourses of revolutionary democracy later became popular with "Third World"

countries during the cold War. As Bach (2011) states:

> The notion of revolutionary democracy was then used by the USSR to designate one
> tendency of not-capitalist countries or movements which had nevertheless not
> achieved their revolution yet. This quite unclear step en route to socialism was
> conceptualized in the notion of National Democratic Revolution (NDR), or National
> Popular Democratic Revolution in its Stalin-Maoist version (N(P)DR). Many
> "liberation" movements in Africa adopted this ideology and even defined themselves

as revolutionary democrats, showing that they were "more revolutionary" than this N(P)DR appellation defined from Moscow. This appellation was abandoned by most of the "liberation movements" or "socialist regimes" after the fall of the Eastern bloc. In fact, the world capitalist offensive that followed let no choice for most of the former Marxist-Leninist or Maoist movements but to adopt political and economic liberal principles and abandon revolutionary democracy in a context where "There is No Alternative" to capitalism (p. 642).

These philosophical premises of "revolutionary democracy" are mostly consistent with the notion of single-party vanguardism that is central to EPRDF's structure. As Milkias (2011) explains:

> Similar to the Bolshevik Social Democratic Party of Russia, [TPLF] is run by a vanguard central committee, politburo, and secretariat. And, as Meles Zenawi tried to explain in his year 2000 treatise on "Bonapartism," a concept borrowed from Karl Marx, and "What Is to be Done," another model adopted from Vladimir Ilyich Lenin, the authority to rule is acquired by struggle not only between classes but also between elites. In the latter case, corruption might occur. But once power is garnered by the oppressed classes or their vanguard party, it has to be exercised through a hierarchical system of democratic centralism. Thus, the opposition claims, it comes as no surprise that it is the TPLF leadership, which defines itself as the vanguard of the revolution, that not only oversees the public bureaucracy but also guides and gives orders to all governing political factions (pp. 91-92).

As briefly mentioned before, however, it was not tactically perspicacious for TPLF to embrace and implement outright Marxist-Leninist political programs and economic policies when it took power in 1991, a time that coincided with the downfall of the Soviet Union and global communism. Instantly, an ideological detour was in place; the Albanian model was abandoned and was replaced by the free market economy. The Ethiopian Privatization Agency (EPA) was established in 1994 in order to facilitate the privatization of public enterprises and re-privatization of formerly nationalized businesses. Although TPLF-EPRDF declared economic liberalization toward the beginning of its administrative tenure, it was far from abandoning its *abyotawi dimokrasi* credo (Abbink, 1995; 2006). Bach (2011) writes:

Once TPLF-EPRDF affirmed its position as Ethiopia's ruling elite, nevertheless, not only did it verbally promote *abyotawi dimokrasi* as its direction but also published and circulated its program entitled *YeEhadig abyotawi dimokrasi program* (The Revolutionary Democracy Program of EPRDF) in 1991. Meles continued advocating *abyotawi dimokrasi* as a necessary doctrine that ''had to be firmly grasped if Ethiopia was to embark on sustainable economic development" (p. 643).

According to some observers, the notion of liberal democracy and to some extent that of free market was a veil that successfully appeased Western neo-liberal pressures while in fact TPLF-EPRDF remained staunchly committed to its revolutionary democracy cause. Others argued that TPLF was pragmatic about its Marxist-Leninist stance even before coming to power. De Waal (2012) contends that, for Meles, Marxism-Leninism was "not a dogma but a rigorous method for assembling evidence and argument, to be bent to the realities of armed struggle and development" (p. 151). As a result, in spite of his erudition in Marxist-Leninist thought, Meles "clearly stated that there should be no confusion that the EPRDF's mission was to build a capitalist state" (De Waal, 2012, pp. 151-152). Gill (2010) quotes former TPLF Lieutenant-General and close ally of Meles, Tsadkan Gebre-Tensae, who recounts that Marxism-Leninism had to be relegated for EPRDF to gain legitimacy inside and outside Ethiopia. "When we entered Addis Ababa, the whole Marxist–Leninist structure was being disgraced…We had to rationalize in terms of the existing political order...capitalism had become the order of the day. If we continued with our socialist ideas, we could only continue to breed poverty" (p. 75).

In explaining the differences between liberal democracy and Ethiopian *abyotawi dimokrasi*, the EPRDF leadership usually highlight two main points. While the former, they argue, aims at securing individual rights, the latter defends collective rights through

the notion of nations, nationalities and peoples as stipulated in Article 39 of the 1995

FDRE Constitution. Secondly, *abyotawi dimokrasi* "is not considered representative, but

one in which the people is governing" (Bach, 2011, p. 644).

The dualism of the 1991 "liberal" reforms and the Marxist-Leninist-Maoist inspired

abyotawi dimokrasi apparent in EPRDF's 23 years grip at the helm of Ethiopian political

power represents a contradictory treatise for many commentators. Abbink (2006, p. 195)

argues that EPRDF has found the matrix of balance between conventional elements of a

liberal democracy like multiparty elections and maintaining its hegemony as a vanguard

political force. This way, the multiparty system is designed in a manner that doesn't

threaten the hegemony of the vanguard party:

> The current democratization process is structurally and ideologically limited in that it
> is too closely supervised by the party in power, which—a fact often forgotten—is
> one advocating 'revolutionary democracy', not liberal democracy. Revolutionary
> democracy aims at the collective mobilization of the people, led from above by the
> party. It derives from a combination of Marxist and ethno-regional ideology and has
> no negotiated, evolutionary basis in Ethiopia. It was functional in the anti-Derg
> guerrilla struggle, but after the TPLF–EPRDF victory in 1991, it was imposed
> nationwide by default. It envisages the party as a vanguard political force, which is
> not inclined to compromise with opposition forces because it is convinced that it has
> the solution for everything (Abbink, 2006, p. 195).

EPRDF's hibridization of liberal democracy and vanguard party hegemony through

abyotawi dimokrasi brings about a "rethought authoritarianism" today and, as Bach

(2011) contends, it is "far from being clear and cannot only be interpreted in terms of so-

called 'liberal institutions' (constitution, political parties, elections, etc.) on the one hand

and authoritarian practices or 'culture' on the other." He further warns against the danger

of falling into the trap of treating contemporary Ethiopian authoritarian "culture" as

static. In this sense, for Bach, post-1991 Ethiopian institutions, practices and ideology are

both liberal and revolutionary democratic. Consequently, *abyotawi dimokrasi* today has

evolved from its original meaning to represent "an important discursive tool of legitimation as well as fighting tool for EPRDF against internal and external opponents or critics" (Bach, 2011, p. 644). Bach further asserts:

> In the Ethiopian context revolutionary democracy, quite surprisingly, is institutionalized by dint of a federal constitution guaranteeing the establishment of a multi-party and parliamentary system in which elections and parties are presented as keystones. Bearing in mind the attempts by EPRDF to establish a revolutionary democracy via elections in Ethiopia in the past two decades, *abyotawi democracy* has appropriated these liberal tools to legitimate the survival of the EPRDF leadership (still in power). Thus, both structures and practices have become revolutionary and liberal (p. 644).

For others like Vaughan (2001), *abyotawi dimokrasi* represents a deliberate and conscious effort on the part of EPRDF to promote political choices that are ideologically and socially reinforced. Vaughan's assessment of *abyotawi dimokrasi* is consistent with EPRDF's self-proclaimed goal of creating a society where the hegemony of the "developmental state" ideology prevails. The notion of the developmental state and its relationship with *abyotawi dimokrasi* is further discussed in latter chapters.

Conclusion

This chapter provided a contextual treatment of major political programs and economic policies that have significant relevance to the governance and operations of the state-controlled telecommunications sector in Ethiopia. After a brief introduction to the geographic, demographic, economic and constitutional context of FDRE, this chapter explored the historical evolution of the Ethiopian state up to the current ruling party of EPRDF. The discussion on *abyotawi dimokrasi*, a cornerstone of EPRDF's political program, provides a useful background to telecommunications operations and governance in Ethiopia.

CHAPTER III

THEORETICAL FOUNDATIONS AND LITERATURE REVIEW

The global telecommunications system has undergone dramatic change under the neo-liberal order of globalization in the past three decades. A swift restructuring of the telecom industries, which began in the early 1980s, was possible because governments around the world adopted free market telecommunication polices as they confronted intensifying pressure not only from corporations but also directly from International Financial Institutions (IFIs) like the World Bank and the IMF. This practice of free market forces that minimizes government restrictions on businesses is consistent with the premises of neo-liberalism. In order to explore the foundations of the Western rationale and ethos in pushing an agenda of privatization and liberalization to the developing world, including the external push for the liberalization of the telecommunications sector investigated in the present study, a review of foundational literature and theories is necessary. This chapter provides such a base by discussing the theoretical underpinnings and historical developments of modernization theory and related discussions in development communication followed by the subsequent rise and hegemony of the global neo-liberal order.

In spite of the aforementioned neo-liberal push, the Ethiopian government maintains state monopoly of key enterprises including the sole telecommunications service provider, Ethio-Telecom. As discussed in Chapter VI, the Ethiopian government defends its state monopoly of telecommunications by arguing that the sector, among other things, is key for the country's economic development program. The ruling party, EPRDF, claims to formulate its development discourse along the developmental state

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model lines. In order to shed light into this narrative, this chapter provides a discussion of the theory of the developmental state.

A contesting theory, also discussed in this chapter, is the theory of the neopatrimonial state. While the ruling party rationalizes its monopoly of the telecommunications sector through its developmental state ideology, critics argue EPRDF's Ethiopia is not a developmental state but rather a neopatrimonial state that uses public resources like the telecommunication sector to extend individual and party interests. For these critics, state monopoly of telecommunications sets rent-seeking behavior, expedites state-sponsored mass surveillance and limits the right to free speech granted by the Ethiopian Constitution.

Toward the end, the chapter provides a discussion on the political economy of communication with the aim of providing a framework of analysis for the present study. Finally, a brief survey on telecommunications research is offered to frame the significance of this study and to highlight its vantage point from the pool of existing literature in the area.

Modernization Theory

Modernization as a Dominant Paradigm

The modernization paradigm, which arose soon after World War II, argues that the best, if not the only, way to achieve successful development rests in the adoption and diffusion of those values and approaches that ensured the success of Western economic development and civilization. At the individual level, modernization requires a high degree of "empathy" and an "psychic mobility" to abandon traditional beliefs and embrace change (Lerner, 1958, p. 52). At a cultural level, it requires an open mentality

guided by faith in the "scientific" approach, whose roots can be found in the principles of enlightenment. At the political level, it requires the adoption of the democratic system (Latham, 2000). Finally, at the economic level, it advocates a strong belief in the virtues of the free market and in the liberal doctrine.

Modernization, also known as the dominant paradigm, considers development as a linear, cumulative, evolutionary and unidirectional process (Servaes, 1991). Underdeveloped countries are considered as mostly responsible for their conditions. Hence, the assumption is that it is in their interest to bridge the gap that divides them from the so-called developed ones. The only way to achieve this would be to take advantage of the assistance offered by the richer countries and try to follow in their footsteps. Many of the core elements of modernization, even if criticized through the years, have achieved a powerful hegemonic dimension and are still permeating most aspects of life (Mody, 2003).

Development Communication and Modernity

Communication has been regarded as a primary instrument needed to achieve, maintain and strengthen modernity. Communication in this paradigm has been conceived as a one-way process passing messages from one point to many others, usually in a vertical, top-down fashion (Servaes, 1999). Development was equated with economic growth, and communication was associated with the dissemination of information and messages aimed at modernizing "backward" countries and their people (Mefalopulos, 2006). Because of the overestimated belief that they were extremely powerful in persuading audiences to change attitudes and behaviors, mass media were a center of communication initiatives that relied heavily on the traditional vertical one-way model:

Sender-Message-Chanel-Receiver (SMCR). As Mefalopulos (2006) argues, this has been "the model of reference for the diffusion perspective, which has been adopted to induce behavior changes through media-centric approaches and campaigns" (p. 6).

After World War II, a number of scholars started to devote increasing attention to communication processes and effects including Lasswell (1948), Katz and Lazarfeld (1955), and Klapper (1960). Some of them, such as Lerner (1958), Rogers (1962) and Schramm (1964), had a specific interest in studying how communication could be used to foster national development, which at that time was considered predominantly in economic terms. These were among the most prominent scholars promoting the core beliefs of the dominant paradigm, i.e., blind faith in science, liberal democracy, free market, and in the need for people to be able to adapt to a fast-changing world. To be effective, all of these would be channeled through the institutions of the nation-state. Similar characteristics about modernization are identified by Melkote and Steeves (2001), who underline "the importance of economic growth through industrialization, capital-intensive and machine-intensive technology, a top-down structure of authority with economists in charge, and a certain attitude and mind-set among individuals" (p. 114)

Debacle, Criticism, and Consequences

Despite all the financial and human resources poured into developing countries, the modernization approach has not resulted in significant success. The decade of the 1970s did not witness the expected outcomes in poverty alleviation and increase in production. As a result, the optimism based on the scientific and modern approaches of theoreticians, practitioners and leaders around the world gradually faded away (Burkey, 1993). In the 1980s, macroeconomic setbacks like unemployment and inflation got even

worse as large number of people in many developing countries experienced a significant decline in their living standards (Chambers, 1997). The modernization paradigm eventually started to receive criticisms from various perspectives and for a number of reasons. Firstly, modernization was considered to be highly ethnocentric, or better "Western-centric," disregarding other possible values and approaches to life different from those of the West. In this respect, Servaes (1991) notes how the dichotomy between modernity versus tradition is a biased one, with no real scientific or objective grounds to justify it. He considers the modernization paradigm theoretically flawed, as it puts the blame on developing countries without solid arguments. From a methodological point of view, he criticizes it because it is rooted in the tradition of evolutionism that does not pay particular attention to the source of change. From a logical point of view, he criticizes its theoretical assumptions that wrongly appear to imply that a sequence of events in chronological order is enough to establish a "link of cause-effect" (Servaes, 1991, p.56). Finally, one of the major points raised against modernization by many of its critics lies in the predominant, if not exclusive, focus on the economic dimension, thus neglecting other aspects of human life (Mody, 2003). And yet, this paradigm appeared to have greatly failed precisely in its main mission, i.e., to foster economic growth in the developing world.

Criticisms of this paradigm became so intense that even its main proponents started to re-evaluate some of their major assumptions. Rogers (1976) openly acknowledged some of the main flaws of the dominant modernization school by highlighting "the discouraging realization that development was not going very well in the developing countries that had closely followed the paradigm" (1976, p. 14). He

started to reflect upon those flaws and paid more attention to the people at the other end of the development equation by recognizing the need for a different, more people-based, approach. Nevertheless, he still could not escape from the boundaries of the traditional vertical and linear communication model. The attempt to rethink the dominant paradigm resulted in an ambiguous approach (e.g. Rogers' references to Maoist China), which on one side supported the need for popular participation and, on the other, was unable to step out of the old one-way linear flow of communication.

The history of telecommunication infrastructure development in Ethiopia between 1952 and 1992 was highly influenced by a line of thinking that is consistent with the modernization paradigm. The Ethiopian government received a significant amount of assistance in the form of loans from the International Bank of Reconstruction and Development (IBRD) and International Development Association (IDA) for the purpose of expanding modern communications systems in Ethiopia (see Chapter V).

The Hegemony of the Global Neo-liberal Order

The Washington Consensus

The term "Washington Consensus" was coined in 1989 by the economist John Williamson to describe a set of ten relatively specific economic policy prescriptions that he considered constituted the "standard" reform package promoted for "salvaging" crisis-wracked developing countries (Serra and Stiglitz, 2008; Williamson & Institute for International Economics, 1990). The prescriptions encompassed policies in such areas as macroeconomic stabilization, economic opening with respect to both trade and investment, and the expansion of market forces within the domestic economy. The Washington Consensus essentially became the practical interpretation of the broader neo-

liberalism movement (Held, 2004; Jomo and Fine 2006).

The Washington Consensus is a convergence of the policies of the World Bank, the IMF, the U.S. Treasury, and subsequently other institutions such as the WTO and the European Central Bank. In an extreme sense, neo-liberalism as a hegemonic project cannot be analyzed in isolation from globalization and imperialism, and concentrates power and wealth in local and transnational elite groups around the world by transferring state-owned assets to private people and transnational corporations (Saad-Filho & Johnston, 2005).

Tenets of Neo-liberal Economics

Neo-liberalism is an updated version of the classical liberal economic thought that was dominant in the U.S. and U.K. prior to the Great Depression of the 1930s. From roughly the mid 1930s to the mid 1970s, a new interventionist approach—Keynesian economics—replaced classical liberalism, and it became the accepted belief that capitalism requires significant state regulation and central planning in order to be viable. In the 1970s, classical liberalism made a rapid comeback, first in academic economics and then in the realm of public policy (Chomsky, 1999; John, 2010; Leitner, Peck, & Sheppard, 2007).

Many progressive economists viewed the 1970s leap toward liberalism as a temporary response to the economic instability of that decade (Harvey, 2005). As corporate interests decided that the Keynesian regulationist approach no longer worked to their advantage, they looked for an alternative and found only the old liberal tenets, which could at least serve as an ideological basis for cutting those state programs viewed as obstacles to profit-making (Touraine, 2001). However, neo-liberalism has proved to be

more than just a temporary response. It has outlasted the late 1970s and early 1980s, culminating in right-wing political victories in Margaret Thatcher's United Kingdom and Ronald Reagan's United States. Even with Thatcher and Reagan gone, neo-liberalism solidified its position of dominance under a Democratic Party administration in the U.S. and a Labor Party government in the U.K. in the 1990s and into the new millennium.

An economic theory that has redefined Western capitalism since the turn of the last quarter of the 20th century, neo-liberalism formed the bedrock of American and British-led global economic reform. It advocated a largely unregulated capitalist system (a free market economy), which not only embodies the ideal of free individual choice but also claims to achieve optimum economic performance with respect to efficiency, economic growth, technical progress, and distributional justice (Chomsky, 1999; Davis & Monk, 2007). The state is assigned a very limited economic role: defining property rights, enforcing contracts, and regulating the money supply. State intervention to correct market failures is viewed with suspicion, on the ground that such intervention is likely to create more problems than it solves. The policy recommendations of neo-liberalism are concerned mainly with dismantling what remains of the regulationist welfare state. These recommendations include deregulation of business; privatization of public utilities and assets; elimination of, or cutbacks in, social welfare programs; and reduction of taxes on businesses and the investing class. In the international sphere, neo-liberalism calls for free movement of goods, services, capital, and money but not people across national boundaries (Campbell & Pedersen, 2001; Steger & Roy, 2010; Touraine, 2001). That is, corporations, banks, and individual investors should be free to move their property across national boundaries, and free to acquire property across national boundaries, although

free cross-border movement by individuals is not part of the neo-liberal program.

The neo-liberalism project has had a tremendous effect on most people around the world. It penetrates private homes through the dominant media, shapes working environments in the form of fierce competition and anti-labor legislation, increases the gap between rich and poor and determines the architectural design of public and private spaces in form of gated communities and increased surveillance systems (Chomsky, 1999).

Dependency, Debt amd Structural Adjustments: Neo-liberal Prints in Africa

The globalization of neo-liberalism, as profitable as it has been for the West's gigantic banks and transnational corporations, has brought detrimental dependency to African and Latin American countries. By the end of the 1990s, the world's poor in developing countries owed more than US$1.3 trillion to industrialized countries. Among the largest debtors were Brazil ($116 billion), Mexico ($97 billion), and Argentina ($61 billion). As George (1990) notes:

> Debt is an efficient tool. It ensures access to other peoples' raw materials and infrastructure on the cheapest possible terms. Dozens of countries must compete for shrinking export markets and can export only a limited range of products because of Northern protectionism and their lack of cash to invest in diversification. Market saturation ensues, reducing exporters' income to a bare minimum while the North enjoys huge savings. The IMF cannot seem to understand that investing in … [a] healthy, well-fed, literate population … is the most intelligent economic choice a country can make (p.143).

Of the total developing-country debt, roughly half is owed to private creditors, mainly commercial banks (Duggan, 2003). The rest consists of obligations to international lending organizations or neo-liberal flagship institutions such as the IMF and the World Bank, and to governments and government agencies—export-import banks, for example. The world's poorest countries, mostly in Africa and South Asia, were

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never able to borrow substantial sums from the private sector and most of their debts are to the IMF, World Bank, and other governments (Duggan, 2003).

IMF and the World Bank: The Institutional Couriers of Global Neo-liberalism

The debt crisis took a large toll in sub-Saharan Africa. Despite the IMF and World Bank's claim that their chief target is to reduce poverty, their SAPs have been imposed to ensure debt repayment and economic restructuring. SAPs basically required poor countries to reduce spending on things like health, education and development, while debt repayment and other economic policies have been made the priority. In effect, the IMF and World Bank have required that poor countries reduce the living standards of their citizens (Bauzon, 1992). The aggressive prescription of SAPs was most felt since the early 1980s in many developing countries in sub-Saharan Africa when they experienced an economic depression. This depression manifested itself in a decreasing per capita income, an increase in foreign debts and an increase in government deficits (Duggan, 2003). The gravity of the problem was profound as most African countries had to contend with inefficient production processes and inadequate institutions.

Africa's poor economic development from the end of the 1960s onward continued during the 1980s. The World Bank introduced adjustment loans that were to finance reform programs for the given country's entire economy or a specific sector of the economy based on conditionalities. Since its establishment in the 1950s, but mainly after the end of the 1980s, the IMF has had a considerable influence by means of stabilization loans on policies in developing countries faced with economic difficulties. Presently, in almost all African countries, stabilization and SAPs have been put into effect, all of which are determined by World Bank and IMF conditionalities. In effect, the stringent

SAPs devised by the IMF and World Bank in response to this poor economic development forced 29 of these countries to adopt the neo-liberal model before the decade was over (Danaher, 1994).

As economist Robin Hanhel (1999) summarizes, the SAPs prescribed by the IMF for troubled Third World economies basically include: (a) monetary austerity to squeeze the money supply "to increase internal interest rates to whatever heights needed" to stabilize the value of the local currency; (b) fiscal austerity to increase tax collections and reduce government spending dramatically; (c) privatization to sell off public enterprises to the private sector; and (d) financial liberalization to remove restrictions on the inflow and outflow of international capital as well as restrictions on what foreign businesses and banks are allowed to buy, own, and operate. Only when governments sign this "structural adjustment agreement" does the IMF agree to (a) lend enough itself to prevent default on international loans that are about to come due and otherwise would be unpayable; and (b) arrange a restructuring of the country's debt among private international lenders that includes a pledge of new loans.

Despite Africa's adoption of free-market imperatives constructed in the global North, the continent saw a free fall in commodities trade between the 1970s and the 1990s (Danaher, 1994). Instead of economic recovery and repayment of all external debts, the neo-liberal prescription has seen the lowest rates of economic growth ever recorded in Africa, along with rapidly rising disparities in wealth and well being (Bush, 2007).

The Theory of the Developmental State

After the end of WWII, many developing countries in Africa, Asia and Latin America were engaged in independence, decolonization, and nation building processes. When independence movements were coming to an end, nations had to immediately embark on the challenge of nation building. In the absence of a meaningful private sector and strong public institutions, these nations embraced a state-led model of development in order to bring about industrialization, entrepreneurship and macroeconomic stability. The centrality of state intervention in the development schemes of these fragile economies was endorsed by the formation of UN regional commissions like United Nations Economic Commission for Africa (UNECA) and United Nations Economic Commission for Latin America (UNECLA). A central idea associated with this "structuralist" development theory was the belief that because an underdeveloped economy is inherently prone to market failure, the state should play a central role in correcting it.

By the end of the 1970s, however, many of the African and Latin American countries that adopted state-led development policies started experiencing devastating strings of economic crises. Although there was a tendency to hastily ascribe the cause of these crises with what came to be known as "state capture"—political corruption in which private interests significantly influence a state's decision-making processes—a combination of different factors including deteriorating terms of trade, increase of real interest rates in external debt, reduced inflow of resources, accelerated capital outflows, political disorder, civil wars, misguided protectionist policies and other external and

internal considerations contributed to the setback (Bates, 1981; Ghai & Alcántara, 1990; Lockwood, 2006).

When countries that embraced state-led development were going through a series of economic recessions in the 1970s and 80s, neo-liberal policies of market fundamentalism were gaining momentum in the United States and the United Kingdom. A resurgent neoclassical paradigm and the neo-liberal economic measures attacked structuralism on the ground that state intervention aimed at facilitating import-substituting industrialization was bound to germinate inefficient industries that cannot compete with international benchmarks and that leech state resources through perpetual subsidization. Extensive government intervention, neo-liberal theorists argued, escalated "rent seeking" substantially which, in turn, oriented economic agents to focus on lobbying for increased subsidies and protectionist policies (Öniş, 1991). Consequently, neo-liberal groups led by the IMF and the World Bank rebuked state intervention as an antithesis of development and insisted that poor countries eliminate government controls, promote trade liberalization, and foster the private sector. In a nutshell, the role of the state was to be demoted so that markets, with the private sector at the driver's seat, can thrive (World Bank, 1991). The results brought by these recommendations to many African and Latin American countries that adopted privatization and liberalization were mostly disastrous. In the end, state capacity was severely impeded and the welfare of the poor was retracted.

Whereas Latin American and African countries that were dragged into the Washington Consensus experiment underwent deteriorating economic and human conditions, a handful of the Asian countries that persisted on a unique design of state-led

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development were consistently thriving in the 1980s and 1990s (Chan, Clark, & Lam, 1998; Chari & Corbridge, 2008; White & Gray, 1988). Over the past 30 years, the so-called "Asian Tigers" (Hong Kong, Singapore, South Korea and Taiwan) and later China transformed from poor agrarian societies into become highly industrial countries. Since then, the development paths of these countries, particularly in terms of understanding the role of the state, has been studied and scrutinized by development policy makers, politicians and academics. Recognition of the economic success of East Asia rejuvenated interest in the vitality of the state in engineering developmental strategies and directions. The prominence of programs like the Millennium Development Goals (MDGs) and Poverty Reduction Strategy Papers (PRSPs) since the beginning of the 21st century emphasize the need for a state with a committed agenda to providing, among other things, universal healthcare and education. The re-emergence of state-led development also gave birth to discussions emphasizing the need for the state to engage heavily in institutional capacity building. Institutions were singled out as key factors in the development trajectories of nations. Strong and capable institutions started to be seen as prerequisites of economic development (Acemoglu, Johnson & Robinson, 2001; North, 1990; Rodrik, 2003).

This institutionalist counter-critique of market fundamentalism should be understood as a process in which "states have played a strategic role in taming domestic and international market forces and harnessing them to national ends" (Öniş, 1991, p.110). In other words, although rapid industrialization was a key component of East Asian development strategy, the industrialization process was not left to be conditioned by market rationality, but rather by a directional thrust of a strong autonomous state. The

institutionalist construct, therefore, rejects the either-or proposition of the state-market

dichotomy and explores ways to strike balance between state intervention and market

forces for optimal development results. As Öniş (1991) argues, the institutionalist

countercritique debunks the assumption that the state and markets are mutually exclusive

forces:

> At a very crude level, to propose market-oriented and state-led development as alternatives is simply ahistorical and misleading. All successful cases of "late industrialization" have been associated with a significant degree of state intervention. The problem, therefore, is to find the appropriate mixture of market orientation and government intervention consistent with rapid and efficient industrialization. Equally central is the issue of which set of institutional and political arrangements is compatible with the appropriate mix of state intervention and market orientation in the economy. Hence what we observe in the context of the institutionalist countercritique is a fundamental shift of the problem from the state-versus-market dichotomy towards differences in the ways that market-oriented or capitalist economies are organized and towards how these organizational differences contribute to the contrasts in both policies implemented and the subsequent economic performance (p. 110).

Within this institutionlist approach rests the theory of the "developmental state" that

has been used to make sense of the East Asian industrialization. "Developmental state,"

Woo-Cumings (1999) writes, is "a shorthand for the seamless web of political,

bureaucratic, and moneyed influences that structures economic life in capitalist Northeast

Asia" (p. 1). Chalmers Johnson (1982), who is credited as a pioneer in the theory after

his 1982 seminal work *MITI and the Japanese Miracle* describes the concept as a "plan-

rational" state where "the politicians reign and the state bureaucrats rule" (Johnson, p.

19). According to Johnson, the "plan-rational" state shaped socio-economic development

as it intervened in the development process and established "substantive social and

economic goals" (p. 19). Loriaux (1999) contends the developmental state is "an

embodiment of a normative or moral ambition to use the interventionist power of the

state to guide investment in a way that promotes a certain solidaristic vision of national economy" (p.24). Similarly, Ha-Joon Chang (1999) argues "economic development requires a state which can create and regulate the economic and political relationships that can support sustained industrialisation [sic]—or in short, a developmental state" (p.183). In this sense, the appropriation of the developmental state model as a development strategy by a nation essentially implies departure from a neo-liberal economic thinking and drifting toward the direction of state interventionism.

State intervention here, however, shouldn't be confused with centrally planned economies of Central and Eastern Europe where socio-economic development was seriously hampered. Instead, the developmental state is a strong-disciplinary state, which directs and guides private businesses with "unusual degree of bureaucratic autonomy" (Öniş 1991, p. 114). In turn, this political autonomy from the short-term interest of private sector" makes it possible for the state "to shift policy toward a more outward-looking growth strategy" (Haggard & Harvard University, 1990, p. 40) as well as to "avoid becoming the captive of its major clients" (Johnson 1985, p. 81). However, Chang (2003) warns that although a politically authoritarian regime is usually a necessary precursor of the developmental state, this scenario doesn't always supply a sufficient condition. In order for an authoritarian state to successfully transform into a developmental state, economic decision making bodies need to be shielded from all political and economic pressure groups. This is to be complemented by "an authoritarian, executive-based political structure" that can guard "the feebleness of the legislature" (Wade, 1988, p. 159).

Mkandawire (2001) argues the developmental state has two components. In terms of *ideology*, the developmental state is self-explanatory in that it presumes economic development precedes and trumps all other priorities. In this sense, the developmental state "establishes as its principle of legitimacy its ability to promote sustained development, understanding by development the steady high rates of economic growth and structural change in the productive system, both domestically and in its relationship to the international economy" (Castells, 1992, p. 55). The role of the elite, Mkandawire (2001) contends, is "to establish an 'ideological hegemony,' so that its development project becomes, in a Gramscian sense, a 'hegemonic' project to which key actors in the nation adhere voluntarily" (p. 290). The *structure* component involves institutional, technical, administrative and political capacities to implement economic policies effectively and efficiently. "Underlying all these is the *autonomy* of the state from social forces so that it can use these capacities to devise long-term economic policies unencumbered by the claims of myopic private interests" (Mkandawire, 2001, p.290, emphasis in original). While the developmental state, Mkandawire argues, should be a "strong state" as opposed to what Myrdal (1968) referred to as the "soft state" that lacks administrative power and political will to advance its development goals, it should also have some "social anchoring that prevents it from using its autonomy in a predatory manner and enables it to gain adhesion of hey social actors" (p. 290). In other words, given the developmental state concentrates substantial power within the leading political elite by its very design, it may be prone to incubate clientalist and rent seeking tendencies that, if not contained, may hijack economic development altogether.

Although the developmental state embraces a capitalistic ethos, its motive is not driven by profit. "A disciplined (or developmental) state refers to one that advances capital rather than accumulating it, or at least does not allow its own enrichment to derail the development effort" (Amsden, 1989, p. 148). In this sense, not all interventionist states are developmental states. A genuine developmental state doesn't intervene in all matters of the economy. Effective state intervention in the developmental state is, therefore, not haphazard and unmethodical, but is founded, according to Öniş (1991), on the grounds of "unusual degrees of bureaucratic autonomy and public-private cooperation" (p.114) that defend against deliberate or unintentional abuse of power by political and economic decision makers:

> The coexistence of these two conditions allows the state and the bureaucratic elites to develop independent national goals and, in the subsequent state, to translate these broad national goals into effective policy action. The coexistence of these two conditions is critical. In fact, in the absence of bureaucratic autonomy public-private cooperation easily degenerates into situations in which state goals are directly reducible to private interests (Öniş 1991, p. 114).

The Developmental State Experiment in Africa

A key question that naturally followed after the East Asian economic success story is whether the developmental state model is transferable or replicable in different national contexts. According to some commentators, the transferability of this model is a result of distinct historical circumstances that are difficult to replicated elsewhere. Some elements, like "the unusual degree of bureaucratic autonomy and capacity, and the equally unique and unusual degree of public-private cooperation," according to Öniş (1991), are difficult to be emulated. Others have argued that the East Asian developmental state lacks stability in that bureaucratic autonomy and public-private cooperation—necessary conditions for

the success of the developmental state—have a naturally tense relationship (Amsden, 1989).

The notion of the development state was particularly appealing for Africa and Latin America where overall economic development, aggravated by global market conditions, hit hard times in the course of the 1970s. In the case of Africa, although this posed a serious setback in the development agenda of many nations, Mkandawire (2001) contends, "for most of the first generation of African leaders 'development' was certainly a central preoccupation" (p. 295). Mkandawire also argues that Africa didn't develop not because nations didn't embrace a developmental state ethos but because of unfortunate circumstances that didn't make possible the minimum conditions for a development state to flourish:

> In Africa, we have many examples of states whose performance until the mid-1970s would have qualified them as 'developmental states' (…), but which now seem anti-developmental because the hard times brought the economic expansion of their countries to a halt (pp. 291, 295).

This view is contested by others like Ake (1996) who view the postcolonial ruling elite as leaders who were primarily interested to consolidate their own power instead of pursuing socio-economic development. For Ake (1996), these states implemented policies so as "to facilitate the appropriation of wealth by means of state power" (p. 6), thereby becoming "the greatest impediment to development" (p.2) instead of forces of development. He adds:

> The politics that rendered development improbable has made the adoption of an ideology of development inevitable. For the political elites struggling to maintain their power and to produce their dominion amid the problems of the postcolonial era, the ideology of development has been an effective strategy of power that addresses the objective necessity for development (p. 16).

It is amidst these conflicting interpretations that reflect the varying developmental experiences of postcolonial Africa that the East Asian development state model has come under intense debate. As Meyns and Musamba (2010) highlight, African postcolonial developmentalism may fall short if it is compared against the defining features of the developmental state. In addition, given the rapid transformations in global economy in the past decade, the perception of the developmental state may have died particularly after the East Asian financial crisis in the late 1990s (Fine, 2006).

In spite of the developmental state model setback, there is evidence for the possibility of developmental states to work in the African continent. It is true that many governments in Africa characterize themselves as developmental states to put a positive light into their policies, although this self-assigned characterization doesn't necessarily prove the existence of the development state. However, there are some African states like Botswana that have been regarded as successful developmental states (Lockwood, 2006). In this sense, the developmental state is still conceivable if the right conditions are hatched, which in turn gives some validity to the argument that the notion of the development state is not necessarily ahistorical and unique per se, but rather deliberately constructed and effectuated:

> Lessons from other parts of the world clearly suggest that appropriate institutional structures did not always exist, but that they could be socially engineered. The experience elsewhere is that developmental states are social constructs consciously brought about by political actors and societies. As difficult as the political and economic task of establishing such states may be, it is within the reach of many countries struggling against the ravages of poverty and underdevelopment (Mkandawire, 2001, p. 310).

The problem with the developmental state model, for some critics, is not necessarily in its theoretical raison d'etre but rather in its execution. This is particularly

evident in the case of the Ethiopian state that characterizes itself as a developmental state where the ruling elite EPRDF has designed a political program according to the propositions of the model. While EPRDF argues that the notion of development trumps all other priorities, critics argue that the party's adoption of the developmental state theory into a political program is nothing more than an attempt to institutionalize rent seeking interests of the ruling elite. Consequently, for these critiques, what we have in Ethiopia is not a developmental state per se, but rather a neopatrimonial state that lodged a complex legal-rational bureaucracy to appropriate public resources into the group and individual interests of the ruling elite.

The Theory of the Neopatrimonial State

The Weberian Roots of Neopatrimonialism

In the process of making inquiries and offering explanations about the African economic challenge, one of the mainstream lines of thinking that came to dominate Western scholarship toward the African development is neopatrimonialism. Although neopartimonialism has evolved and expanded to embrace a wide variety of connotations, it was originally used as part of Weber's notion of "patrimonialism" which refers to "a type of government organized as an extension of the ruler's own household" (Van de Walle, 1994, p.131). Whereas kinship and family ties are common ways of consolidating a patrimonial order, Le Vine (1980) argues patrimonialism transcends blood relationships to grant "fictive kinship to those whose ties with the head of the household may be based on other than biological or family liaisons—for example, contract, alliance, coercion or titular service" (p. 658). In other words, patrimonialism involves:

> …an instrumentally profitable lack of distinction between the civic and personal spheres. The ruler allocates political office to his clients on the basis of patronage,

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rather than according to the criteria of professionalism and competence which characterize the civil service (Chabal & Daloz, 1999, p. 5)

The addition of the prefix "neo" implies neopatrimonialism has now a new dimension of meaning from the historical connotation of what patrimonialism represents particularly in association with Weber (Bach, 2011). In other words, neopatrimonialism embraces a façade of modern governance through bureaucracy and institutions although these entities are deflected to serve the interest of the ruling elite:

> As with classic patrimonialism, the right to rule is ascribed to a person rather than to an office. In contemporary neopatrimonialism, relationships of loyalty and dependency pervade a formal political and administrative system and leaders occupy bureaucratic offices less to perform public service than to acquire personal wealth and status. The distinction between private and public interests is purposely blurred. The essence of neopatrimonialism is the award by public officials of personal favours [sic.], both within the state … and in society … (Bratton & Van de Walle, 1994, p. 458)

The concept of neopatrimonialism essentially encompasses a dualistic nature where "the state is characterized by patrimonialisation and bureaucratization" (Bach, 2011). This fusion, a quintessential characteristic of the neopartimonial state, assumes a scenario where the "patrimonial logic coexists with the development of bureaucratic administration and at least the pretence [sic] of legal-rational forms of state legitimacy" (Van de Walle, 1994, p. 131). Such dualism can effectively translate into a wide array of empirical situations. These mirror variations in the state's failure or capacity to produce "public" policies.

Neopatrimonialism, in this sense, is a modern, sophisticated form of patrimonialism in which "patrimonial logic coexists with the development of bureaucratic administration and at least the pretense of legal-rational forms of state legitimacy" (Van De Walle, 1994, p.131). The emphasis on the coalescence between "patrimonial logic" and "legal-rational

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forms" is also shared by Clapham (1985), who describes neopatrimonialism as a form of organizations in which "relationships of a broadly patrimonial type pervade a political and administrative system which is formally constructed on rational-legal lines. Officials hold positions in bureaucratic organisations [sic] with powers which are formally defined, but exercise those powers…as a form…of private property (p. 48).

Although neopartimonialism and patrimonialism share a basic attribute in that both imply a clientalist order, their manifestation is different. Under partimonialism, there is no distinction between the private and the public and all political, administrative as well as economic relations between the ruler and the ruled are personal. The ruler doesn't distinguish between his/her resources from that of the public. All power relations between the ruler and his subjects are meant to serve the personal interest of the former. Under neopatrimonialism, however, there is at least a formal division between what is public and private, and as Erdmann and Engel (2007) argue, neopatrimonial rule "takes place within the framework of, and with the claim to, legal-rational bureaucracy or 'modern' stateness" (p. 105). In essence, the ruling elite appropriate and condition what seems to be a legal bureaucratic system that reflects the interest of the public to their own ends. Erdmann and Engel (2007) elaborate this sophisticated infiltration of the personal into the public as follows:

> Formal structures and rules do exist, although in practice the separation of the private and public sphere is not always observed. In other words, two role systems or logics exist next to each other, the patrimonial of the personal relations, and the legal-rational of the bureaucracy. These spheres are not isolated from each other. Quite to the contrary, they permeate each other: the patrimonial penetrates the legal-rational system and twists its logic, functions, and output, but does not take exclusive control over the legal-rational logic. That is, informal politics invades formal institutions. Informality and formality are intimately linked to each other in various ways and by varying degrees; and this mix becomes institutionalised [sic] (p.105).

Another interpretation of what constitutes the neopatrimonial state as highlighted by Davies (2008) incorporates two key features of governance. Firstly, the neopatrimonial state personalizes political authority significantly both as an ideology and as an instrument. Secondly, such governments develop a conflicting legal-rational bureaucratic system and clientelistic relations with the latter usually dominating over the former. A number of scholars treat clientelism and patronage as integral components of neopatrimonialism (Bratton and van de Walle, 1994; Erdmann and Engel, 2007; Eisenstadt, 1973). Clientelism represents "the exchange or brokerage of specific services and resources for political support, often in the form of votes" involving "a relationship between unequals, in which the major benefits accrue to the patron" and "redistributive effects are considered to be very limited" (Erdmann and Engel, 2007, p. 107). In a broad sense, it is the complexity and sophistication of this "brokerage" that distinguishes neopatrimonial clientelism from patrimonial clientelism. Unlike the "direct dyadic exchange relation between the little and the big man" (Erdmann and Engel, 2007, p. 107) that is characteristic of patrimonialism, the neopatrimonial state needs a network of brokers that are permeated into a bureaucratic nexus where they can render the interest of the political center to the periphery (Powell, 1970; Weingrod, 1969). In addition to the level of complexity, another important factor that distinguishes a neopatrimonial order from that of patrimonial lies in the object of the exchange involved:

> The transactions are less about the exchange of private or personal goods and services but more about the transfer of public goods and services by the patron. Although clientelism can be linked to kinship, often it is not. It can be based on some kind of 'traditional' relations, but it has to be understood as a modern phenomenon, linked to the existence of a state (Erdmann and Engel, 2007, p. 107).

According to Erdmann and Engel (2007), the conceptual relationship between neopartimonialism and clientelism lies in "uncertainty." This uncertainty is usually created by the unpredictability, capriciousness or inability of public institutions, which in turn prompts the client to come to the patron in search of protection "either to avoid something or to be assisted in gaining something which otherwise would not be obtainable" (Erdmann and Engel, 2007, p. 108). When clients pursue the path of patrons at the expense of institutions, uncertainty is bound to be reproduced, disseminated and instituted. The result is the creation of a bureaucratic structure which is utterly inept, thereby manufacturing more uncertainty for the client who in turn flocks to the ever preoccupied patron who now accumulates unprecedented power. In this sense, clientelism is to be understood as "an answer to the institutional uncertainty created by neopatrimonial rule" (Erdmann and Engel, 2007, p. 108). This, however, doesn't necessarily imply the neopatrimonial state and its clientelist machinery would reach an impasse:

> [T]he situation created by a widely used clientelist strategy is not necessarily one of chaos, because if officials or official institutions are confronted with competing clientelistic demands, they can take refuge in the formal rules that they are supposed to exercise. It is also important not to forget that there may be circumstances in which the interests of the politically or economically strong are better supported by the official legal-rational rules than by informal political relations. The result can be that the formal rules will be supported and advanced rather than circumvented and diminished (Erdmann and Engel, 2007, p. 108).

The Postcolonial African State as a Neopatrimonial State

Although most postcolonial African political elites elevated economic development as the most important agenda of their nations—at least at the level of discourse and policy—the economic conditions of most of these countries remained unchanged or, in some cases, turned into chronic underdevelopment. Between the 1960s and the 1980s,

most African states have experimented state-led development paths and later free market policies to a detrimental effect. Whereas the East Asian economic success inspired many African countries to adopt the "developmental state" construct, critics of postcolonial African governance essentially characterized African states as neopatrimonal and anti-developmental. At the heart of the neopatrimonial and anti-developmental characterization of postcolonial Africa is the assumption that Africa's developmental challenges and economic misfortunes are inherently caused by internal factors.

The notion of neopatrimonial governance was originally used by European scholars in the late 1970s to justify why the postcolonial African country is essentially an "anti-development" state. More notably, it was French political scientist Jean-François Médard who was one of the first to provide an analysis of neopatrimonial rule in an attempt to explain causes of underdevelopment in Cameroon (Bach & Gazibo, 2011). Médard saw Cameroon as a strong, authoritarian yet impotent state where private patrimony took political administrative authority and bureaucracy hostage. For Médard, political discourses, institutions and legal frameworks were only instruments to give a mirage of a legal-rational bureaucratic logic where in reality the distinction between public domain and private interest contradicted and made to lose substance (Bach, 2011).

Such predominantly Eurocentric characterization of postcolonial Africa as "neopatrimonal" and "anti-developmental" was proposed, among others, by Richard Sandbrook who directly linked "the private appropriation of the state's powers" to the developmental failure of African states (Sandbrook, 2000, p. 59). For Sandbrook, the neopatrimonial state is a quintessence of the anti-developmental state, with "economic objectives [subordinated] to the short-run exigencies of political survival" for the ruler

and his regime (Sandbrook, 2000, p. 59). Others would go as far as referring to the so-called neopatrimonial rule in Africa as an "institutionalised curse" (Hyden, 2000, p.19). Peter Evans, who identified different archetypes of development trends cites Mobutu Sese Seko's Zaire as the typical predatory and anti-developmental state where "the preoccupation of the political class with rent seeking has turned the rest of society into prey." The African neopatrimonial state is thus a model anti-developmental state where a clear demarcation between an "effective public arena," private interests, organizations and loyalties is absent (Kohli, 2004, p. 408). In essence, the sole interest of the rulers of the neopatrimonial state rests upon "maintaining power" and "privatizing public resources for personal gain or gain by [their] ethnic communities" (Kohli, 2004, p. 289).

Postcolonial Africa experienced a number of instances where rulers exerted complete authority over their populace. The colonial experience sowed the first seeds of neopatrimonialism where the colonizer ruled the state with arbitrary and capricious political and economic decisions that oscillate based on what outcome best represents its interests. Such treatment of the state as a private property crept into postcolonial Africa's leaders who were remotely detached from the actual circumstances of their state. As Sandbrook (1985) states, such self-centered rule created an atmosphere of suspicion and intrigue where "the chief can become isolated…and grows increasingly divorced from reality" as a result of believing his own propaganda" and "uncritically accepting the praises sung by his sycophants" (p. 92).

Because the colonial state was essentially a traditional state with certain features of an old empire, Erdmann and Engel (2007) argue, "the legal-rational sphere was confined to the centre [sic] of power in the colonial capital and its reach to the population of

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European descent and some small immigrant groups" (p. 106). This left the vast majority

of the population under the indirect rule of intermediaries that include kings, chiefs and

elders. With little time for Africans to get an "education" about legal-rational

bureaucratic governance, the continent was destined for neopatrimonial design:

> It was only during a short period that lasted hardly a decade after World War II that the colonial powers made an effort to build up a legal-rational bureaucracy that included and extended to Africans to some degree. The period was too short and the resources too small for there to have been a major and lasting move to an 'autonomous' legal-rational bureaucratic culture. After independence, with the Africanisation [sic] of the bureaucracy and the establishment of authoritarian rule, the bureaucracy was extended and at the same time challenged and invaded from above and below by informal relationships. Thus, the state in Africa has always been a hybrid one, a mixture of patrimonial and legal-rational domination (Erdmann and Engel, 2007, p. 106).

In addition to being a colonial residue, the rise of the "big-men"[24] in Africa,

according to Davies (2008), had been facilitated by the consent and endorsement of these

rulers by the people along ethnic lines. Davies argues this situation reflects a "vertically

integrated, ethnically aligned nature of the patron-client system" where "big-men" are

embraced as "legitimate representatives of their ethnic client groups, provided they vie

for their 'collective' interests at the national level, and redistribute some of their wealth

back down the chain" (p. 75).

Regulatory vs. Predatory Neopatrimonialism

For scholars who characterize postcolonial African states as neopatrimonial, not all

instances of 'big-men' rule constitute a uniform manifestation of neopatrimonialism, if

there is such a thing. Bach (2011) distinguishes between two types of African

neopatrimonal states: regulated and predatory. Regulatory neopatrimonialism is related to

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[24] In political science "big man" usually refers to corrupt, autocratic and often totalitarian rule of countries by a single person.

what he calls "ethnoregional balance," in which "the distribution of resources and

prebends by the ruler is sometimes formalised [sic] and can take place on an inclusive

base" (p. 278). Regulatory neopatrimonialism has a potential to cultivate a sense of

mutual coexistence because the method involved is usually based on cooptation and

redistribution as opposed to coercion. In this sense, regulated neopatrimonialism,

although traditional manifestations of public ethics and common good are undermined,

provides its own make of "moral economy" so long as compliance is ensured (Bach,

2011, p. 278).

Predatory neopatrimonalism, on the other hand, refers to "systems where personal

rule and resource control reach a paroxysmic level" with a consequent institutionalization

and therefore the state" (Bach, 2011, p. 279). In predatory neopatrimonalism, the notion

of the public sphere is practically inconceivable or lost. "The privatisation [sic] of the

public sphere is carried to such extremes that it becomes conducive to its dissolution" (p.

279). With unrestricted control at the disposal of the ruler, such a state is bound to be

coercive and lacks the limited public sphere window afforded by regulated neopatrimony:

> The ultimate outcome of such a pattern may be the combination of kleptocracy
> with a narrowly defined distributive bias. The very notion of a 'neopatrimonial
> state' becomes then an oxymoron. Conversely, regulated neopatrimonialism infers
> some capacity to craft 'public' policies but this may, over time, build-up into an
> increasingly 'legal-rational' *modus operandi* of the state. To put it differently, an
> operational distinction has to be drawn between patrimonial practices *within* the
> state and the patrimonialisation of the entire state (Bach, 2011, p. 280, emphasis in
> original).

As I discussed earlier, the self-proclaimed "developmental state" characterization

of the Ethiopian state has received strong criticism from different scholars (Bach 2011;

Easterly, 2014; Vestal 1999) who accuse the ruling party of EPRDF of abusing human

rights and appropriating public resources for the purpose of sustaining control. EPRDF's

"hegemonic development" ideology and its critiques, represented by telecommunications (de)regulation debates involving the Ethiopian state and IMF in the present study, inform the analysis presented in Chapters VI and VII. The purpose of the discussion on these contesting theories has therefore been to make sense of the nature and motives of the Ethiopian ruling elite presently. I will now discuss the philosophical tenets of critical political economy, which will be useful in framing the analyses of some of the key themes of this study including the commodification of surveillance and deregulation in telecommunications.

Approaching Global Neo-liberalism through Critical Political Economy

The tension between IMF and the Ethiopian state in the regulation-deregulation debate regarding the Ethiopian telecommunication sector—a central theme of investigation in this study—represents a tension between the neo-liberal agenda of aggressive privatization and that of an independent nation state's policy of "developmental statism" and market regulation. It is in this context that a critical political economy approach is essential to understand the global telecommunications domination race and the motives of the stakeholders involved.

What Is Political Economy?

Amidst a prevailing profit-driven global capitalist order, it is hardly surprising that the global communication infrastructure is increasingly becoming privatized (Thussu, 2007; McChesney and Schiller, 2003; and Winseck, 1998). This allows the production and distribution of media content to be controlled by a small number of international multi-media organizations that treat the production and distribution of media as commodities.

Mosco defines political economy as "the study of the *social relations, particularly the power relations, that mutually constitute the production, distribution, and consumption of resources*" (1996, p. 25, emphasis in original*). Expanding on this definition Babe (1995) notes that the relationship between power relations and the market is quite complex and that it is the goal of the political economist to clarify the nature of this relationship. The political economy of communication, then, entails the study of power and its relationship between the production, distribution and consumption of communication. Communication in this circumstance is defined as a social process of exchange where the product of that exchange is information which contains within it the embodiment of social relationships (Mosco, 1996). In this sense, the study of the political economy of communication is the study of how structural and institutional forces influence the process of communication.

There is a wealth of literature that uses the political economy of communication approach to examine the possible impact of treating the production and distribution of media content as a privatized commodity in an increasingly free market capital system. For example, Mosco (1996) summarizes the claims of the neo-liberal perspective, whose advocates argue that the privatization of media in increasingly free markets will stimulate the production and distribution of a wider variety of media content, thereby providing consumers with endless amounts of information that will help society progress. Critics of this view, however, argue how the race for privatization can have a dystopian effect on society by concentrating the control of media production and distribution within a small select group who only produce content that benefits themselves (Bagdikian, 2004; Herman & Chomsky, 1988; McChesney, 1997; McChesney 2007; Raboy & Dagenais,

1992). According to this Marxist and institutional perspectives this can limit the diversity of information, which in turn can inhibit societal progress.

Approaches in Political Economy of Communication

According to Mosco (1996) and Babe (1995) there are three different, but related strands to the study of the political economy of communication. They are: the neo-conservative/liberal perspective; Marxist perspective; and institutional perspective. Each strand provides a different understanding of the process of communication and its relationship with the structural and institutional forces of a given society.

The neo-conservative/liberal strand traces its roots back to the work of Adam Smith (1723-1790), and in particular his "Theory of Moral Sentiment" and "An Inquiry into the Nature and Causes of the Wealth of Nations." According to the neo conservative/liberal perspective, the relationship between social relations and the market is a struggle for individual autonomy from centralized or monopolized power, i.e., the state. Proponents of this view see the transfer of market control from the state to the private sector as a means of enhancing individual autonomy by providing increased opportunity to be involved in the market, thereby stimulating and enhancing economic and social prosperity for all. The notion of communication as a resource that is produced, distributed and consumed was not acknowledged until the nineteenth and twentieth centuries when the economic and social potentials of communication were first being recognized. This occurred specifically during the transformation of the press, electronic media and telecommunication from family owned enterprises into major private businesses. It was argued that communication, as a private resource, could produce a tremendous amount of wealth by creating competitive markets that would stimulate the development and

production of communication technology and provide access to an increasingly diverse array of information that would provide many benefits to society.

Researchers within the political economy of communication who consider themselves neo-conservative/liberal political economists view communication as a resource that should be privatized to stimulate production and provide access to an increasingly diverse array of media content. In other words, they view the state as having monopoly power over the production and distribution of communication and thus accumulating power to limit the diversity of media content by only communicating information that enhances its control over society. Put simply, neo-conservatives/liberals view the production and distribution of communication as a resource to be deregulated and privatized in order to provide increased levels of market competition which they claim would, in turn, produce and communicate a more diverse array of media content throughout society. For instance, Christopherson and Storper (1989) argue that the deregulation and privatization of media structures offer greater production flexibility to provide increased market competition.

The race for deregulation and privatization in neo-liberal political economy and its emphasis on competition is hardly credible and has been critiqued by several commentators. As Wilkin (2001) points out, neo-liberal political economy model offers neither an accurate description of prevailing trends in global communication nor a prescriptive vision of the good society that allows for the idea that a good society is one in which all people can be seen as winners. For the neo-liberal world-view, Wilkin contends, "life is ultimately a competition in which the rewards go to the winners in what is (ideally) a race in which all can compete on an equal basis" (p. 74).

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Contrary to neo-liberal capitalism's "free competition" narrative, Wilkin (2001) reflects on what he calls a form of "corporate mercantile capitalism" (p. 74). According to Wilkin, a mutually reinforcing relationship exists between the interests of the world's major political and corporate agents results in a coalition of political-economic forces that structure the rules and regulations that shape the world's capitalist markets. Unsurprisingly, these rules and regulations are not intended to promote a general competition in which these already powerful core states and corporations might conceivably "lose out" to lesser rivals. On the contrary, the rules and regulations are specific: they are intended to allow for the continued dominance and control of markets by the already powerful corporate actors that are largely based in the core Western states.

The neo-conservative/liberal school of political economy conceals underlying issues of power relationships and profits. This has been challenged by the Marxist strand of political economy. The Marxist strand views the relationship between politics (power) and economics (the market) as a manifestation of class exploitation and class struggle. According to this view the relationship between the state and the market is focused around the upper class's ability to control the production, distribution and consumption of resources in order to maintain its dominance over the lower classes of society. Marxist political economists view communication as a resource that, when privatized, is used by private interests to exploit consumers by only producing media content that "sells" in order to enhance their corporate well-being, while enhancing elite power over the subordinate classes. For instance, Herman and Chomsky (1988) argue that the production and distribution of media content, specifically news content, is used as propaganda to enable large corporations, who are increasingly in control of the media industry, to

increase capital profits and thus their power and influence over society. This type of market dominance, it may be argued, distorts the types of media content produced and limits content diversity by only producing content that "sells."

The third strand of political economy, the institutional perspective, is rooted in the work of Max Weber, Thorstein Veblen and John R. Commons. Proponents of this approach focus on institutions and their influence on processes of production, distribution and consumption. Unlike the Marxist perspective which views the acquisition of capital as the dominant force affecting power relations, the institutional perspective sees institutional growth as the dominant force affecting power. In Mosco's (1996) words, "institutionalists view the maximization of power within bureaucratic structures as a more potent driving force, for better or for worse, than the maximization of profit (1996, p. 56). Put simply, power is defined by institutional status rather than capital wealth.

According to the institutional perspectives, communication may be viewed as a resource used to manipulate the production and distribution of market goods, including media content, in a way that enhances the dominant institutions' power over others. For example, Gandy (1992) argues that dominant institutions define and communicate tastes and preferences within the market to influence price and supply, and their status within society. Institutional analysis of communication organizations will, for example, illustrate interlocking relationships between media organizations and other market related organizations in order to constrain information choice to influence market behavior to favor the dominant institutions.

The increasing supremacy of capitalism and globalized markets is at the center of the neo-liberal agenda. With capitalism expanding unchecked, it is inevitable that, as

Wasko, Murdock, & Sousa (2011) point out, "the tension between private interest and public good has been significantly exacerbated" (p. 2). The powerful influence capitalist agents exert on governments leads to the weakening and eventual insignificance of public policies. This facilitates increased privatization where "the abuse of private power is blatant and commonplace" (Wasko, Murdock, & Sousa, 2011, p. 2). Where neo-liberal political economy fails to reflect on these issues, the importance of critical political economy cannot be stressed enough in dealing with contemporary global media and communications.

Related Literature and Research Questions

Research in telecommunications studies in Africa hasn't kept up with the ever-increasing importance of the sector. However, there are a few studies that have investigated certain aspects of telecommunications in Africa.

Cox (2011) examines why governments in Ghana, South Africa and Zambia did not formulate telecommunication policies that gave mobile cellular equal status with the fixed line with similar rights and responsibilities up to 2005. Cox argues equal status would have enabled mobile cellular telephony to play a primary role in the achievement of universal service. The study focuses on how the treatment of mobile cellular telephony as a complementary network and service in the international telecommunication sector became a valued group standard that consequently influenced policymaking in the domestic telecommunication sector.

Cogburn (1996), on the other hand, assesses the impact of globalization, the information technology revolution and the changing world economy on the autonomy of the national state by explaining the political economy of telecommunications sector

restructuring in South Africa, from 1985-1995. The study explored the changes in the South African telecommunications sector and the result of the restructuring of the global political economy. He concludes that the complex mix of global and domestic forces in South Africa has led to a tenuous balance between the restructuring needs of the global economy and the domestic demands for social and economic development, evidence of the relative autonomy of the state.

Other studies that have some significance to this research are not directly related to telecommunications but they do show IMF's historical intervention in the African continent. Akokpari (1996) investigates how African governments since the 1980s have been compelled by international donor conditionalities to pursue IMF-sponsored SAPs; these sought to liberalize the state-controlled market and to advance political liberalization which aimed at dismantling the authoritarian state and establishing democratic conditions. He concludes that the Ghanaian experience challenges conventional assumptions about the market-democracy partnership and suggests the need for a fundamental rethinking of Bank/Fund conditionalities for Ghana and Africa in general.

Musa (1990) undertakes an inquiry into the social, political, and economic implications of the Structural Adjustment Program in Nigeria. The study evaluates the effectiveness of the structural adjustment policies of the IMF and the World Bank vis-à-vis Nigeria, from June 1986 to 1990—the period when President Ibrahim Babangida's adjustment program has been in effect. It sheds light on the dynamics of the world economy in relation to Nigeria in the wake of crises and radical transformations that gave rise to the drastic changes we witness today.

Kassahun (2002) explores whether or not structural adjustment reform measures implemented in 1992 have helped improve the economic and social environment. She examined to what extent the reform measures have been successful in meeting the six core objectives of structural adjustment programs: raising the rates of saving; securing macroeconomic stability; liberalizing trade; reducing government intervention and the promotion of the private sector; the reorientation of government spending and restructuring of revenues; and mobilizing external resources. The study also explored whether or not reform has made it easier or more difficult to expand services in health care and education.

These studies offer useful analyses about telecommunications and global capitalism in the Third World, albeit with a separate treatment. This is where this study's point of departure surfaces; it addresses overarching global and local political and economic policies and their implications on telecommunications operations in developing countries and emerging economies. Consequently, the following research questions are used to guide this study:

> RQ1: What is the institutional history of telecommunications in Ethiopia?
>
> RQ2: To what extent does the Ethiopian public endorse/denounce state monopoly of the telecommunications sector?
>
> RQ3: What are the underlying reasons behind the differences in telecom liberalization policy between IMF and the Ethiopian state, and why?
>
> RQ4: What are the premises on which Sino-Ethiopian partnerships in the Ethiopian telecommunications sector are laid?

Conclusion

The study of the politics surrounding the telecommunication sector in Ethiopia requires a comprehensive treatment of overarching narratives in communication,

development studies and political science theories. This chapter provided some key theoretical foundations that attempt to explain the external push of telecommunication deregulation in Ethiopia including modernization and neo-liberalism. It also explored contesting perspectives on the nature of the characteristics Ethiopian state and its rationale in maintaining state monopoly of the telecommunication sector through the discussion the developmental state versus the neopatrimonial state theories. This is followed by a discussion on political economy of communications that provides the framework of analysis for the study. The chapter ends with a review of previous research and a presentation of the research questions guiding the current study.

CHAPTER IV

RESEARCH METHODOLOGY

> It is not a matter of starting from certain theoretical or methodological problems: it is a matter of starting from what we want to *do*, and then seeing which methods and theories will help us to achieve these ends (Eagleton quoted in Lindloff, 1995, pp. 25-26).

> Not everything that can be counted counts, and not everything that counts can be counted—Albert Einstein, attributed (German-born U.S. physicist, 1879 to 1955)

> Mixed methods, in which quantitative and qualitative methods are combined, are increasingly recognized as valuable, because they can capitalize on the respective strengths of each approach. Pairing quantitative and qualitative components of a larger study can achieve various aims, including corroborating findings, generating more complete data, and using results from one method to enhance insights attained with the complementary method (Curry, Nembhard, & Bradley, 2009, p. 1442).

As noted in Chapter I, this study explores contesting perspectives, rationales and implications in the regulation vis-à-vis liberalization of telecommunications operations by existing and emerging, local and international players in the developing world. By investigating the case study of Ethio-Telecom—the only and state-controlled telecom provider in Ethiopia—the study seeks to investigate public opinion about the ramifications of the state-monopoly of the telecommunication sector; external and internal pushes for liberalization and the state's implicit and explicit justification for monopoly; and the processes and rationales in Sino-Ethiopian partnerships in the Ethiopian telecommunications sector. With a view to generating empirical data with respect to the aforementioned research foci, a triangulated three-stage research process was designed, combining quantitative and qualitative methods. After providing a brief discussion on procedures related to human subjects, this chapter describes and discusses

the three stages of this research process as well as sampling procedures and modes of data analysis. I will also discuss some salient issues in methodology such as the rationale in combining qualitative and quantitative methods in a single research design. The final sections will highlight important aspects of data collection and analysis processes, as well as some limitations encountered in these processes.

Human Subjects Research and the Institutional Review Board

Two of the data collection tools employed in this study involving contact with human subjects—the online survey and individual interviews—were reviewed by the Office for Protection of Human Subjects (OPHS) at the University of Oregon. The protocol (09132013.014) effective November 14, 2013, through November 13, 2018, was determined to be exempt by OPHS on November 14, 2013. I was the sole investigator for this study, and I completed the necessary Collaborative IRB Training Initiative (CITI) on August 10, 2011 (expiring two years later). All interactions with human subjects strictly adhered to the regulations and ethical considerations set forth by OPHS. I will address processes and protocols approved for each of the data collection tools involving human subjects later in this chapter.

Methodology

Philosophical Underpinnings in Quantitative and Qualitative Research

Philosophically, qualitative and quantitative research methods draw on distinct methodologies. Survey research epitomizes quantitative analysis with its emphasis on measurement standardization and representativeness. It draws on the Durkheimian tradition of broad, comparative analysis and the search for social facts (Alexander, 1998; Durkheim & Thompson, 1985; Levy & Gurevitch, 1994; Schmaus, 2004). Qualitative

research approaches, on the other hand, draw on the Weberian tradition, and emphasizes the importance of finding the subjective meanings of actors in a social context (Collins, 1986; Wallace, 1994; Weber & Runciman, 1978). In qualitative analysis, conclusions about meaning are interpretive and dependent on the context in which the actions take place. In contrast to quantitative analysis, qualitative analysis resists either quantification or standardized comparison (Morgan, 1993). In the next two sections, I will discuss each of these methodologies.

Quantitative Research. The quantitative research tradition has often been referred to as the classical empiricist point of view. Its roots are commonly traced from the norms of logical positivism that is central in natural science research (Stempel & Westley, 1989). A fundamental principle amongst adherents of this research tradition is the belief that there is little difference in principle to investigating the natural and social worlds and that one can apply the same basic research procedures to both. According to Bryman (1988), this belief draws on the principle of "methodological monism or methodological naturalism" (p. 14). In this sense, humans are seen as the objects of the social sciences, and their different attributes human like language, feelings, attitudes, etc. can be codified and studies through a scientific method. The doctrine of "phenomenalism," also referred to as "empiricism," is another central component of positivism. For this doctrine, only those phenomena that are observable phenomena are considered knowledge while the subjective experiences of the observed does not count as scientific knowledge unless they can be rendered observable (Bryman, 1988).

The doctrines of "inductivism" and "deductivism" are important tenets in positivism. Positivism through inductivism proposes scientific knowledge is arrived at

through the accumulation of verified facts, which then feed into the general body of theoretical understandings pertaining to the particular domain of knowledge being investigated. A theory, for example, is derived at through the inductive logic of positivism. It expresses and reflects the accumulated findings of empirical research. These findings point to empirically established regularities, often referred to as "laws" (Bryman, 1988, p. 15). Deductivism, on the other hand, seeks to make specific propositions from general accounts of reality. The logic of deduction seeks "to construct a scientific theory to explain the laws pertaining to a particular field; a hypothesis (or possibly more than one) is derived in order to enable the scientist to test the theory; if the hypothesis is rejected when submitted to rigorous empirical examination the theory must be revised" (Bryman, 1988, p. 15). Consequently, positivism involves inductive as well as deductive logic, a process whereby hypotheses are deduced from general theories and submitted to empirical test, with the results being absorbed into general theories. This principle, taken together with the doctrine of phenomenalism, makes a sharp distinction between theory and observation. "Empirical verification is taken to entail devising observations which are independent of scientific theories and are hence neutral. Observations are viewed as uncontaminated by the scientist's theoretical or personal predilections" (Bryman, 1988, p. 16).

Objectivity and neutrality are critical tenets in the collection of scientific facts in the positivist tradition. The goal is for the researchers' own values not to influence his or her work. This stance on values means drawing a distinction between scientific issues and statements and normative ones. As Bryman argues, positivism "denies the appropriateness of the sphere of the normative to its purview because normative

statements cannot be verified in relation to experience. While positivists recognise [sic] that they can investigate the implications of a particular normative position, they cannot verify or falsify the position itself" (1988, p. 15). In summary, the positivist approach to social inquiry assumes an independent reality that can be discerned by an objective, detached, and value-free inquirer, and a process that requires "the ability to be objective and a real world to be objective about" (Guba & Lincoln, 1994, p. 108).

     Qualitative Research. The 1960s saw the popularity of qualitative research tradition that has taken different labels including critical theory, interpretive social science, hermeneutics, and naturalistic enquiry. In contrast to positivism, in which the researcher tends to view events from the outside and to impose empirical concerns upon social reality, qualitative research stresses the need to see through the eyes of one's subjects and to understand social behavior in its social context (Bryman, 1984). In specifying the distinct characteristics that distinguish qualitative inquiries to positivism, Bryman (1988) singles out two salient points. Firstly, the subject matter of the social sciences, i.e., people and their social reality, is seen as fundamentally different from the subject matter of the natural sciences. Qualitative research thus rejects the application of scientific methods to society. Secondly, any attempt to understand social reality must proceed from people's understanding of their own reality as opposed to the singular, independent "reality" sought by positivists. This means that the social scientist must grasp the interpretive devices by which the individual makes sense of his/her reality, as these provide the motivation for his/her actions. In further singling out differences between quantitative and qualitative methodologies, Bryman (1988) distinguishes between their respective "nomothetic" and "ideographic" modes of reasoning:

A nomothetic approach seeks to establish general law-like findings which can be deemed to hold irrespective of time and place; an ideographic approach locates its findings in specific time-periods and locales. The former mode is taken to be indicative of the scientific approach, whereas ideographic reasoning is often more closely associated with the historian's method. By taking random, and hence representative, samples, survey research is taken to exhibit a nomothetic approach because of the investigator's ability to infer findings to larger populations…By contrast, the qualitative researcher frequently conducts research in a specific milieu (a case study) whose representativeness is unknown and probably unknowable, so that the generalisability [sic] of such findings is also unknown (p. 100).

Central to the goal of qualitative research is "thick" description and the attention to detail as opposed to issues like "representativeness" and "generalization" that are pillars of positivism. Ang (1996, p. 71) writes qualitative inquiry "favours [sic] interpretive particularization [sic] over explanatory generalization, historical and local concreteness rather than formal abstraction, 'thick' description of details rather than extensive but 'thin' survey." Accordingly, it is hardly surprising for many qualitative researchers to reject positivist techniques like the survey which they believe provide "think" and "superficial" evidence of the social world. As Strelitz (2002) illuminates, "while they [qualitative researchers] acknowledge that surveys can point to causal relationships between arbitrarily chosen variables, they argue that these findings may have little meaning to those individuals whose social worlds they are meant to represent" (p. 93).

In fact, the notion of "generalizability" in qualitative research is not about representativeness but rather the extent to which one can extend the account of a particular situation or population to other people, times, or settings than those directly studied. "Generalisation [sic] in qualitative research usually takes place through the development of a theory that not only makes sense of the particular persons or situations

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studied, but also shows how the same process, in different situations, can lead to different results" (Maxwell, 1992, p. 293).

Generalizability in qualitative inquiry, therefore, assumes that theory may be useful in making sense of similar situations. In this sense, the positivist critique on qualitative research on the latter's "lack" of generalizability, therefore, misses the central point. The critical issue, Bryman (1988) argues, is the cogency of the theoretical reasoning, and this should be judged by the generalizability of cases to theoretical propositions, rather than to populations or universes. In describing what constitutes generalizability in qualitative research, however, Maxwell (1992, p. 294) distinguishes between "internal" and "external" generalizability. Whereas internal generalizability involves generalizing within the community, group or institution studied to persons, events, and settings that were not directly observed or interviewed, external generalizability refers to generalizing to other communities, groups or institutions. For Maxwell, qualitative research rarely makes a case for external generalizability.

The constructivist approach to research (Ang, 1996; Lindloff, 1995) has been widely criticized by positivists for the "lack" of validity in its results. Qualitative researchers, however, argue back by pointing out there are criteria for validity in qualitative research if one applies the concept of validity primarily to accounts, not to methods:

> The applicability of the concept of validity…does not depend on the existence of some absolute truth or reality to which an account can be compared, but only on the fact that there exist ways of assessing accounts that do not depend entirely on features of the account itself, but in some way relate to those things that the account claims to be about (Maxwell, 1992, p. 283).

For Maxwell (1992, pp. 285-288) the notion of "descriptive validity," or the idea that researchers should not make up or distort what they saw or heard is, constitutes an important measure of validity in qualitative research. He also refers to "interpretive validity"—the accuracy of the concepts used by the researcher in relation to the perspective of the individuals included in the account. The core issue regarding validity in qualitative research is whether or not we are providing a valid description of what events, utterances, and behaviors *mean* to the people engaged with them (Strelitz, 2006).

In contrast to the deductive reasoning of quantitative research, qualitative research is based on inductive reasoning. It proceeds inferentially from particulars to more general statements, with a flexibility of research design. Qualitative researchers often favor a relatively open and unstructured research strategy as opposed to one which has been decided in advance, which dictates what ought to be investigated or how it ought to be done. As a result of a flexible approach researchers often come across important topics, which may be worth further investigation. In my study, the importance of some issues only arose as worthy of pursuit during the qualitative interview stage of the research.

The Idea of and Argument for Triangulation. In social science research, the notion of triangulation generally denotes the use of more than one method of investigation and the analysis of two or more types of data. Triangulation involves the use of both quantitative and qualitative approaches in order to address the same research problem but with different processes (Bryman, 1984). The notion of triangulation has had both its supporters and critiques. Methodological purists have argued quantitative and qualitative research approaches are mutually exclusive in their ontological and epistemological assumptions and the nature and appeal of their end product. As a result,

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combining these "divergent" approaches in a single research design is counterproductive. In asserting the argument for methodological distinctiveness, Egon Guba writes, "we *are* dealing with an either-or proposition, in which one must pledge allegiance to one paradigm or the other" (Bryman, 1988, pp. 107-108, emphasis in original). "The methodological question cannot be reduced to a question of methods: methods must be fitted to a predetermined methodology" (Guba and Lincoln, 1994, p. 108).

Researchers who employ triangulation, on the other hand, argue that the methodological differences between quantitative and qualitative approaches shouldn't be seen as antithetical but rather as complementary. As Strelitz (2002) argues, technical rather than epistemological issues should determine which research methods are appropriate, and the issues being examined should ultimately decide the style of research that is to be employed. Bryman (1988) writes:

> In some treatments they are viewed as competing views about the ways in which social reality ought to be studied, and as such, they are essentially divergent clusters of epistemological assumptions, that is, of what should pass as warrantable knowledge about the social world. For other writers, quantitative and qualitative research are simply denotations of different ways of conducting social investigations and which may be conceived of as being appropriate to different kinds of research question and even as capable of being integrated. When this second view is taken, they are more or less simply different approaches to data collection, so that preferences for one or the other or some hybrid approach are based on technical issues (p. 5).

For Bryman (1984) methodological determinism along a strict quantitative vis-à-vis qualitative divide conceals the common characteristics of the two approaches. An either-or proposition only for the sake of epistemological and ontological and purposes is, therefore, sterile. According to Bryman (1988), the decision in favor of a singular or fused approach should be adopted based on "technical" reasons rather than dogmatic logic where researchers who reject combining the approaches are in "doctrinaire

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posturing" (p. 173) Thus, approaches should be chosen in a manner that addresses the complexity of the research problem rather than through the pursuit of "methodological purity":

> If some research topics are more suited to a survey, while others would be better served by a qualitative approach, still others will be even better served by a marriage of the two traditions, whereas the integrated strategy may not fit some issues. The critical issue is to be aware of the appropriateness of particular methods (or combinations of methods) for particular issues (Bryman, 1988, p. 173).

Others like Wolff et al. (1993) argue that both qualitative and quantitative techniques not only have different strengths and weaknesses, but the strengths of one tend to be the weakness of the other. In this sense, although qualitative and quantitative methods such as interview and survey techniques are derived from divergent theoretical approaches, "there is nothing inherent in the methods themselves that forbids their combination. In fact, the particular strengths and limitations inherent in different methods might suit them ideally to complement one another in a unified research design" (Wolff et al., 1993, p. 119).

In general, quantitative research is best suited to the elucidation of structural regularities in social life, while qualitative investigation provides access to processes which link the variables, putting flesh on the bones of statistical findings (Bryman, 1998; Deacon et al., 1999). If one accepts that each has a perspective to offer, a combination of the two traditions can readily be envisioned.

Data Collection Methods

I have used a triangulated, three-stage approach to investigating, among other things, public opinion, internal and external stakeholders' points of views and policy documents in the Ethiopian telecommunications sector. The three stages were:

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(i) A systematic random sample online survey, conducted between

November and December 2013, which examined, amongst other things,

the Ethiopian public's opinion about key themes in the Ethiopian

telecommunications sector including ownership model, access, service

and surveillance;

(ii) A series of semi-structured individual interviews partially based on

preliminary findings of the online survey involving high-ranking

Ethiopian government officials, telecommunication infrastructure

development advisors and consultants to the Ethiopian government,

International Monetary Fund and World Trade Organization

directors/representatives, International relations researchers and

scholars;

(iii) Document analysis involving government policy papers, IMF country

reports and consultation documents, World Bank country reports and

staff appraisals, etc.

I will now discuss each of these research stages.

The Online Survey

Background. The social survey is the research method preferred by the

quantitative researcher in the social sciences. As Harvey and MacDonald (1993, p. 101)

note, it gives one access to large amounts of data which are representative of the

population, and from which one can generalize one's findings. Bryman (1988) writes in

this regard: "The survey's capacity for generating quantifiable data on large numbers of

people who are known to be representative of a wider population in order to test theories

or hypotheses has been viewed by many practitioners as a means of capturing many of the ingredients of science" (p. 11). Furthermore, it is believed that if one is measuring social phenomena, then the only instrument that can provide reliable and valid data is the survey. Here reliability refers to the extent to which the method of data collection is consistent and repeatable by the same or other researchers, while validity refers to whether or not the data collected reflect the concept being measured.

According to Bryman (1988), in a triangulated research design, qualitative research is usually a precursor to the formulation of problems and the development of instruments for quantitative research. The findings from the qualitative phase act as a source of hunches or hypotheses to be tested during the quantitative phase. However, as Brent Wolff et al. (1993) note, it is not uncommon to make qualitative inquiries after survey results have been analyzed, with the aim to corroborate findings or explore in greater depth the relationships suggested by the quantitative analysis. I took this latter approach.

In this study, the quantitative research preceded and provided an aid to the collection of qualitative data. One of the key factors that necessitated designing the research in this manner is the lack of a think tank or publicly available data that provides information on social issues, public opinion, and demographic trends shaping the Ethiopian public.[25] Although the Ethiopian public is a *de facto* client of Ethio-Telecom, there are hardly any studies that attempted to measure public perceptions about access

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[25] The Central Statistical Agency of Ethiopia (CSA) is a government enterprise that is responsible for a number of national socio-economic and demographic surveys on annual basis. Although CSA has a good reputation of producing reliable data, its surveys are limited to descriptive statistics related to the different sectors of the Ethiopian economy and population census. The lack of a nonpartisan think tank (like Pew Research Center) leaves an enormous gap in data related to public opinion polling, demographic research, media content analysis and other empirical social science research.

and service and user experience in an organized and empirical fashion. Through

conducting the survey, I hoped that the results would provide me with a "cartography" of

users' experiences, perspectives, and perceptions, and, in the process, allow me to

identify significant trends and preferences that would be helpful in conducting my

interviews in a more informed manner.

Although there were different ways of administrating the survey including via

phone and face-to-face conversations, several factors tipped the balance in favor of an

online survey. A major rationale in choosing a web based survey was the relative ease it

offered in reaching the target population (in Ethiopia) of the study which otherwise

would have been nearly impossible to recruit. The limited budget of the study meant

expensive alternatives like phone and face-to-face tools were hardly desirable. As

Schonlau, Fricker, & Elliott (2002) affirm, although online surveys have a larger initial

start-up cost than mail or phone surveys, they have a lower marginal cost per survey

respondent, especially if large number of respondents are involved. The option to use

online survey in the present study was particularly attractive because I was able to use

Qualtrics, a web-based application and fourth-generation survey software, free of charge

courtesy of licensing through the University of Oregon.

Another reason to use an online survey is to protect the anonymity of participants

and increase confidence of respondent participation. Given the political nature of some of

the questions, there was a chance that significant number of respondents might have

declined to participate in alternative formats that might incur notoriety. This logic is

consistent with the recommendation of Schonlau, Fricker, & Elliott (2002) who argue

that online survey is preferable when the questionnaire contains "questions of a

particularly sensitive nature" (p. xv). The most important factor in opting to use an online survey in favor of other formats was probably because of the object of the study, i.e., measuring user experience of the service provided by Ethio-Telecom. This conforms to Selm and Jankowski's (2006) proposition that "online surveys are often employed in studies of Internet use in order to reach a population with Internet experience" (p. 437).

The Questionnaire Design. My questionnaire conformed what Wimmer and Dominick (2011) refer to as "descriptive survey." The aim of a descriptive survey is "to describe or document current conditions or attitudes—that is, to explain what exists at the moment" (p. 185). Unlike an "analytical survey" that attempts to describe and explain *why* situations exist, a descriptive survey seeks to discover "the current situation in the area under study" (p. 185).

The questionnaire constituted 47 items that mainly included multiple-choice questions and matrix tables with Likert scale designs. Respondents were asked to respond to each question by placing their responses on (typically) on a five-point Likert scale. There were no open-ended questions.

The questionnaire was written in Amharic, the official language of the Ethiopia. It is reproduced in Appendix D (English) and Appendix E (Amharic). The first part of the questionnaire constituted questions related to demographics of participants. Variables here included gender, age, place of residence, monthly income, educational level, employment status and marital status.

The second part of the questionnaire was constructed with the aim of gathering information related to the extent to which participants are dependent on the services of the Ethiopian telecommunications sector and how actively they use the information and

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communication technology and services in their daily personal and professional lives. Items in this section included questions like: "How much of your monthly income do you spend on top-up cards for your mobile phone services?" or "Where do you use Internet regularly?" Automatic skip logic was applied in this section in order to make participants as comfortable as possible in responding to questions that were relevant to them. For example, if a respondent answered negatively to the question "Do you use the Internet?," he/she wouldn't be asked to respond to subsequent follow-up questions that would have appeared if they had responded affirmatively.

The third and most important section of the questionnaire was comprised of questions related to three themes namely, public attitudes toward services provided by Ethio-Telecom; issues in government interference in users' online experience; and public opinion about telecommunications proprietorship policy. In relation to public attitudes related to Ethio-Telecom, the aim of the survey was to measure the extent to which public dissatisfaction on the performances of the state-owned service provider[26] could be supported statistically. Some of the questions that reflected this aim of the survey included Likert scaled questions such as "How satisfied are you with the service you get from Ethio-Telecom?" or rank-order questions that asked respondents to compare and rate the performances of Ethio-Telecom with other state owned enterprises.

Another focus of the third section of the survey was to measure the extent to which users identify their beliefs with individuals and groups that accuse the Ethiopian government of using its state-owned telecommunication facilities for mass surveillance and filtering purposes. International groups like Electronic Frontier Foundation (EFF),

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[26] See Chapter V

Privacy International, Tor, Human Rights Watch, Amnesty International, Committee to Protect Journalists (CPJ), Reporters Without Borders, The Citizen Lab at the University of Toronto and many other government opposition groups and netizens locally and internationally have reported, among other things, malicious malware surveillance practices at the hands of the Ethiopian government.[27] Items in this category included Likert-scaled statements such as: "I believe people or organizations monitor the activities I perform over the Internet" or "The ability to share and access information privately using the Internet is important to me."

Finally, the survey aimed at exploring public opinion about the state monopoly of the Ethiopian telecommunications sector and views toward liberalization. I was particularly interested in exploring this variable as debates and narratives concerning government monopoly vis-à-vis liberalization of the Ethiopian telecommunication sector have hardly paid attention to what should be the most important perspective of all—that of the public. Whilst government monopoly vis-à-vis liberalization debates heavily involved elitist platforms that accommodated political figures and institutions like the IMF, *de facto* clients of the Ethio-Telecom have been neglected. With the view of filling this gap, Likert scale statements like "Having a choice of telecom service providers is important" were included in the survey. Participants were also provided with an item that asked them to check statements that came closest to their views regarding the telecom sector in Ethiopia. For examples, contesting statements like "The state needs to continue its monopolistic control of the telecom sector" and "The telecom sector should be liberalized" were provided.

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[27] See Chapters V & VIII

Sampling. The sampling procedure employed in this study is probability

sampling. According to Wimmer and Dominick (2011), "mathematical guidelines

whereby each unit's chance for selection is known" (p.185) are used in probability

sampling. The most basic type of probability sampling is random sampling where each

subject, event, or unit in the population has an equal chance of being selected. Although

there are several methods of random selection, Wimmer and Dominick (2011) stress that

"each unit or subject in the population must have an equal chance of being selected" and

"the selection procedure must be free from subjective intervention by the researcher"

(p.97). The specific random sampling procedure applied in the present survey is

systematic random sampling, in which "every nth subject, unit, or element is selected

from a population" and the researcher randomly selects a starting point and a sampling

frame.

The target population of the survey was Internet users in Ethiopia, estimated to

make up 1.5% of the total population or 1.2 million people. A sampling frame—a list of

the members of a particular population—was then generated from a 2007-2012 email list

of alumni and existing faculty of four colleges in Ethiopia namely, Addis Ababa

University, Arba Minch University, St. Mary's College and Jimma University. The

rationale behind generating this sampling frame is the relative ease in obtaining e-mail

list of participants from existing records. My prior affiliations with these institutions were

also helpful in obtaining the available e-mail lists.

I opted to seek e-mail lists for my sampling frame not only because of the ease

that e-mail communication provides in distribution efficiency but also because of what it

offers in terms of eligibility criteria. Note that the eligibility criterion for participants of

this survey, in addition to being 18 years and older, is being at least an internet service

client of Ethio-Telecom. The rationale here is an e-mail account holder is an Internet

user, and Internet users in Ethiopia get their services from the only available provider—

Ethio Telecom.

After the entire e-mail list from the four sources was aggregated, the sample

frame constituted a list of 3,874 emails. In order to determine the sample size, I used Taro

Yamane's (1967, p.886) formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where:
n=sample size
N=population size
e=sampling error

With a 95% confidence level and ±5% margin of error, the sampling size of the

survey is calculated as follows:[28]

$$n = \frac{N}{1 + N(e)^2} = \frac{3,874}{1 + 3,874(0.05)^2} = 362.56$$

The above procedure resulted in the minimum required sample size for the

specified population. If a researcher has a captive audience, this sample size may be

attained easily. However, as Bartlett, Kotrlik and Higgins (2001) highlight, since many

social research studies often use data collection methods such as surveys and other

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[28] According to Wimmer and Dominick (2011), the confidence level indicates a degree of certainty (as a percentage) that that the results of a study fall within a given range of values. Typical confidence levels are between 95% and 99%. The confidence interval (margin of error or sampling error) is a plus-or-minus percentage that is a range within the confidence level. For example, if a 5% confidence interval is used, and 50% of the sample gives a particular answer for a question, the actual result for that question falls between 45% and 55% (50±5).

voluntary participation methods, the response rates are typically well below 100%. One

method that is common amongst social scientists to account for this loss is oversampling.

Salkind (1997) suggested oversampling when he stated, "If you are mailing out surveys

or questionnaires…count on increasing your sample size by 40%-50% to account for lost

mail and uncooperative subjects" (p. 107). One can assume the same principle can be

applied for online surveys. Fink (1995) stated, "Oversampling can add costs to the survey

but is often necessary" (p. 36). Cochran (1977) argued, "A second consequence is, of

course, that the variances of estimates are increased because the sample actually obtained

is smaller than the target sample. This factor can be allowed for, at least approximately,

in selecting the size of the sample" (p. 396). In mitigating the potential loss in response

rates, I followed Bartlett, Kotrlik and Higgins's (2001) recommendation of using pilot

study results to anticipate response rates and amend the sample size accordingly. Hence,

the 57% response rate recorded in the pilot study was used to calculate the adjusted

sample size:

$$n2 = \frac{n}{r}$$

Where:
$n2$=sample size adjusted for response rate
n=sample size
r=anticipated return rate

$$n2 = \frac{n}{r} = \frac{363}{0.57} = 636.84$$

Once the adjusted sample size of 637 participants was determined, the e-mail list

was organized randomly. This was followed by calculating the sampling interval, which

was obtained by dividing the number of the total population by the number of the

adjusted sample size (3,874/637=6). After the sampling interval was determined, the

systematic random sampling procedure was complete with every sixth e-mail address being selected until the required sample size was reached.

Participants' Profile and Demographics. Tables 3-9 and Figures 2 and 3 summarize key demographics information about participants of the survey including gender, age, place of residence, monthly income, educational level, employment status, marital status and political orientation.

Gender	No of Participants	Percent
Male	320	77.69%
Female	94	22.31%
Total	415	100%

Table 3: Gender distribution of participants.

Age	No of Participants	Percent
18-24	35	8.43%
25-34	312	75.18%
35-44	59	14.22%
45-54	5	1.20%
55-64	1	0.24%
65-74	1	0.24%
75 years or older	2	0.48%
Total	415	100.00%

Table 4: Age distribution of participants.

Place of Residence	No of Participants	Percent
Addis Ababa	271	65.30%
Dire Dawa, Mekelle, Adama, Gondor or Hawassa	31	7.47%
Bahir Dar, Jimma, Dessie, Jijiga, Shashamane, Bishoftu or Harar	23	5.54%
Wolayita Sodo, Arba Minch, Hasanna, Nekemt, Assela, Dilla, Debre Birhan	50	12.05%
Another place	40	9.64%
Total	415	100.00%

Table 5: Participants' place of residence.

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Monthly Income	No of Participants	Percent
Less than 1,000 ETB[29]	15	3.66%
1000-2000 ETB	26	6.34%
2000-3000 ETB	34	8.29%
3000-5000 ETB	148	36.10%
5000-10000 ETB	84	20.49%
More than 10,000 ETB	103	25.12%
Total	410	100.00%

Table 6: Participants' monthly income distribution.

Educational Level	No. of Participants	Percent
No schooling completed	1	0.24%
Nursery school to 8th grade	0	0.00%
Some high school, no diploma	0	0.00%
High school graduate, diploma or the equivalent	2	0.48%
Some college credit, no degree	13	3.13%
Trade/technical/vocational training	11	2.65%
Bachelor's degree (BA, BSc, Bed)	156	37.59%
Master's degree (MA, MSc, MPhil)	216	52.05%
Professional degree (MD, JD)	7	1.69%
Doctorate degree (PhD)	9	2.17%
Total	415	100.00%

Table 7: Participants' educational level.

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[29] Ethiopian Birr (ETB) is the national currency of Ethiopia. At the time of writing (April 28, 2014), 1 ETB was equivalent to 0.05 USD.

Employment	No. of Participants	Percent
A student	30	7.23%
Employed for wages	322	77.59%
Self-employed	49	11.81%
Out of work and looking for work	11	2.65%
Out of work but not currently looking for work	0	0.00%
Retired	0	0.00%
Other	3	0.72%
Total	415	100.00%

Table 8: Participants' employment status.

Marital Status	No. of Participants	Percent
Single	271	65.62%
Married	142	34.38%
Total	413	100.00%

Table 9: Participants' marital status

Unconcerned 1.74%
Independent 26.67%
Critical 34.20%
Partially supportive 30.43%
Supportive 6.96%
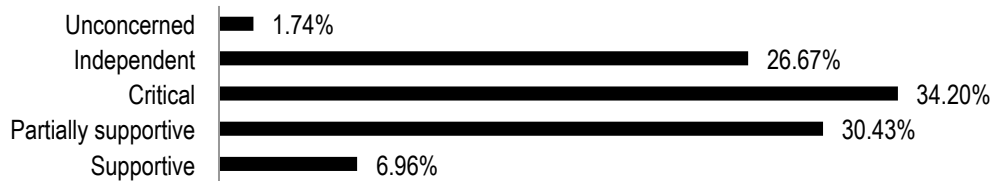
Figure 2: Participants' orientation toward government's political direction.

Unconcerned 1.17%
Independent 19.24%
Critical 13.70%
Partially supportive 51.02%
Supportive 14.87%
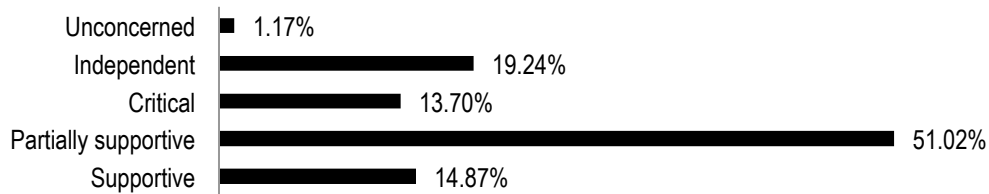
Figure 3: Participants' orientation toward government's economic policy

Questionnaire Administration. As Roger Wimmer and Joseph Dominick (2011) note, self-administered questionnaires should be pre-tested with the type of respondents who will participate in the study. Any problems should be noted immediately and areas of misunderstanding or confusion corrected. With this in mind, a first draft of the questionnaire was put online for participation and comment, and suggested changes were incorporated into its final draft. Participants of the pre-test were recruited through a technique similar through snowball sampling where a handful of participants who met the eligibility criteria were identified and were then asked to refer someone else with a similar profile for the survey. I also posted invitations to the pre-test on my personal social media pages including Facebook and Twitter.

The pre-test provided some very important feedback for revising the questionnaire. Some of the problems detected included difficulty in Amharic font readability and obstacles in accessing the survey in mobile and tablet platforms. Both problems were resolved decisively in order to optimize participants' experiences. There were also important changes in choice of words and sentence construction. Participants of the pre-test made some important recommendations about potential missing alternatives in some of the multiple choice questions.

In order to increase the response rate, an introduction to the survey along with a consent form was written, which explained the purpose of the survey and ensured respondents of the anonymity of their answers (this is reproduced in Appendices A and B). Once the necessary adjustments were made after the pre-test, an invitation to the survey was sent to the selected e-mail list.

Data Collection and Analysis. A total of 415 completed questionnaires were returned, representing a 65% response rate. Different strategies were employed to boost response rates including reminders about the anonymity of respondents. This was particularly important to increase the confidence of respondents in completing some of the questions that sought participants' political and policy orientations. A total of five invitation and reminder e-mails were sent to participants in weekly intervals. Regardless, a 17% dropout rate was reported. Questions seeking political perspectives like, "How much of the time do you think you can trust the government to do what is right?" attracted more dropout rates. The remaining was recorded as incomplete responses. The incomplete responses could partly be due to intermittent Internet connection at the respondents' end.

I analyzed the survey data using the Qualtrics web-based software and SPSS. The findings that emerged during this initial quantitative phase partly provided the themes that were explored during the interview phase, discussed further below.

Document Analysis

Background. "Doing research" usually means that we are collecting new material to analyze using questionnaires, interviews, group discussions or observation of people's daily routines (Deacon et al., 1999). While all of these methods are central to researching contemporary communications, we can take advantage of existing data. Being given direct access is a particular problem when research focuses on key centers of control over communications like this study does, as it involves very cagey state-controlled telecommunications, inaccessible financial institution and tight-lipped Chinese businessmen that would provide first-hand knowledge. As such, researchers have to fall

back on information and commentary available in the public domain. Relying on secondary sources does not mean that we can say nothing useful about media structures and overarching ideologies.

Document analysis played a significant role in the methodological design of this study. It provided bedrock data for some of the crucial analyses of this study, on which additional methods like the interview added rich layers of "thick description." For Scott (1990), documents are "physically embodied texts, where the containment of the text is the primary purpose of the physical medium" (p. 13). Given that the term "document" covers a wide range of texts produced and consumed by a wide range of individuals or organizations, methodologists oftentimes distinguish between different types within that broad field. One of the most common ways of classifying documents probably is between "primary" and "secondary" sources. Primary sources "comprise the testimony of eyewitnesses of the events described" (Madge, 1965, p. 89). While primary sources are "usually preferred when the facts of an event need to be established…secondary sources, which are based on indirect (or hearsay) evidence—such as media stories about an event or the expressed opinions of social actors who are affected by, but not directly involved in, an event—may be exactly the kind of data one needs" (Lindlof and Taylor, 2011, p. 234).

Lindlof and Taylor (2011) point out that other ways of categorizing documents include objective versus subjective, solicited versus unsolicited, edited versus completed, and so forth. They warn, however, that forcing such a primary versus secondary dichotomy may result in complexities, contradictions, and exceptions:

> A text considered "primary" source in another context (a deposition in a court case) could be a "secondary" source in another context (the rumors reported by

the witness in a deposition). Some artifacts contain both records and personal documents (e.g., a newspaper that publishes obituaries as well as op-eds), and the line between a record and a personal document can be very fine (e.g., lecture notes). The purity of mutual exclusivity of categories is less important than whether they are useful for finding documents and thinking about their purposes in a cultural scene (p. 234).

Lindlof and Taylor's (2011) critique of any forced dichotomization of forces is observed in this study. While this categorization of primary versus secondary may be generally important, it was hardly relevant to the different organizational reports and policy papers used in this paper since these documents constitute characteristics that can easily be attributed as both primary and secondary.

Another categorization of textual materials is made between "records" and "personal documents" (Hodder, 2000; Lincoln & Guba, 1985; Madge, 1965). The organizational documents employed in the present study resonate with records. A record is defined as "any written or recorded statement prepared by or for an individual or organization for the purpose of *attesting to an event or providing an accounting"* (Lincoln & Guba, 1985, p. 277; emphasis in original). According to Lindlof and Taylor (2011), records are designed to "capture" a wide array of events and activities, including "the codification of procedures and policies" (p. 233). The political and economic programs of EPRDF consulted in this study are consistent with this function of records. Another peculiar purpose of records singled out by Lindlof and Taylor (2011) is that they can provide "the routine formatting of an individual or group performance" (p. 233). The IMF Ethiopia country reports and consultation documents that assessed the monetary performance and economic policies of the Ethiopian state—and examined in this study— are quintessential exemplars of this function of records. Thirdly, records are important sources of "the historical accounting of an organization or person" (Lindlof & Taylor,

2011). This is particularly most noticeable in this study in the intensive use of recently declassified World Bank documents that detailed some of the most original accounts of the foundation and transformation of telecommunication services in Ethiopia (See Chapter V). Fourthly, Lindlof and Taylor (2011) point out that records capture "the rendering of an event" (p. 234). The various online and print newspaper/magazine articles that documented parliamentary sessions, bilateral deals, business agreements and interviews with political figures and lawmakers resonate with the specified function of records.

One of the most important advantages of using documents lies in their richness and resourcefulness of providing information. As Lincoln and Guba (1985) highlight, documents offer "contextually relevant and grounded in the contexts they represent" (p. 277). This is especially true if a sizable number of documents are gathered and analyzed as is the case in this study where, in most instances, years of organizational documents are examined.

Sampling. The documents explored in this study for preliminary analysis were selected with a purposive sample of institutional documents, policy papers and secondary documents. These documents were selected and examined in line with theoretical thematic considerations of the study. I will outline and discuss the procedures involved in the selection of these documents below.

Institutional documents: The absence of rich literature about telecommunications infrastructure development and the role of external actors in the process called for scavenging and scrutiny of available documentary resources to outline the historical development of the Ethiopian telecommunications sector. Given the importance of the

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World Bank as the most important actor in financing Ethiopian telecommunication development prior to the 1990s, I sought to access related archival documents from the institution that recorded relations with the Ethiopian state. My request for documents at the World Bank was duly granted with information that explained on how I could access the resources digitally. I was particularly fortunate to access these documents digitally as the World Bank very recently announced that it will implement a new Open Access policy for its research outputs and knowledge products, effective July 1, 2012.[30] In this sense, this research highly benefited from what Lindlof and Taylor (2011) call "the epochal transition from stand-alone, analogical media to networked, digital media" (p. 235). The digital accessibility of these documents avoided what could have been a costly and unrealistic venture in getting hold of records in their print version. As Lindlof and Taylor (2011) attest, documents that only existed in printed forms and moved through physical delivery channels "now exist almost entirely in digital formats that flow seamlessly across a variety of Internet-enabled platforms (p. 235).

As a result of trends in the digitization of information, documents sought by qualitative researchers may be only a few "clicks" away, eliminating the vexing issues of document access and the transport of the documents (or the investigator) to and from the physical sites. Computerized collections, however, are not totally free of problems. Online archives suffer from similar challenges that physical archives do. Physical archives, Webb et al. (1966) pointed out, are prone to selective deposit and selective

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[30] The first phase of the World Bank's open-access policy was launched in 2012 with an Open Knowledge Repository that adopted a set of Creative Commons copyright licenses. As a result, anybody is free to use, re-use and redistribute most of the Bank's knowledge products and research outputs for commercial or non-commercial purposes.

survival of texts, resulting in potential bias. In addition, "online archives may be incomplete, difficult to search, or occasionally purged with little or no notice, especially if the items are perceived as having little value to the host organization (Lindlof and Taylor, 2011, p. 236). This potential problem is mitigated and harnessed in this study by individual in-depth interviews that provided "unofficial"—albeit critical—perspectives of institutional ideals.

Upon contacting the Department of the Archivist/Access to Information at the World Bank, I received detailed guidelines on how to access documents I requested (see Appendix I). I then chose to focus on the more comprehensive and rich "Documents and Reports" section of the World Bank database at http://documents.worldbank.org/curated/en/home (which holds 145,000 documents online). Next, I performed a preliminary search with the key words "Ethiopia telecommunication." This search yielded 164 results. This was followed by a manual survey of the contents of each document. In the end, 15 documents produced between 1951 and 1993 were selected for examination based on their direct concern over he Ethiopian telecommunications sector. These documents mainly included project appraisal and credit recommendation reports.

The IMF, on the other hand, didn't have an open-access policy to most of its documents and reports. Fortunately, I was able to get a limited time access to these documents, courtesy of the University of Oregon Knight Library. Through the library's trial subscription, I was able to access IMF's e-library (http://www.elibrary.imf.org/) which aggregates thousands of memoranda of understanding, country reports, official communiqués, and institutional directives. A preliminary search yielded 126 documents,

of which 11 were selected for further examination based on their direct relevance to the Ethiopian telecommunications sector. Most of these documents included yearly bilateral discussion papers and country reports between 1991 and 2013.

Policy papers: Although state control of telecommunications in Ethiopia has historically been justified along natural monopoly narratives, the current rationale in continuing this practice is largely attributed to policy. In other words, the state monopoly of telecommunications today is directly related to the political program and the economic policies of the ruling party of Ethiopia since 1991, EPRDF. Subsequently, five key documents were identified and later examined.

Two of these documents are what are commonly known as Poverty Reduction Strategy Papers (PRSPs).[31] The first, the Sustainable Development and Poverty Reduction Program (SDPRP), was FDRE's guiding strategic framework between 2002/03-2004/05. It details FDRE's comprehensive development and poverty reduction strategies. It incorporates, among other things, a thorough treatise of FDRE's key sector policies and strategies including telecommunications. The second is the Plan for Accelerated and Sustained Development to End Poverty (PASDEP). PASDEP's aims particularly emphasize the Millennium Development Goals (MDGs) and strategies of achieving them through infrastructure and human development, rural development, food security, and capacity building.

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[31] PRSPs are prepared by member countries in broad consultation with stakeholders and development partners, including the staffs of the World Bank and the IMF. Updated every three years with annual progress reports, they describe the country's macroeconomic, structural, and social policies in support of growth and poverty reduction, as well as associated external financing needs and major sources of financing.

The third policy document selected for examination is the Growth and Transformation Plan (GTP), a medium term strategic framework for the five-year period (2010/11-2014/15). GTP, the first of three five-year plans, aims to propel the country toward a middle-income economy. It places a special emphasis on agriculture and rural development, industry, infrastructure, social and human development. Produced by the Ministry of Finance and Economic Development (MoFED) of FDRE, the GTP aims to achieve a projected gross domestic product (GDP) growth of 11-15% per year from 2010 to 2015. The plan includes details of the cost (estimated at US$75-79 billion over five years) including extensive telecommunications infrastructure development plans that aim to increase mobile telephone subscribers from 7 to 40 million and Internet service subscribers from less than 200,000 to 3.7 million under the auspices of the state.

The two other documents, both written in Amharic, are EPRDF's political and economic programs. The first one, "*YäIndustri Limat Strateji*," details the guiding economic ideals and principles of EPRDF. Published in 2001, this policy document details the ruling party's economic outlook in relation to the role of the state and the significance of the private sector in economic development. This document is particularly relevant given its treatise of EPRDF's rationale in maintaining an interventionist approach in some of the major state monopolized sectors including telecommunications. The second one, entitled "*YäTähadəsow Mäsmärəna YäItyop'ya Hədase*," is of paramount significance for this study because it provides a thorough analysis of the ruling party's economic development ideology. It details the assumptions behind EPRDF's characterization and self-appointment of the Ethiopian state as a "developmental state."

Secondary sources: As Lindlof and Taylor (2011) highlight, official documents are a site of claims to power, legitimacy, and reality. As a result, it is important to study these texts in relation to "the institutional settings in which they are constructed, interpreted, and used" (p. 78). Given the significance of capturing the context under which these documents are produced and the importance of mitigating "institutional bias," I incorporated opinion pieces, editorials and articles from local newspapers in the analysis. Most of these articles provided a reflection on the state's monopolistic policy toward the telecommunication sector and critically examined the government's rationale in adopting an interventionist policy. The articles were particularly drawn from two local newspapers, namely *Addis Fortune* and *The Ethiopian Reporter*, arguably two of the most widely read English newspapers in Ethiopia.

Data Analysis. In analyzing documents, truth and accuracy are crucial benchmarks. Lindlof and Taylor (2011) highlight that information contained in documents "is vetted for accuracy, is used as a reliable basis for organizational decisions and actions, and/or is validated (or audited) by internal and external authorities, we may regard it as a trustworthy source" (p.237). They also warn, however, that the evaluation of a document's truthfulness depends on the researcher's analytical goal in using it. While institutional and policy documents are of paramount importance in this study, caution should be taken not to fall in the trap of taking issues of credibility, representativeness and meaning for granted. Scott (1990) writes:

> "Official documents are shaped by the structure and activities of the State, both directly and indirectly. Public documents are most obviously shaped in this way, as they are often the by-products of policy and administration and, as the creation of public bodies, they reflect on the organization and interests of state agencies…Administrative records therefore are not, and never were, merely neutral reports or events. They are shaped by the political context in which they are

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produced and by the cultural and ideological assumptions that lie behind it" (pp. 59-60).

Given the controversy surrounding telecommunications liberalization in Ethiopia and vested political and economic interest by the different actors explored in this study, it will be naïve to assume the official records that these institutions (FDRE, IMF, World Bank, etc.) make accessible to the public are completely value-free and credible. It is plausible to assume the presence of underlying motives that are deemed too sensitive to be disclosed to the public.

Of particular advantage to this research in analyzing these documents is my familiarity with the context within which most of these documents are written, particularly in terms of the political culture within the Ethiopian state. This is consistent with the proposition of Lindlof and Taylor (2011), who argue that, "the more intimate knowledge you have of the culture or individual being studied, the more adept you will be at assessing the truth value of a document, as well as detecting (or otherwise accounting for) and deviations from the truth" (p. 237). In addition, the examination of documents from varying sources and potentially competing ideologies helps to maintain accuracy in interpretation and analysis. In mitigating potential loss of meaning in translating Amharic to English, note that a translation appendix is attached for referencing text in original language (Appendix J).

Semi-structured Interviews

Background. My decision to conduct intensive interviews primarily arose from the object of the study that seeks to explore the rationale behind the differences in telecom liberalization policy between the IMF and the Ethiopian state. While policy papers, annual reports and official communiqués were studied to explore this subject,

document analysis is not particularly strong in explaining the thinking process behind these carefully worded, filtered and "politically correct" productions. When it comes to studying political documents of a sensitive nature related to some of the most restrictive targets of this study (IMF, the Ethiopian state), the availability of key documents is incomplete if not impossible (see "Limitations" section in this chapter). In addition, documents are usually representative only of the perspective of their authorship, and more importantly, they may not provide insight into the thinking behind the physical data.

In complementing the measured, "politically correct" and usually "polite" data gathered from documents, individual in-depth interviews provide an excellent insight in explaining how processes work, how policies are formulated and how decisions are made. While policy documents show end products, interviews illuminate the processes and premises leading to the end product. In this sense, the individual in-depth interviews complemented the shortcomings of data gathered from document analysis and the electronic survey.

The semi-structured design of the interviews allowed me to cover a list of key themes, issues, and questions. Depending on how the interview flows, I altered the order in which I conceived my questions. Although I used an interview guide, I took the freedom of asking additional questions when unexpected yet interesting themes arose. Corbetta (2003) describes semi-structured interviews as follows:

> The order in which the various topics are dealt with and the wording of the questions are left to the interviewer's discretion. Within each topic, the interviewer is free to conduct the conversation as he thinks fit, to ask the questions he deems appropriate in the words he considers best, to give explanation and ask for clarification if the answer is not clear, to prompt the own style of conversation (p. 270).

Designing my interviews along semi-structured lines permitted additional questions to be asked including questions that were triggered by unanticipated themes. As Kajornboon (2004) notes, "the researcher conducting a semi-structured interviews is freer than one conducting a structured interview in that the interviewer does not have to adhere to a detailed interview guide" (p.138). This is very important in this particular research since the aim is not to prove/disprove a hypothesis but explore relationships and construct a narrative. Patton (2002) recommends to "…explore, probe, and ask questions that will elucidate and illuminate that particular subject…to build a conversation within a particular subject area, to word questions spontaneously, and to establish a conversational style but with the focus on a particular subject that gas been predetermined" (p. 343).

I found semi-structured interviews to be particularly conducive as they allowed me to conduct a profound level of examination into the theme under the given discussion. Semi-structured interviews let the researcher bring up spontaneous questions into the discussion. The interview guide in this sense is just a loosely designed manual to help frame the discussion rather than structure it tightly. Semi-structured interviews also allow the researcher to elaborate and futher explain questions if the interviwee finds them ambiguous or uncomfortable.

Consequently, the semi-structured design of my interviews was premeditated to allow extended conversations with interviewees. This is because intensive interviews are particularly rewarding when the subject under discussion is potentially sensitive. As Schroder et al. (2003) further contend:

> The individual interview also avoids the 'spiral of silence' effect that may prevent…controversial views and experiences from being expressed in a group context. The individual interview may thus be the best choice for a researcher

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who wishes to illuminate a sensitive issue, located beyond the discursive range of the socially acceptable or the politically correct – or an issue that is felt by the individual to be too sensitive to talk about in the presence of others, other than a researcher who grants the informant full anonymity (p. 153).

As Seidman (2006) explains, interviewing "provides access to the context of people's behavior and thereby provides a way for researchers to understand the meaning of that behavior (p. 10)." In using in-depth interviewing as a research tool, the significance is that the meaning people make of their experience affects the way they carry out that experience (Blumer, 1969). Interviewing allows us to put behavior in context and provides access to understanding individuals' action. While policies and ideologies shape people's attitudes, it is important to note that policies are formulated by people and their political, social, and economic predispositions as well. In this sense, individual in-depth interviews play a quintessentially unique role.

Intensive interviews provide some unique advantages in the data collection process. They provide detailed context about respondents' specific answers and elaborate data concerning respondents' opinions, values, motivations, recollections and experiences. Intensive interviews can be customized to individual respondents. This was of particular significance to the present study as I was able to design different interview guides for the different interviewees who represented varying ideologies in the Ethiopian telecommunications sector's liberalization debate, for example.

Intensive interviews are also unique because their success can be significantly influenced by the interview climate and the rapport established between the interviewer and the respondent. A conducive climate in the interviewing process usually results in a wealth of detail that can hardly be generated by more traditional methods like surveys. On the negative side, interviews are not generalizable. However this is not a problem if

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the objective is—as it is in this study—not to generalize but rather to describe and explore processes within existing sets of ideologies. Wimmer and Dominick (2011) also warn that in-depth interviews may especially be sensitive to interviewer bias. In other words, it is possible for a respondent to learn a good deal of information about the interviewer in a long interview and adjust his/her responses to the interviewer's "liking." This challenge was mitigated in the present study as no interviews were conducted more than once with the same interviewee, which is typical of this data collection method. Yet another disadvantage of intensive interviewing is that its challenge may extend to the data analysis phase as well as "an interview may wind up with interpretations significantly different from those of the original investigator" (Wimmer and Dominick, 2011, p. 139). Once again, the challenge in this regard was minimal because of the diversity of interviewees in the institutions and ideologies they represented.

Sampling and Recruitment of Individual Interviewees. Following much qualitative research, I drew on a small, non-random sample of unknown representativeness. In keeping with the research aims of qualitative research, as already discussed, generalizability to populations or universes is not at the object of individual in-depth interviews.

In total I conducted seven semi-structured in-depth individual interviews with different stakeholders of and commentators on the Ethiopian telecommunications sector and related issues. Interviewees were predetermined in accordance to their relevance to the objectives of their study. They were:

(i) Debretsion Gebremichael, Minister of Communication and Information

    Technology and Deputy Prime Minister of FDRE;

(ii) Jan Mikkelsen, IMF Resident Representative in Addis Ababa, Ethiopia;

(iii) David Shinn, former U.S. Ambassador to Ethiopia and Adjunct Professor of

    International Affairs at The George Washington University's Elliott School of

    International Affairs;

(iv) Josefita Pardo de León, Legal Affairs Officer, Accessions Division, World

    Trade Organization;

(v) Mereid Bekele, IP Next Generation Network (NGN) Project Consultant at

    Ethio-Telecom;

(vi) Woldeloul Kassa, Data and Network Design Consultant at Ethio-Telecom;

    and

(vii) Me'aza Fanta, Technical Trainer, ZTE[32]

The Interview Guides. To ensure that the discussion remained focused on the
subjects and issues relevant to my research, I drew up multiple interview guides for the
different interviewees specified in the previous section. These interview guides are
reproduced in Appendix H. This is consistent with Wimmer and Dominick (2011, p. 139)
who argue that—as opposed to personal interviews in a survey research where all
respondents are usually asked the same questions—intensive interviews "allow
interviewers to form questions based on each respondent's answers" (p. 139). I conducted
the interviews after a preliminary analysis of the survey results and documents with the
aim of corroborating findings and exploring in greater depth the data generated from the
survey and document analysis. As a result, my interview guide was shaped by these

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[32] Name changed at interviewee's request for anonymity.

considerations. I isolated the main themes of my survey and used them to construct some of my question in the interview guide.

However, I did not follow the guide in too rigid a fashion. I felt free to probe more deeply when necessary, and to follow new topics if they arose. This is to be expected in qualitative interviewing where evidence can allow the processes which link the variables, revealed in the quantitative stage of the research, to be revealed. In this sense, the model of my interview guide is similar to a semi-structured interview design where the interview is decided by the researcher and focus is given to areas the researcher is interested in exploring. The objective is to understand the respondent's point of view rather than to make generalizations about behavior. I was particularly drawn to this model in order to accommodate unanticipated themes that typically emerge during extended interviews.

Analyzing and Reporting the Interview Results. The interviews—some of which needed to be transcribed and translated into English from Amharic—were categorized and labeled. As the interviews generated a number of unexpected themes, these had to be categorized accordingly as well. Having categorized the responses from all the interview transcripts, I consolidated these thematically. When reporting the interviews in my study, I had to maintain a balance between "letting the data speak for itself," summarizing, and analyzing the material. In giving verbatim quotes I generally limited these to representative illustrations. As different commentators observe, it is the researchers' task to interpret the meaning of these the data generated from the interviews and present their most salient features in critical and coherent form (Ruddock 2001, pp. 138-139).

Validity and Reliability

As discussed earlier in this chapter, this research followed a mixed approach of both qualitative and quantitative methods to collect data. The application of mixed methods in research—also known as triangulation—contributes to the validity and reliability of the study. Triangulation is typically a strategy (test) for improving the validity and reliability of research or evaluation of findings. Patton (2001) advocates the use of triangulation by stating "triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including using both quantitative and qualitative approaches" (p. 247). However, to improve the analysis and understanding of construction of others, triangulation is a step taken by researchers to involve several investigators or peer researchers in interpreting the data at different time or location.

The association of a quantitative paradigm with qualitative research through validity and reliability has changed our understanding of the traditional meaning of reliability and validity from the qualitative researchers' perspectives. Reliability and validity are conceptualized as trustworthiness, rigor and quality in the qualitative paradigm. Triangulation in this sense is "a validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study" (Creswell and Miller, 2000, p. 126). Therefore, reliability, validity and triangulation, if they are to be relevant research concepts, particularly from a qualitative point of view, have to be redefined in order to reflect the multiple ways of establishing truth.

Limitations

Although the methodological limitation of each data collection tool has been mentioned in this chapter, there are other noteworthy limitations that are important to be recognized. The interview process was the most challenging in terms of access and transparency of interviewees. The physical remoteness of most of the interviewees forced me to conduct the interviews through mediated communication that oftentimes was unsuccessful. Bad Internet connections at the other end forced the cancellation of some of the interviews. A couple of these interviewees opted out of the interview process entirely, potentially frustrated by repeated interruption of voice over Internet protocol (VOIP) communication.

The most challenging aspect of the data collection process was probably related to requesting documents from some of the institutions in which I was interested. While I was fortunate to have access to documents from the World Bank and IMF, I have had the least luck when it came to Ethio-Telecom. Although I spent weeks trying to get access to the publication, financial strategic planning archives of the company, my requests were never successful. The fact that Ethio-Telecom was transitioning from its predecessor ETC during the time of my visit in 2011 also compounded the problem.

With regard to the online survey, it is important to point out the bias of the delivery method of the questionnaire toward the urban mass. In light of this limitation, the results of the survey may not be generalizable to the majority of the population, who, by the very nature of the delivery method were automatically discriminated from participating in the survey. On one hand, participating in the survey required access to the Internet. On the other hand, it also required basic literacy on how to use the Internet even

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if there is access. With an abysmal Internet penetration rate of 1.5% and a huge 80% rural majority, the survey administration, therefore, had a default urban bias. Thus, results may not be extended to represent those without Internet access and experience.

Finally, as Rubin and Rubin (2005), among others, emphasize, neutrality in qualitative research is impossible, and the researcher's position and personal biases undoubtedly influence his/her interpretation of data. My critical perspective toward global neo-liberalism, on one hand, and state-sponsored repression through different means including telecommunications, on the other, has potentially conditioned my analysis and interpretation of results. While I fervently champion the need and right of countries like Ethiopia to develop, I do not believe economic development should come "at all costs," which include costs in human rights and dignity. In this sense, as much as I am critical of Western neo-liberalism, I am critical of the Ethiopian state and its approach to development that seems to treat development as mutually exclusive to freedom. I believe it is important to acknowledge my personal theoretical orientations and viewpoints as they could affect the interpretations and conclusions of the study. As I discussed earlier in this chapter, however, I have triangulated my methodology in order to mitigate possible harmful effects of personal bias.

Conclusion

This chapter provided a discussion on the methodological approaches considered for this study. It also offered a detailed description of procedures in data collection methods employed in the study, namely, the online survey, document analysis and semi-structured interviews. Toward the end, it highlighted key issues related to validity, reliability and limitations of the methods involved.

As indicated earlier in this chapter, different methods were employed in order to appropriately address the four research questions that guide the objectives of this study. Each of these four research questions will be addressed in the following four chapters. As I transit to report my findings in the next chapters, I find it useful to map out the relationship between my research questions, my analysis chapters, and the methods involved. Table 10 provides a summary of each research question, the chapter related to the question under investigation, and the method(s) employed to address each research question:

Research question	Analysis	Methods used
RQ1: What is the institutional history of telecommunications in Ethiopia?	Chapter V: Overview of the Ethiopian Telecommunications Sector	Document analysis
RQ2: To what extent does the Ethiopian public endorse/denounce state monopoly of the telecommunications sector?	Chapter VI: Public Perceptions of the Ethiopian Telecommunications Sector	Survey
RQ3: What are the underlying reasons behind the differences in telecom liberalization policies between the IMF and the Ethiopian state?	Chapter VII: Actors and Disparities in (De)regulation Discourses of the Ethiopian Telecommunication Sector	Document analysis; interview
RQ4: What are the premises on which Sino-Ethiopian partnerships in the Ethiopian telecommunications sector are laid?	Chapter VII: Chinese Multinationals in the Ethiopian Telecommunications Sector	Interview

Table 10: Summary of research questions, corresponding analysis chapters and methods

CHAPTER V

HISTORICIZING TELECOMMUNICATIONS IN ETHIOPIA

More than a century after starting its operations, telecommunications in Ethiopia still remains to be a state-run enterprise. Until the latter part of the 20th century telecommunications was considered to be a natural monopoly where the state was seen as the only capable entity to invest on and govern telecommunications infrastructure. However, widespread privatization and liberalization policies that accompanied neo-liberal capitalism in the United States and Britain changed this line of thinking. Subsequent adoptions of legislations like the Telecommunications Act of 1996 in the United States that "let anyone enter any communications business" and "let any communications business compete in any market against any other" opened the telecommunication market for private ownership (Federal Communications Commission, 1996). As with other neo-liberal policies, these trends in the global North had significant influences in telecommunications governance in the rest of the world.

The Ethiopian telecommunications sector remains an exception to this ubiquitous global practice. This chapter provides a historical overview of the state-owned telecommunication enterprise Ethio-Telecom—the oldest Public Telecommunications Operator (PTO) in Africa. Through an analysis of secondary documents that include company profiles, institutional reports and press archives, this chapter attempts chronicles the institutional history of telecommunications in Ethiopia. In doing so, it highlights processes and stakeholders involved in state-sponsored telecommunications infrastructure development from 1894 to the present day.

The Formative Years (1894-1935)

The two decades between the end of the 19th century and the beginning of the 20th century represent an important juncture in the modernization history of the Ethiopian state. These two decades coincide with the reign of Emperor Menelik II (1889-1913), who was depicted as a staunch modernizer with a "child-like interest in innovations of all kinds" (Pankhurst, 2001, p. 195). The period was particularly convenient for infrastructure development because Ethiopia had an unusual streak of peaceful years after the Battle of Adwa.

The founding of Addis Ababa in 1881 was an important precedent to the development of telephony and other communication facilities in Ethiopia as it triggered a domino effect on the construction of urban infrastructure. In Addis Ababa, what used to be a mobile court found a settled civilized life after decades of warfare and campaigns internally and externally. As a result, most members of the community including the nobility and the clergy started building permanent residences. The newfound capital hosted an estimated population of 70,000 permanent and 30,000 to 50,000 temporary inhabitants by 1910 (Pankhurst, 2001). Because of the increased stature and prestige of Emperor Menelik as a result of his victory against the Italians in the Battle of Adwa, foreigners started coming to Addis Ababa in numbers. Soon after, foreign legations set up consulates and craftsmen launched small businesses (Pankhurst, 2001).

However, the most important factor that sealed the fate of Addis Ababa as the permanent capital city of Ethiopia was the construction of a railway system that connected Djibouti with Addis Ababa. The construction of the railway was significant because it facilitated the incorporation of telecommunications in the Ethiopian political

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economy. In 1894 work commenced on the first telephone line between the capital city of

Addis Ababa and the eastern regional trade hub Harar covering a distance of 296 miles.

The installation, which was completed in 1897, was undertaken by the technicians

working on the Addis Ababa-Djibouti railway system. Once the telephone line was

completed, it was immediately followed by an installation of a telegraph line along the

Ethio-Djibouti railway between 1897 and 1899, connecting Harar and Addis Ababa.

When seen against the instability of the country for much of the 19th century as well as

the invention of the electronic telephone in the 1870s, it is fair to say that the introduction

of telephone services in Ethiopia was not significantly late (Tsigie & Feyissa, 1999).

In 1902, the Addis Ababa-Asmara telephone line work involving Italian

electricians was started. This line, completed in 1905, runs 547 miles to the north of the

country. Both the projects interconnected the center to the east and the north. This was

followed by another network expansion that saw western and southern provincial capitals

like Gore and Jimma in the former provinces of Illubabor and Kaffa, respectively,

connected to the national grid. The court in Addis Ababa saw that the development of

communication systems was not only crucial for industrialization and development but

also for consolidation of power and instant foreign relations at a time when the Ethiopian

empire-state was going through the early stages of nation building (ETC, 2009). As a

result, the Dire-Dawa-Djibouti telegraph line was completed in 1906, essentially giving

the court in Addis Ababa direct communication capabilities internationally. Similar

developments were made in postal service as well. In 1894, the first postage stamps

printed in France were introduced to the court although their circulation was limited to a

few philatelists. The Ethiopian postal system grew substantially in the next 15 years. As a

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matter of fact, in 1908 Ethiopia joined the International Postal Union, the first

international organization to which Ethiopia was admitted. Realizing the importance of

internationalization, Emperor Menelik actively advocated for Ethiopia to join the

International Telegraph Union in 1907 (ETC, 2009).

The seemingly rapid incorporation of basic communication facilities was not

without its setbacks, however. One of the most visible challenges was the excessive

suspicion and apprehension of the public, the nobility, and, more significantly, the clergy

on new and modern technological appropriation. Emperor Menelik's fascination with

modern developments and advances stood in a stark contrast to the orthodox views of his

court, which regarded foreign influence with distaste and suspicion. Always wary of the

motive of the Europeans, Menelik's wife, Empress Taitu, was displeased when running

water and electricity were installed in the palace and spread through Addis Ababa.

Clifford Hallé in his memoir *To Menelek in a Motor-Car* recounts his story on how state

ministers "almost prostrated themselves" (Hallé, 1913, p. 267) when the Emperor decided

to test-drive the first motor car to reach Addis Ababa. In a similar manner, the first

telephones brought to Ethiopia in 1890 from Italy by Ras Mäkonnen, general and the

governor of Harar province in Ethiopia, caused some havoc within the clergy. Upon

receiving the telephone apparatus from Ras Mäkonnen, Menelik ordered that a line be set

up between his rooms and the house of his treasurer. However, the apparatus was only

operational for a day since it was destroyed by local priests who proclaimed the phone

the work of the devil after the treasurer reported of a blow coming out of the phone in

what actually was an electric shock. It was reported that the Emperor was livid and

responded with disdain before setting up more telephones to communicate with his provincial governors (Tsigie & Feyissa, 1999).

The construction of roads in different parts of the country also played a significant role in the expansion of telephone services. The first decade of the 20th century saw the construction of Ethiopia's first two modern roads linking Addis Ababa with Addis Alem, Harar and the new railway town of Dire Dawa. Most telephone lines were erected in advance along the anticipated routes of roads to be constructed with large mobilization of labor and the use of pack animals for transporting installation equipment (ETC, 2009). The installation of telephone networks was particularly difficult not only because of the lack of know-how and basic transportation infrastructure but also because of the extremely rugged nature of the Ethiopian landscape. As a result, an inter-urban network was established in all directions from the capital, "thus facilitating long distance communication with the assistants or operators at intermediate stations frequently acting as verbal human repeaters between the distant calling parties" (ETC, 2009, p. 21). In the end, about 4350 miles of telephone networks were completed and over 170 towns or provincial centers were connected by 1930 (Figure 4).

Originally the Ethiopian telecommunications system was highly integrated with the duties of the imperial court. The Emperor himself overlooked the operation and administration of the then Ethiopian Telephone & Telegraph Central Administration (1894-1908) from his palace aided by his foreign—mostly French—experts and, later, trained Ethiopians (ETC, 2009). Between 1909 and 1911, the Ethiopian Telephone & Telegraph Central Administration changed its name to Ethiopian Telephone & Telegraph

Central Bureau, and was led by Alfred Ilg, a Swiss engineer and a confidant to the
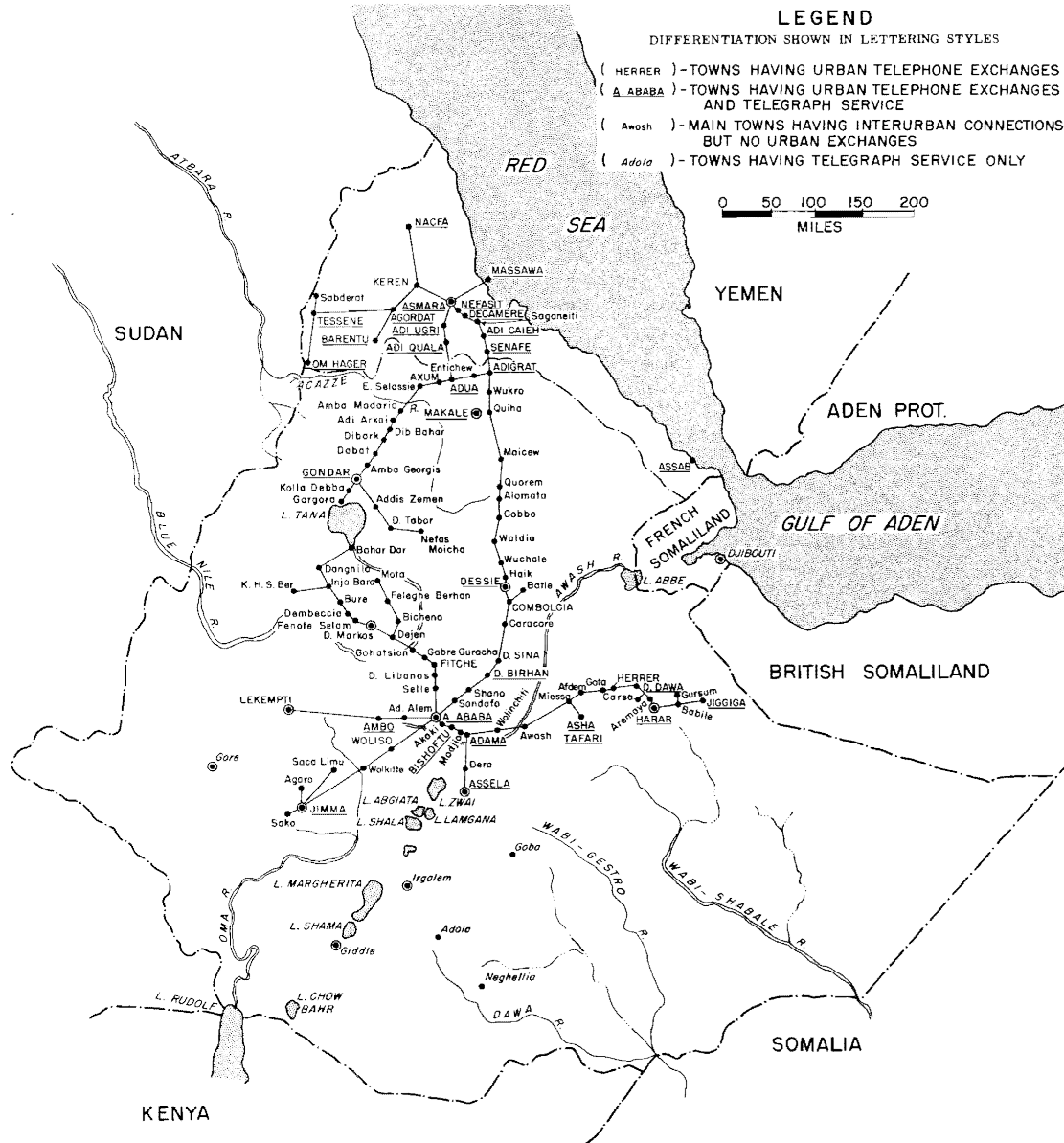
Emperor.

Figure 4: First urban and interurban telephone and telegraph connections (Source: International Bank for Reconstruction & Development, 1951).

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However, there was soon a realization that the communication system was not only important to the government but also to the public sector as well, as evidenced by the Addis Ababa telephone exchange, which began to serve some 100 subscribers in 1914 (International Bank for Reconstruction & Development [IBRD], 1951). As a result, it needed to be restructured and institutionalized in order to respond to the growing demand for services from the sector propelled by increased trade, urbanization and small industries. Consequently, a group of French consultants studied and designed a roadmap to the restructuring of Ethiopia's telecommunications and postal administrations between 1909 and 1911, resulting in the birth of the first ministerial level inauguration of communications-related institution—the Ministry of Posts, Telegraph and Telephone (PTT). Although the French first administered PTT, Lij Gizaw Bezabih took over immediately to become the first Ethiopian national to administer the sector at the highest level (ETC, 2009). The restructuring of PTT resulted in the gradual incorporation of Ethiopian communications systems into the global network as evidenced by Ethiopia's participation of the Congress at Madrid in 1920 of the 7th Postal, Telegraph and Telephone service (ETC, 2009).

Although telephone connectivity gained momentum during the Menelik years after Adwa, external and internal developments within the political center presented some complicated challenges in communications infrastructure development. On one hand, Ethiopia's post-Adwa independence was not as unconditional as the Ethiopian nobles assumed it would be. European colonial powers found it counterproductive to treat and negotiate with Ethiopia as an independent and sovereign nation, and attempted to exert their influence through backdoor negotiations among themselves as evidenced by the

case of the "Tripartite Agreement" of 1906 (Bahru, 2002).[33] An important example in this

regard is the disruption of the Addis Ababa-Djibouti railway project for six years partly

because of the Ethiopian ruling elite's frustration with the decision of the French

government to take-over what has been originally a private undertaking. As a result, other

infrastructure development schemes that critically depended on the import of modern

machinery and equipment including telecommunications were hindered. Internally, the

deteriorating health condition of Menelik and subsequent succession power struggles

following his death relegated ventures in institution building and basic infrastructure

development to lesser priorities, at least until the coronation of Haylä Səllasé I in 1930

(Pankhurst, 2001).

One of the lingering challenges the new leadership faced in relation to the

telecommunications sector was its dependence on colonial powers controlling

neighboring countries for international communication. Both Djibouti and Asmara, the

only two outlets of telephone communication to the rest of the world, were under the

control of the French and the Italians respectively. This was doubly disconcerting not

only because Ethiopia's uninterrupted international communication interests depended on

the will of unreliable colonial powers, but also on account of potential interception of

confidential state matters by these powers. This convinced Haylä Səllasé to actively look

for more sustainable solutions. On one hand, he was involved in increasing the global

visibility of the country. In this regard Ethiopia became the first independent African

member of the League of Nations, and, since 1932, joined the then International

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[33] The Tripartite Agreement was a sort of "memorandum of understanding" signed between Britain, France and Italy on December 13, 1906 where the three powers divided the Ethiopian empire-state into different spheres of influence that conceived of "the Blue Nile Basin for Britain, the hinterland of Eritrea and Italian Somaliland that would connect the two territories to the West of Addis Ababa to Italy and the then under construction Djibouti-Addis Ababa zone to France" (Lemma, 1979, p. 120).

Telegraph Union (ETC, 2009). On the other hand, a radio-telephone station was set up within the compound of the old post office in Addis Ababa linking the country with Cairo, Djibouti, London and Aden in 1934 (ETC, 2009). This was complemented by the foundation of a local radio communications training center for Ethiopians. The aim was for Ethiopian nationals to take over radio communication facilities and traffic that were operated by expatriates who most probably had access to confidential state content. Haylä Səllasé's search for an independent and self-administered telecommunications sector was short-lived, however, as Ethiopia was once again faced with the return of Italian colonial aggression (Bahru, 2002; IBRD, 1951; Pankhurst, 2001).

Occupation & Resistance: The Erratic Years (1936-1942)

Although the defeat at the battle of Adwa kept colonial aggression at bay, this was only to last a couple of decades as Italy's interest in Ethiopia got reinvigorated again. The coming to power of Benito Mussolini and his National Fascist Party in 1922 rescinded Italy's policy of retrenchment in relation to colonial expansion in the Horn of Africa. On one hand, the new fascist government deemed it necessary to annex Ethiopia so that Italian prestige can be restored in Europe after the humiliation of Adwa. On the other hand, the Italians increasingly saw Ethiopia as a geographically natural and economically profitable target to be incorporated to their other Horn of Africa colonies Eritrea and Italian Somaliland (Pankhurst, 2001). It was important for Mussolini to find a motive to invade Ethiopia, a fellow full member of the League of Nations. Mussolini then moved on to invade under the false premise that Walwal belonged to Italian Somaliland (Bahru, 2002).[34] Ethiopia's appeal to the League of Nations was to no avail as key members like

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[34] Walwal is a town in the Somali region of eastern Ethiopia. It was the immediate cause of the Italian-Ethiopian war of 1935 as Benito Mussolini used this incident as a pretext to invade Ethiopia.

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Britain and France were "ready to sacrifice Ethiopia" in an effort to "woo Mussolini away from Hitler" (Zewde, 2002, p.153). As a result, after a series of battles in the north and the east of the country, the Italians entered Addis Ababa in May 5 1936.

Although the Italians proclaimed a new "Fascist Empire," Ethiopia was hardly at peace for the next 5 to 6 years. While the Italians controlled urban parts of Ethiopia, vast plots of the countryside remained in the hands of Ethiopian fighters and anti-Fascist activity. Remaining forces of the imperial army under the commands of Ras Imiru and Ras Desta stationed in the south actively engaging in warfare with the Italians. Guerilla fighters grouping together in the central and northern highlands led by the likes of Abebe Arregai in Shewa, Belay Zelleke in Gojjam, and "Amoraw (The Hawk)" Wubineh in the then Beghemidir led coordinated and successful attacks against the Italians repeatedly. Worn by five years of guerrilla warfare and the eventual decision of Britain to join the Ethiopian resistance, the Italians were defeated and Addis Ababa was liberated on April 6, 1941 (Bahru, 2002).

The five-years-long fight between the Ethiopian resistance and Italian forces in Ethiopia had a devastating effect on communication infrastructures. Communication infrastructures were targets of destruction by both groups as part of their strategies to weaken the enemy's coordination strategies. Originally, it was the fascist forces that sought to destroy communication facilities in order to deprive resistance forces access to information. This resulted in the demolition of PTT's installations in order to disrupt both local and international communication. Later, the Italians restored most of the telecommunications facilities they destroyed realizing communications systems were crucial for their operations. The restoration was jeopardized significantly, however, as

Ethiopian resistance forces took a leaf from the Italians to destroy restored facilities out of service and at times obstructed refurbishment efforts (Tsigie & Feyissa, 1999).

In spite of the earlier damage they caused to telecommunications facilities, "toward the end of the period of occupation the Italians had begun to restore Ethiopia's telecommunications system, installing automated telephone exchanges in Addis Ababa and Asmara (with a capacity of 1,500 and 1,200 lines, respectively" (Tsigie & Feyissa, 1999, p. 24). When defeat looked certain and retreat began in 1941, Italian forces started destroying telephone service all over the towns they controlled leaving the country's system in a pitiful condition.

Postwar Restoration and Restructuring (1941-1957)

Although the joint British-Ethiopian liberation campaign that drove the Italians out and restored Haylä Səllasé I to power reaffirmed Ethiopia's sovereignty in principle, the British preponderance over the internal and external affairs of Ethiopia was strongly visible. Britain found it critical to intimidate and coerce the Ethiopian political center in order to execute its vested interest of remapping the Horn of Africa. Taking advantage of their military presence after the liberation campaign was over, the British occupied Eritrea in the north and Ogaden in the East with the aim of integrating whole or parts of these regions with British colonies in the Horn of Africa. As part of this scheme, "the British exercised stringent fiscal control over the country" in addition to "taking precedence over all other diplomatic representatives" of the government (Bahru, 2002, p. 179).

As a result, the majority of the 1940s preoccupied the Ethiopian government with diplomatic undertakings to reverse the British agenda and reclaim complete political and

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economic sovereignty. This exercise jeopardized the rehabilitation prospects of PTT, at

least until the prominence of Ethio-American relations in the 1950s. As Bahru (2002)

notes, "Distressed by the stringent control exercised by the British after the liberation, the

emperor sought the Americans as a counter-weight" (p.184). Haylä Səllasé had

established an amicable relationship with then U.S. President Franklin Delano Roosevelt

since 1945 when the two met in Egypt. The Emperor expressed his frustration over

British imposition and his eagerness to "develop relations with the U.S." because he

believed that "the US, unlike most European countries, had no colonial aspirations"

(Getachew, 2009, p.40). Bahru (2002) adds:

> The British had come to exercise administrative and fiscal control over the
> country incommensurate with the financial or military assistance they rendered.
> While grateful to them for giving him asylum and restoring him to the throne, the
> emperor became aware that the proper reinstitution of his autocratic power could
> only come about through tying Ethiopia's fate to the generous ally that the United
> States was expected to be (p. 184).

Although Ethio-American relations date back to 1903, American involvement in

Ethiopia was at its peak during the 1950s and the 1960s, which Bahru (2002) calls "the

American era" (p.186). The Fellows Mission of 1944 was particularly important because

it laid the foundation for subsequent Ethio-American relations in infrastructure

development (Spencer, 2006).[35] On May 15, 1952, Ethiopia signed a Four Point

Technical aid agreement, and since 1961, USAID has continued and expanded on U.S.

economic and development assistance to Ethiopia. The Americans were instrumental in

strategizing and financing some of the institutions that still play an influential role in the

Ethiopian political economy including Ethiopian Air Lines (EAL) and Imperial Highway

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[35] The Fellows Mission was named after Perry Fellows who led an American contingent to Ethiopia in
1944 with the aim of assisting Ethiopia with large foreign economic assistance including making a survey
of the economic, agricultural, and mineral potential of Ethiopia.

Authority (IHA). Their presence in the military and educational systems was also significant (Bahru, 2002).

The war-stricken telecommunications sector was another area that benefited from the growing Ethio-American relations. Given the vast amount of financing the rehabilitation of the telecommunications system needed, it was impossible for the scanty coffers of the Ethiopian treasury to fund the project. As a temporary solution, lend lease arrangements were made in order to purchase transmitters that would establish radio communication between major towns. This was followed by a contractual agreement with the American multinational corporation International Telephone and Telegraph (ITT) in order to maintain ruined telephone lines (ETC, 2009). However, there was a recognition that a more sustainable solution was not only restoring the network but also institutionalizing the sector. For this purpose, the American-dominated International Bank for Reconstruction and Development (International Bank) was approached for assistance. In 1950 a high level IBRD team consisting of the organization's prominent loan officer Eric Beecroft and other key bankers came to Ethiopia for a needs assessment survey that aimed at strategizing restoration processes of telecommunication services and potentially restructuring PTT. After successful negotiations between IBRD representatives and delegates of the Ethiopian government—Lij Yilma Deressa, Minister of Commerce and Industry and Menassie Lemma, Vice Minister of Finance—a loan for the telecommunication project was discussed in December 1950 in Addis Ababa. In February 19, 1951, a loan in the amount of US$1.5 million was made although it did not become effective until February 2, 1954 due to "initial organizational difficulties" (IBRD, 1954, p. 15). It was concurred that the loan would be used to finance the

acquisition of equipment, supplies and services to "rehabilitate the Ethiopian telecommunication system and to add urgently needed extensions" (International Bank, 1951). The loan was also contingent on the establishment of an independent telecommunications authority that would be charged with carrying out activities of all Ethiopian telecommunications systems with the exception of those related to military or aeronautical operations.

For the ailing Ethiopian telecommunication sector, this was a significant course of action that made rehabilitation efforts possible. By 1950, only about 1,700 telephones were operational in Ethiopia, which at the time had a population of 12 to 16 million. Close to 1,250 of these lines were concentrated in the capital city of Addis Ababa and fewer than 100 communities could be reached by telephone or telegraph across the country (IBRD, 1951). Although the acute incapacity of telecommunication operations adversely impacted multifarious economic performances of the state, some challenges were more prominent. Among these were the impediment of commercial activities born out of lack of knowledge of prices and market conditions; confusion and losses caused by mistakes in transmission; and delays in state order, instruction and reports transmissions that also significantly suffered from confidentiality (IBRD, 1951).

The agreement with IBRD set up three independent sub-projects that all aimed at the expansion and improvement of the existing system. The first sub-project—the Addis Ababa telephone system sub-project—involved upgrading the number of telephone lines from 1,500 to 2,400, rehabilitating damaged plants and buildings and supply of equipment to ensure sustainability of maintenance. The second was the provincial system sub-project that aimed at, among other things, the rehabilitation and extension of the

2,500 mile network of toll lines, small local telephone systems in about 20 selected towns and installation of public telephone stations to nearly 130 towns. The third was the international system sub-project that sought to provide a new radio telephone circuit to European, American and other foreign telephone systems (IBRD, 1954).

It is in light of these circumstances that IBRD's recommendation was put into effect when the Imperial Board of Telecommunications of Ethiopia (IBTE) was established in October 1952 by Proclamation No 131/52, putting an end to the old practice of administrating telecommunications operations and postal services together under the auspices of PTT (IBRD, 1954). Although IBTE had a chartered, share company ownership façade as stipulated in the proclamation, it was essentially a government enterprise as all shares ended up being bought by the government. Upon inauguration, in addition to building capacity to provide basic telecommunications maintenance and support services, the IBTE was tasked with objectives to: rehabilitate, extend, and maintain Ethiopia's telecommunications facilities and to engage on a for-profit basis in the civilian telecommunications business; act as an agent for the Ethiopian government in all matters relating to telecommunications services in and outside the country; and establish appropriate training procedures and a training institute for present and future board personnel (IBRD, 1954).[36]

When IBTE officially disclosed its charter in October 15, 1952, its capital was set at US$ 2.7 million of which US$ 1.5 million represented "the counter-value of the loan and the rest was domestic currency to be paid in by the Government in three equal installments from 1952 to 1954" (IBRD, 1954, p. 17). As per the agreement with IBRD,

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[36] The United Nations was involved in the assisting IBTE in the establishment of a permanent and comprehensive training institution that catered to the technical and administrative staffing needs of the company.

the IBTE took over from the Ministry of PTT telecommunications operations and telephone and telegraph facilities on January 1, 1953 in Ethiopia and March 1, 1953 in Eritrea. Structurally, the governing body of IBTE was a Board of Directors appointer by the Emperor, with the Minister PTT being the ex officio chairman (IBRD, 1954).

The IBTE had 1,179 employees by the early beginning of 1954, out of which 96 were expatriates who were largely involved in management and technical operations. Since its establishment, as part of the agreement with IBRD, the Swedish Telephone and Telegraph Administration have supplied the management staff of IBTE (IBRD, 1954). Because the IBTE had a policy of terminating the contract of an expatriate when an equally qualified Ethiopian becomes available, a Telecommunications Institute was established in 1953 that offered in-service training for telephone and radio operators, line-construction foremen, cable splicers, exchange installers, and line testers. In addition to technical training, the institute was also involved in the instruction of high administrative personnel. The Board was responsible, in consultation with IBRD, for appointing a General Manager responsible for management and operations (IBRD, 1954).

Between 1953 and 1954 the IBTE had completed its administrative organization that consisted of six headquarters divisions including technical, traffic, commercial, financial, personnel and training; and sic regional divisions centered on Addis Ababa, Asmara, Dessie, Dire Dawa, Jimma, and Gondar (IBRD, 1954).

The IBRD and IDA Years (1958-1992)

Although IBTE operated at a loss between 1953 and 1955, by 1958 "the accumulated profits of 1956-58 had exceeded the losses up to the end of 1955" (IBRD, 1962, p. 8). This positive growth in profits was largely due to rapidly expanding volume

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of businesses made possible by the construction and rehabilitation program. Between 1952 and 1961, telephone subscriptions more than doubled from 3,588 to 8,819 and the number of telephone sets almost tripled from 4,556 to about 12,400. Between 1955 and 1959, interurban calls interurban calls increased by 70% and international calls more than doubled.

After the completion in 1956 of the reconstruction and expansion project mostly financed by the IBRD, the IBTE continued to add new facilities out of retained earnings. It was soon realized, however, that the demand for IBTE's services caught up with the capacity of its facilities. It was estimated that between 1962 and 1965 the demand for telephone and telegraph services from IBTE would increase by 10% and 9% respectively, a burgeoning market the sector couldn't simply cater for (IBRD, 1962). In addition to the demand-supply incompatibility, the services provided by the IBTE were suffering from frequent interruptions. The urban, long interurban, and international telephone and radio-telephone services experienced increased rates of outages due to rainy seasons, maintenance problems in mountainous terrains and strong atmospheric static over the eastern Africa region (IBRD, 1962).

As a result, the Ethiopian government decided to launch the Second Telecommunications Project of 1962-1964. IBTE, by now endowed with the authority to negotiate and secure loans independently,[37] approached IBRD for a loan of the equivalent of about US$ 2.9 million to cover most of the foreign exchange cost (IBRD, 1965). Upon approval of the loan, the project aimed to upgrade the existing capacity of IBTE in the

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[37] Proclamation No. 170/60 (June 22, 1960) established the authority of IBTE to borrow funds required for operation and expansion, with the limitation that the outstanding debt should not exceed three times the paid up share capital, and with the proviso of government's ratification of each loan. The proclamation also increased IBTE's capital to US$3.1 million.

areas of urban telephone, interurban telephone, and telegraph services. When combined

with other costs in land, buildings, broadcasting services, vehicles, tools, etc. the total

cost of the project was estimated at US$6.244 million (IBRD, 1965).

In 1965 negotiations between the Ethiopian government and the IBRD started in

Washington, D.C., for a loan in the amount of US$5.6 million that would finance the

Third Telecommunications Project (1965-1967) of the IBTE. Represented by Emmanuel

Abraham (Minister of PTT), H. Rudd (General Manager of IBTE) and Yawand-Wossen

Mangasha (Vice Governor of the National Bank of Ethiopia), the Ethiopian government

in the end settled for US$4.8 million (International Bank, 1965).

One potential factor for the reduced loan was IBRD's refusal to finance IBTE's

order for new 10,000 line central exchange and other works placed with

Telefonaktiebolaget LM Ericsson in 1964 (International Bank, 1965). This was because,

according to IBRD, the order was made "without consultation with the Bank and without

calling for international tenders" (International Bank, 1965, p.6). In the end the Ethiopian

government made financial arrangements with Telefonaktiebolaget LM Ericsson to the

amount of US$0.9 million in order to cover the cost of the sub-project. In addition to the

financial arrangement made with Telefonaktiebolaget LM Ericsson, IBTE secured

US$1.6 million funding from USAID for procurement and installation of broadcasting

equipment (IBRD, 1965).

Between 1962 and 1965, demand for IBTE's services accelerated by 19% per

annum, which is more than double earlier estimates of a rather conservative 9% (Figure

5). In fact, the ratio of 0.07 telephones per 100 people was one of the lowest compared to

other African countries at the time (IBRD, 1965).[38] In order to respond to this demand, the Third Telecommunications Project aimed at the installation of 13,200 additional lines of new automatic exchange equipment (IBRD, 1965). About 10,000 of these lines were to be installed by the financial arrangement made between IBTE and Swedish telecom company Telefonaktiebolaget LM Ericsson. In addition to these lines nearly 6,000 lines were set to be installed from the dismantled equipment recovered from the central automatic exchange in Addis Ababa (IBRD, 1965). Other aspects of the Third Telecommunications Project included the extension of the outside plant including underground cables, aerial wires and telephones for new subscribers; provision for the addition of some toll lines and a considerable quantity of career telephone equipment to increase the number of toll circuits between the main centers of population; extension of telegraph and telex services; and extension of the radio services covering mainly international communications (IBRD, 1965).

One of the conditions set by the IBRD in this and the previous loans was for IBTE to hire expatriates for key managerial and technical positions. As a result, it was agreed that the Swedish Telephone and Telegraph Administration should continue supplying key personnel to IBTE, at least until the completion of the project related to the IBRD's loan (Figure 6). The positions of General Manager, Network Planning Advisor, Transport & Workshop Advisor and other key positions were held by Swedish and Norwegian nationals (IBRD, 1965).

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[38] In comparison, other African countries had the following figures of telephones per 100 people by 1965: Nigeria 0.15; Tanganyika (Tanzania) 0.18; Liberia 0.20; Uganda 0.21; Kenya 0.49; South Africa 6.02 (International Bank, 1965).
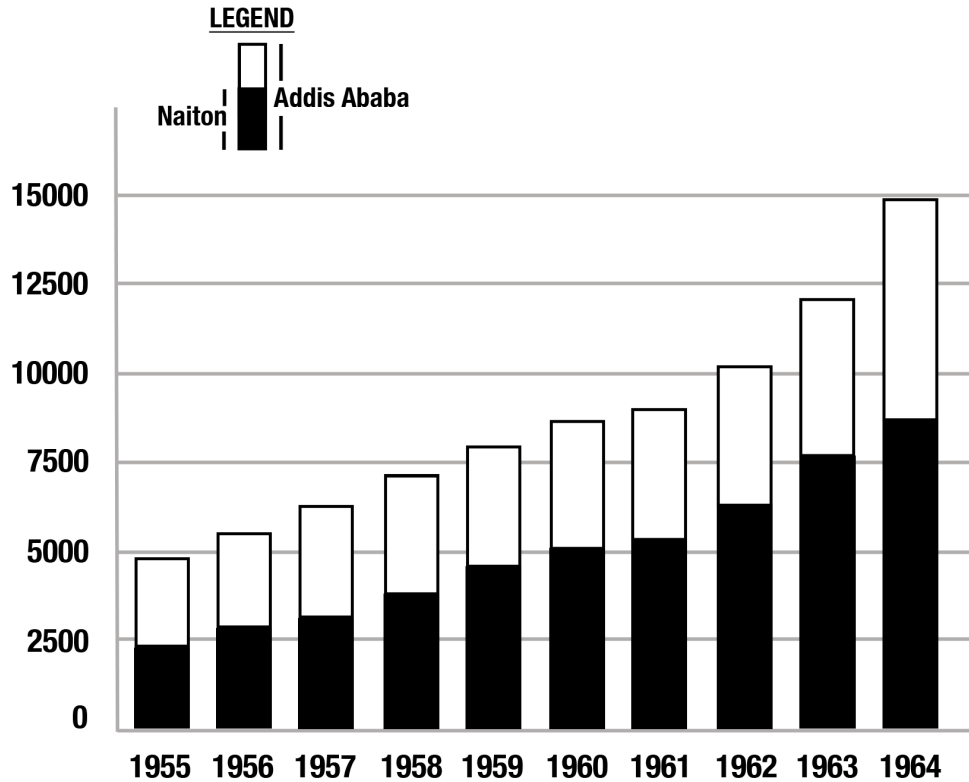
Figure 5: Telephone subscription statistics 1955-1964. Adapted from World Bank (1965).

There was little gap between the 1965-1967 Telecommunications Development

Project and the following Fourth Telecommunications Project (1968-1973). The Fourth

Telecommunications Project was at that time the largest infrastructure expansion venture

undertaken by IBTE. Once again, the IBRD was contacted for loans although the sources

for financing in this round of the project involved other stakeholders as well. Of

particular importance was the joint financing scheme that involved the Swedish

government when IBTE entered negotiations with IBRD officials in Washington, D.C., in

March 1969 (International Bank, 1969a). At the end of the negotiations, the

representatives involved—Yawand-Wossen Mangasha, Vice Governor of the National

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Bank of Ethiopia, Betru Admassie, General Manager of IBTE, John Wingstrand of the

Swedish Embassy in Washington, D.C., Bengt Sandberg and Gosta Westring of the

Swedish International Development Authority (SIDA)—agreed upon a financial scheme

to undertake the Fourth Telecommunications Project (International Bank, 1969b). Out of

the US$25 million total cost of the project, IBRD and SIDA agreed to provide loans and

credits amounting to US$4.5 million each (IBRD, 1969b). It was also agreed that IBTE

would use US$2.8 million from expenditure from the previous third Bank loan and

US$1.1 million from a supplier's credit (Telefonaktiebolaget LM Ericsson) in order to

fulfill the foreign exchange cost of US$16 million (IBRD, 1969b). In addition, IBTE

agreed to finance the total local currency cost of the program and about 20% of the

foreign exchange component from internally generated funds (IBRD, 1969b).

The Fourth Telecommunications Project aimed at increasing the capacity of the

urban telephone lines by 29,000 and expanding long-distance communication facilities

that included installation of microwave and very high frequency (VHF) systems and

automatic trunk exchanges. Telegraph, telex and international communication facilities

were also part of the expansion program (IBRD, 1965a). Even with this expansion rate,

the proposed program would only satisfy demand for services in line with a growth rate

of 12% a year, a rather conservative figure compared to the actual growth rate of 17%

that was registered between 1960 and 1965 (IBRD, 1965a). When the Fourth

Telecommunications Project was completed, 343 cities and towns were connected

through IBTE's telephone network (Figures 7 and 8). Total subscriptions for telephone

and telex reached 47,263 and 271 respectively, and the number of telephone sets totaled

63,689 (Tsigie & Feyissa, 1999).

Although the four telecommunications development programs helped the IBTE to become a satisfactory and efficient organization toward the end of the 1960s, the Ethiopian telecommunications sector notably trailed other African countries both in terms of coverage and quality of services. For example, in 1973, Ethiopia had a telephone density of 0.2 per 100 people (International Development Association [IDA], 1975). To put this into perspective, only five of the other 38 African countries for which data is available had lower densities at the time. The pace in which industrialization, urbanization, modernization and commerce grew was not replicated in the development of telecommunication infrastructure.

The need for telecommunication infrastructure during that time was particularly of paramount importance since the country had a relatively large land area of about 1.2 million square kilometers and an approximate population size of 26.5 million (International Development, 1975). Because of the large distances involved between different provinces of the country and the sparse road network, economic integration and improvement in administration were becoming increasingly dependent on expansion of telecommunications. While the Ethiopian rugged topography both necessitated and undermined the development of telecommunication infrastructure, the wide area over which agriculture—the backbone of the Ethiopian economy—was distributed and the scarcity of good all-weather roads made "telecommunications particularly important for coordinating the movement, distribution and marketing of agricultural products" (International Development, 1975, p. 7).
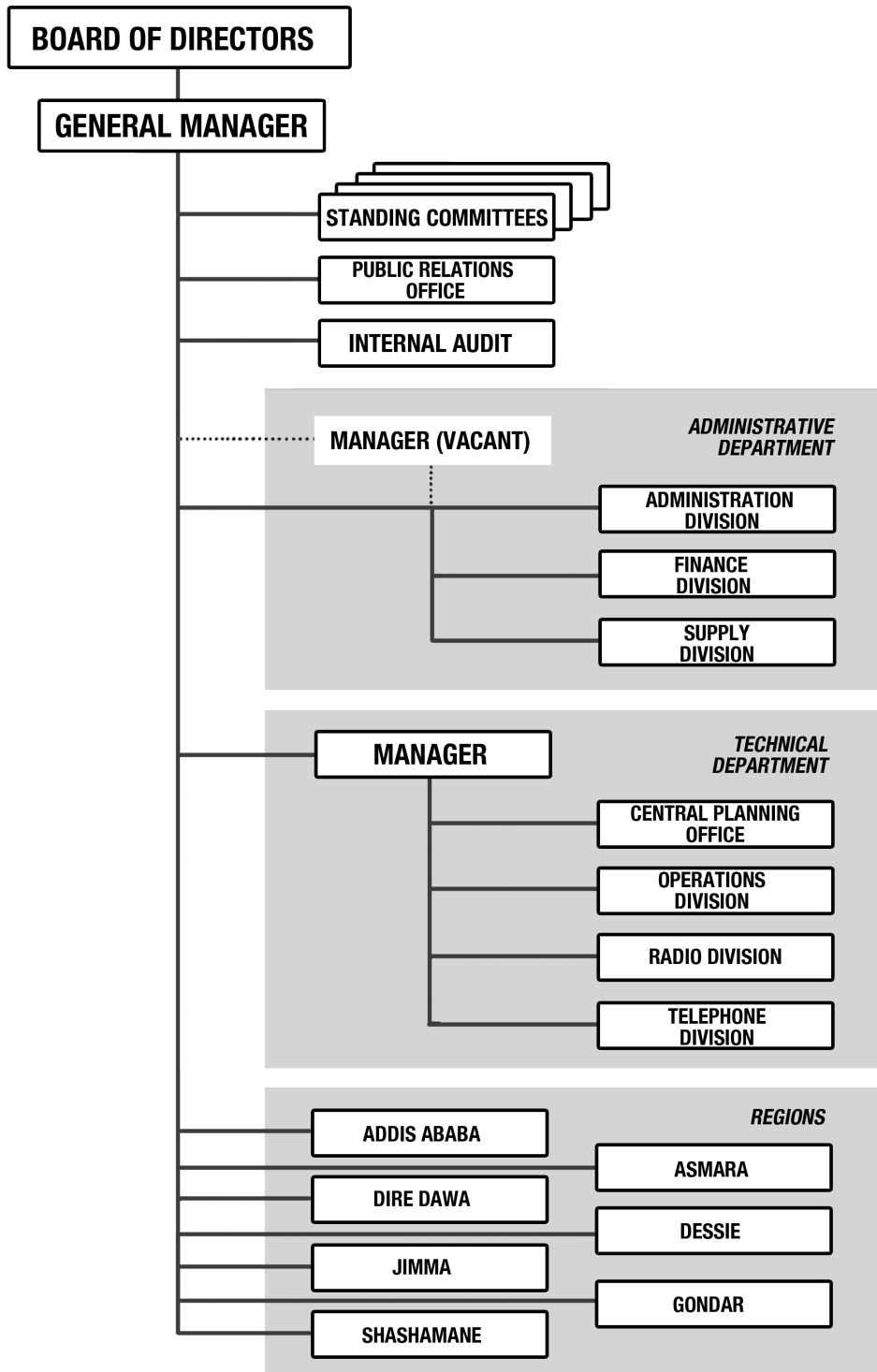
Figure 6: Imperial Board of Telecommunications of Ethiopia organizational chart at 1968. Adapted from IBRD (1969b).
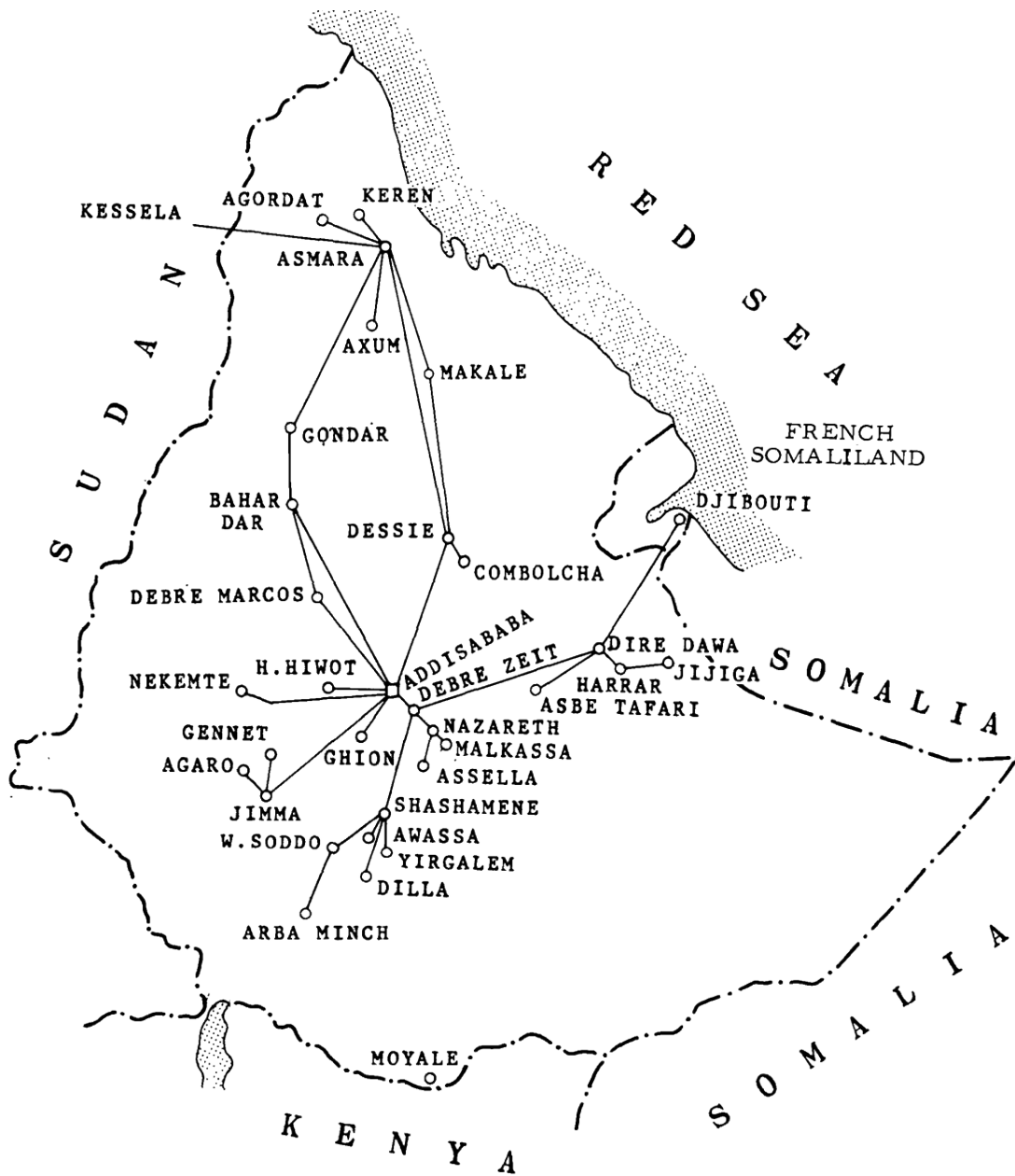
KESSELA AGORDAT KEREN

ASMARA

AXUM

MAKALE

SUDAN

GONDAR

BAHAR
DAR

DESSIE

COMBOLCHA

DEBRE MARCOS

H. HIWOT

NEKEMTE

ADDISABABA
DEBRE ZEIT

DIRE DAWA

JIJIGA

HARRAR

ASBE TAFARI

GENNET

AGARO

GHION

NAZARETH

MALKASSA

ASSELLA

JIMMA

W. SODDO

SHASHAMENE

AWASSA

YIRGALEM

DILLA

ARBA MINCH

MOYALE

KENYA

SOMALIA

SOMALIA

RED SEA

FRENCH
SOMALILAND

DJIBOUTI

Figure 7: Interurban and international carrier circuits as at the end of 1967. Adapted
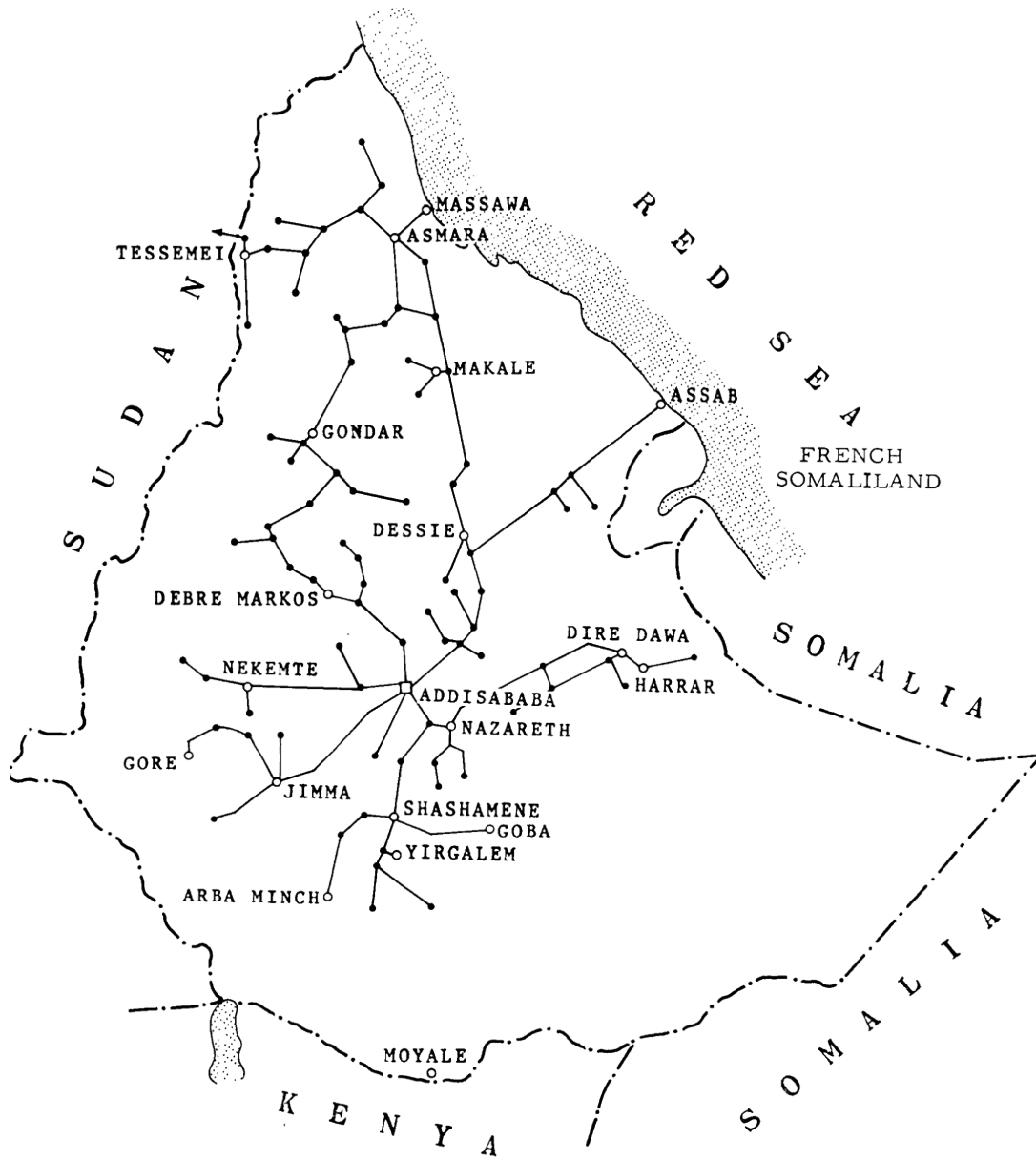from IBRD (1969b).

Figure 8: Main open wire lines at the end of 1967. Adapted from IBRD (1969b).

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It is in the midst of this constant pressure to expand the telecommunication infrastructure that IBTE approached the IBRD and its member institution the International Development Association (IDA) for what would become the Fifth Telecommunications Project (1974-1978). What was unique about this program compared to the previous projects was that it was divided into two overlapping phases—the first one between 1974-1977 and the second one between 1975-1978—due to "shortage of IDA resources" (IDA, 1973, p. 10). IBTE was confident of its creditworthiness given its increment of its share capital within a short period of time from US$ 8 million to US$16 million between 1967 and 1973 (IDA, 1973).[39] The cost of the first phase of the project, US$37.1 million, was once again split between IBTE and IBRD. From the total amount, IDA supplied US$ 21.4 (58%) million to cover the foreign exchange requirement exclusive of certain facilities worth $1.4 million which IBTE has already contracted to other vendors. The remaining 42% of the financing was provided from internal sources (IDA, 1973). The Fifth Telecommunications Project included the addition of 39,800 automatic and 4.500 manual exchange lines, four new microwave systems, expansion of the telex network, and, for the first time in the history of telecommunications development in Ethiopia, an earth satellite station that boosted capacity in international communication (IDA, 1973). A special attention was given to telex during this phase of expansion because the number of telex subscribers increased by about 14% between 1969 and 1973. With the exception of the satellite earth station, IBTE was almost in charge of all facets of the project including preparation of bidding documents, bid evaluation and detailed engineering of the project.

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[39] Proclamation No. 246/67 (June 27, 1967) declared the share capital of IBTE to increase from US$4.9 million to US$8 million. This share capital was increased to US$16 million by Proclamation No. 319/73 (Tsigie & Feyissa, 1999).

Administratively, one of the agreements between IBTE and the Bank as part of the proceedings of the loan was to revise the organizational structure of the former. Particular emphasis was given in the areas of planning and accounting. To this end, on November 1, 1972, IBTE appointed a Manager of Planning reporting directly to the General Manager. The Bank was particularly insistent on the transfer of the planning staff under the Engineering Department to the newly established office of the Manager of Planning. This remained a point of contention between IBTE and the Bank for some time as the latter constantly declared its dissatisfaction with the understaffing of the newly appointed position (IBRD, 1973; IDA, 1973, 1975a, 1975b).

Meanwhile steps were taken in modernizing the Accounting Department as well in light of responding to the expansion of IBTE and subsequent growth in financial transactions. As accounting practices were largely backward, it was common for financial reports to be issued several months after the closure of accounting periods. This was a serious challenge both to the Collection Department, and auditing, which was performed by Getachew Kassage Co., a firm of certified accountants (IBRD, 1973). Subsequently, IBTE established the position of Finance Manager who directly reported to the General Manager. Furthermore, the Supply Division as well as the Accounting and Data Processing Division were put under the direction of the Finance Manager (International Bank, 1973). The organizational structure of IBTE remained unchanged to a large extent, however, with the governing body of the corporation being the Board of Directors, composed of five to seven members appointed by the Emperor (Figure 9). The *de facto* chairman of the Board was the Minister of Communications. The Board appoints the General Manager who is responsible for IBTE's management and operations.
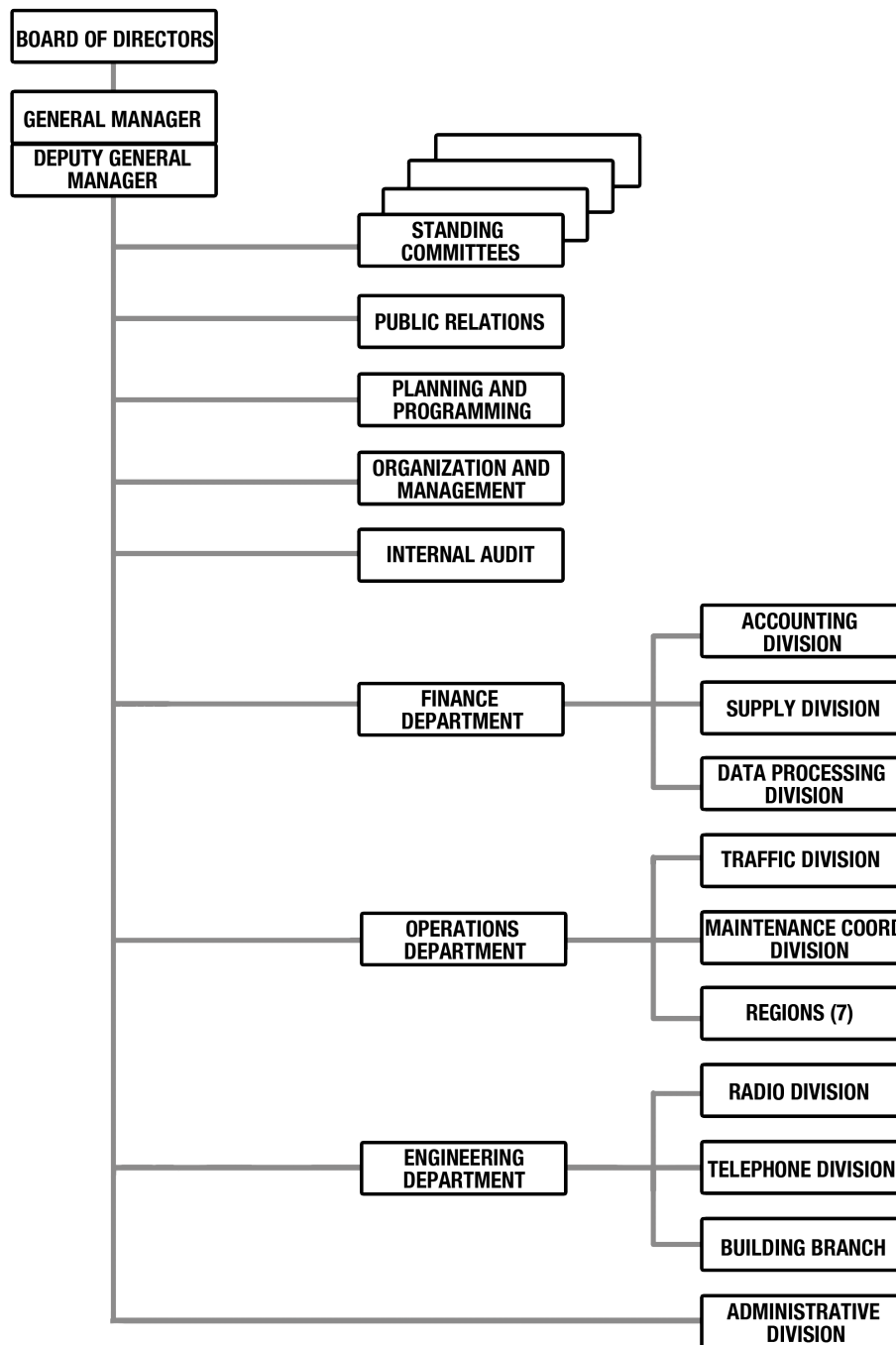
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Figure 9: Imperial Board of Telecommunications of Ethiopia organizational chart at 1972 (Source: IBRD, 1973).

Between 1973 and 1975, the Fifth Telecommunications Project underwent some lapses in effective execution because of a series of political instabilities at the helm of the Ethiopian Empire and popular uprisings across the country. After a period of civil unrest, the Emperor was removed from his position in 1974 and was replaced by the Provisional Military Administrative Council (PMAC), or simply referred to as *Derg*. The monarchy was formally abolished in May 1975, and Marxism-Leninism was proclaimed the ideology of the state. This was followed on January 1, 1975 by a decree that nationalized the financial sector including banks, insurance companies and savings associations. Similar measures were taken against manufacturing and distributing firms that were privately owned by Ethiopians and foreign nationals (IDA, 1975a). Imperial names of public institutions were soon revised along with the new order of the day. As a result, the Imperial Board of Telecommunications of Ethiopia was provisionally renamed Board of Telecommunications of Ethiopia (BTE) by the PMAC (IDA, 1975a).

The credit for the first phase of the project only became effective on August 1974 approximately six months behind schedule due to a six-month delay caused by labor disturbances. Although political stability was yet to be realized, the transition period didn't affect the official business of the government considerably. The civilian cabinet and the Ethiopian bureaucracy continued to function reasonably well allowing ongoing development projects to resume with acceptable efficiency (IDA, 1975b). In the meantime BTE remained a government-owned commercial corporation under the auspices of the Ministry of Communications. In spite of changing political and economic developments of Ethiopia that probably were not to the liking of international financial institutions, the IDA declared it is "satisfied that the project is still of a high priority and

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is economically, technically and financially justified in the changed circumstances"
(International Development, 1975b, p. 12). Consequently, between March 31 and April 3
1975, an Ethiopian delegation led by Ato Legesse Tickerher, Economic and Financial
Counselor of the Ethiopian Embassy in Washington, D.C., and Ato Girmaw Ingidayehu,
Acting General Manager of BTE negotiated for a credit equivalent to US$16 million as
part of the second phase of the Fifth Telecommunications Project. Between BTE's own
funds of US$23.2 million, the previous loan of US$21.4 issued for the first phase of the
project and the newly granted credit of US$16 million, the total cost of the project
amounted to US$60.6 million (IDA, 1975b).

The 1974 revolution brought significant challenges to the Ethiopian
Telecommunications Authority (ETA).[40] A significant number of senior staff left the
organization causing setbacks in technological development and operational efficiency.
As a result, ETA was busy with filling its vacant positions for the next six years. This
meant a relegated priority to infrastructure development and network expansion for a
company that barely kept up with demand. Moreover, the tenacity in which the PMAC
executed extreme socialist reforms particularly in terms of nationalizing manufacturing
companies and banks previously owned privately was not popular with the World Bank.
This has affected the Ethiopian telecommunications sector significantly as its momentum
in expanding according to the increasing demand of the services was held back at least by
five years because of loan delays to the Sixth Telecommunications Project (1984-1988).
This was evident when ETA, upon preparing a telecommunications development

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[40] After shortly changing its name to the Provisional Military Government of Socialist Ethiopia
Telecommunications Service, BTE was soon renamed again as the Ethiopian Telecommunication Authority
(ETA) (ETC, 2009).

program for the period 1981/82-1985/86, found out IDA has rejected its credit

application on June 30, 1981 (World Bank, 1984a). IDA's reluctance to fund the project

was particularly a hard blow to ETA because it scared off other potential sources of

financing. The discontinuity of the expansion project, although provisional, had enduring

costs to the Ethiopian telecommunications sector as ETA was left behind the rapidly

changing technology, computerization and service diversification of global

telecommunications infrastructure.

In spite of being the first public telecommunications operator in Africa, ETA was

drifting behind many of its continental counterparts. By mid 1982, Ethiopia's telephone

density was 0.25 per 100 people, a figure that is much below the 0.42 per 100 average for

developing countries in Africa (World Bank, 1984a). In addition, telecommunications

infrastructure exhibited a steep urban bias in that the capital city of Addis Ababa, despite

having only 4.3% of the total Ethiopian population, had 43, 266 number of main lines

that account for 56.7% of the total nationwide cumulative (World Bank, 1984b). The

other thirteen regional capitals shared 21.8% of the total telephone lines whereas 93.9%

of the population living in the rest of the country only got 21.5% of the service (World

Bank, 1984a). The problem was exacerbated by the poor quality of the service that was

mainly caused by the large excess demand, which in turn congested circuits and

prevented call completion at significantly. Still, new subscribers continued to apply for

services. The formal waiting list of new applicants was in thousands and it took years for

subscribers to get a telephone line (World Bank, 1984b).

Although the PMAC has identified the expansion of the telecommunications

sector as a priority in its economic program, unrelenting internal and external factors and

incidents left little room for undeterred development commitment to occur. Externally, PMAC's political and economic ideology was unpopular amongst traditional Western lenders, making loan possibilities limited and conditions tight. Furthermore, Ethiopia was dragged into a costly war with neighboring Somalia when the latter invaded much of the southeastern part of the country in July 1977. Internally, immediately after the end of the war against Somalia, the *Derg* was engaged in a brutal fighting against ethno-nationalist groups including the Eritrean People's Liberation Front (EPLF) and the Tigrayan Peoples' Liberation Front (TPLF) and other groups that ranged from the conservative and pro-monarchy Ethiopian Democratic Union (EDU) to the far leftist Ethiopian Peoples Revolutionary Party (EPRP) (Bahru, 2002).

When seen against such backdrop of political and economic instability, ETA's challenges in performance optimization were unsurprising. Regardless, attempts were made to reinvigorate ETA to overcome its financial, institutional and operational problems. Structurally, ETA retained its share company façade although it was fully owned by the government and established by proclamation. Like its predecessor, ETA was administered by Board of Directors (World Bank, 1984b). The Board of Directors, nominated by the government, had the Minister of Transport and Communication (MOTC) as its *ex officio* chairman (Figure 10). The responsibilities of ETA remained unchanged as it continued to: plan and coordinate all civil communications within the country; coordinate with military authorities for their facilities; issue licenses to end users; and represent Ethiopia globally in telecommunications related associations line the International Telecommunications Union (ITU). In terms of direction, the telecommunication sector was assigned with two objectives: to support national

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economic development providing required services to agriculture, industry, trade, tourism and other sectors; and to assist in implementing national social goals, particularly in the fields of health and education. To meet these objectives, ETA designed service objectives that ranged from raising service quality to an acceptable level in accordance with ITU recommendations to providing adequate staff training (World Bank, 1984b).

After its initial attempt in 1981 to finance its Sixth Telecommunications Project was rejected by IDA, PMAC's second revised loan application was accepted in 1983 with the understanding that the implementation period of the project would fall between 1984 and 1988 (World Bank, 1984a). The proceedings in loan negotiations for the Sixth Telecommunications Project were long and complicated as they involved multiple stakeholders including PMAC, IDA, the African Development Bank (AfDB), the Government of Italy and the Government of Sweden. In the end, it was agreed that the total cost of the project, US$151.8 million, would be covered by a parallel co-financing in the amount of US$40 million from IDA, US$25 fro the government of Italy, US$12 from the Government of Sweden, and US$ 26.4 from the AfDB. The remaining US$48.4, majority of the financing (31.9%), was covered by ETA's internal coffers (World Bank, 1984a, 1984b). The average 12% annual interest of the loans was very high—more than two times of the previous loans—which probably is an indication of how PMAC was limited and cornered in its financial options particularly at a time when the country was facing severe foreign currency reserves. In spite of all the challenges, the project delivered results as shown in Table 11.
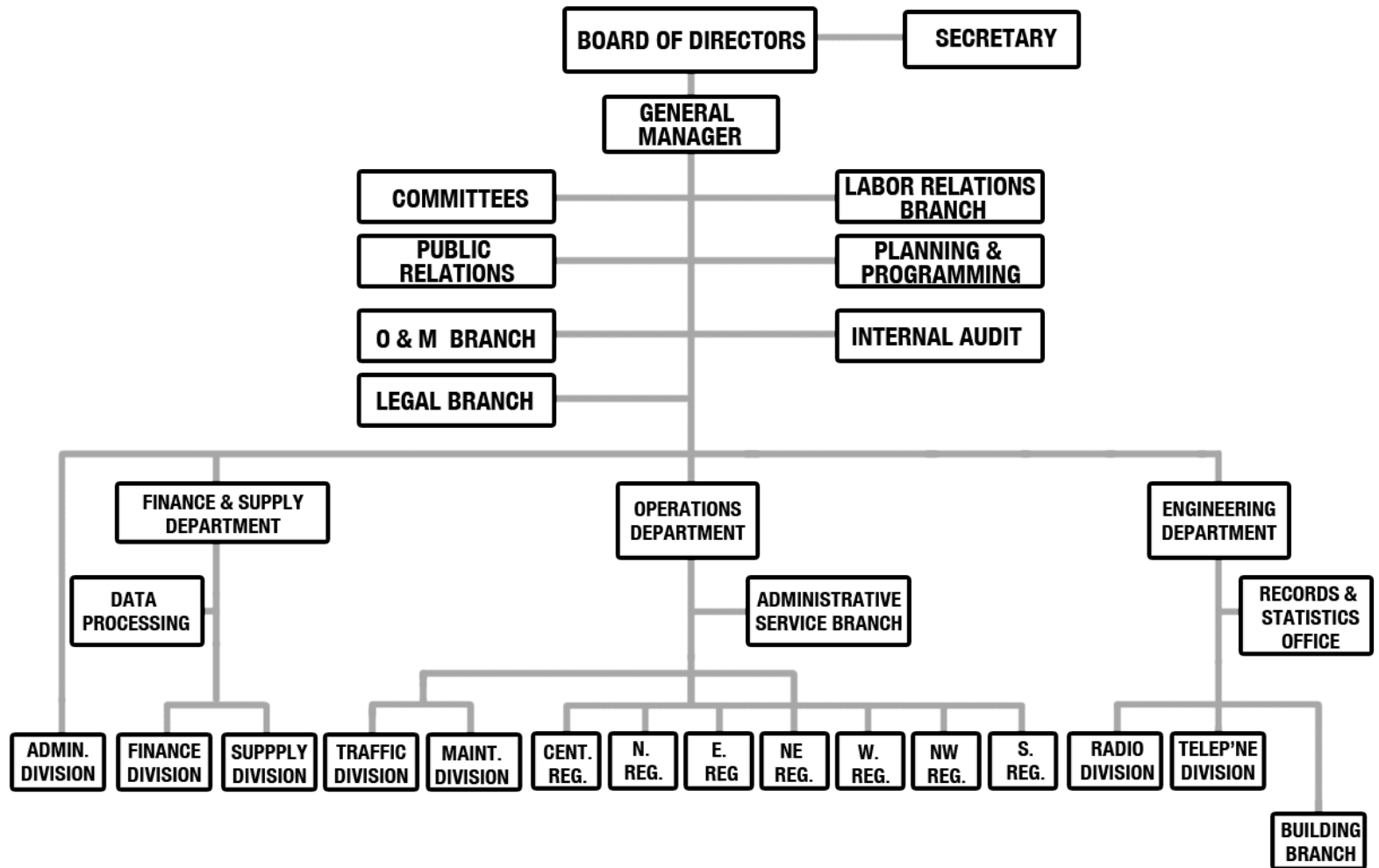
Figure 10: Ethiopian Telecommunications Corporation organizational chart. Adapted from World Bank (1984b).

Indicator	At project commencement	Projected at completion	Actual
Subscriber connections (direct exchange lines)	90,000	139,000	147,000[41]
Telex subscribers	585	1,000	1,022
Fault rate per direct exchange line	2.8	1.0	1.4
Local call completion (%)	65%	95%	84%
Inter-urban call completion (%)	30%	80%	63%

Table 11: Sixth telecommunications project goals and results. Adapted fromWorld Bank (1984a, 1984b).

Project	Year of loan approval	Total cost	Internal financing	External Loan	Lender	Status	Closure date
1st Telecommunications Project	1951	1.5		1.5	IBRD	Completed	12/31/56
2nd Telecommunications Project	1962	6.24	3.34	2.9	IBRD	Completed	12/31/65
3rd Telecommunications Project	1965	10.8	3.5	4.8	IBRD	Completed	12/31/69
				1.6	USAID		
				09	L.M. Ericsson		
4th Telecommunications Project	1969	25		4.5	IBRD	Completed	12/31/79
				4.5	SIDA		
				1.1	L.M. Ericsson		
				2.8	IBRD		
5th Telecommunications Project	1974 (Phase I)	60.6		17.4	IDA	Completed	06/30/81
	1975 (Phase II)			16.0	IDA	Completed	06/30/83
6th Telecommunications Project	1984	151.8	48.4	40.0	IDA	Completed	06/30/88
				25.0	Italy		
				12.0	Sweden		
				26.4	AfDB		

Table 12: Summary of all telecommunication expansion projects until 1993. Adapted from International Bank (1962, 1965a, 1965b, 1969a, 1969b, 1973); International Development (1973, 1975a, 1975b); World Bank (1984a, 1984b, 1993).

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[41] Includes lines in Eritrea.

Consolidation of a State Monopoly and the Localization of Financing (1992-2009)

The 1980s and 1990 saw the majority of telecommunication operators across the developed world embracing liberalization and privatization. The divestiture of AT&T in the USA, the privatization of NTT in Japan and BT in the UK 1984 signaled the end of the global telecommunication sector as a natural monopoly (Abbott & Brady, 1999). By the early 1980s British and American governments, joined by large segments of the media and intelligentsia, declared the futility of the state and endorsed free markets could do nearly everything better than government, leading to the popularity of deregulation and privatization as flagship ethos of the OECD States and global financial institutions (Bergman et al., 1998; Comor, 1994). More importantly, the fate of global telecommunications as a private entity was sealed w hen sixty-nine members of the World Trade Organization (WTO) signed an agreement on February 15, 1997, to provide market access to their basic telecommunications services. The WTO Agreement on Telecommunications Service became the first global pact on the deregulation of basic telecommunications service. At the time, the countries that signed the Agreement account for about ninety-three percent of the global market in basic telecommunications service (Forestier, Grace, & Kenny, 2002).

These new developments in the global economy in general and in the telecommunications sector in particular made deregulation the cornerstone of loan conditions. This was particularly a challenging proposition for EPRDF, the ruling party of FDRE since 1991, given its unwavering insistence on consolidating state monopoly of the telecom sector and fending off external and internal pushes of deregulation (see Chapter VII). Consequently, it became apparent that traditional financial sources like the

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World Bank were reluctant to provide loans to the Ethiopian government so long as the latter insisted on upholding state monopoly of the telecom sector. It is partly because of this tension of ideology between the Ethiopian government and traditional Western financial institutions that the Seventh Telecommunications Project was rescheduled for implementation between 1992/1993 and 1996/1997 from its original scheme of implementation between 1990 and 1994.

The original cost of the Seventh Telecommunications Project was estimated at US$250 million, a figure that far exceeds any of the prior six telecommunication projects (Table 12). Out of this amount, ETA was looking to secure the foreign exchange component of the investment in the amount of US$170 million from external sources. In spite of different attempts, ETA's effort for favorable terms and conditions for loans fell short until it finally obtained US$ 64 million from Africa Developoment Bank (AfDB) (AfDB, 2006). However, this was still an amount that fell short of ETA's plans. Eventually, both ADB and the World Bank ceased financing the Ethiopian telecommunications sector, making GoE to look internally for fund generation mostly through credit from commercial banks and selling bonds. Between 2004 and 2005 alone, the sector raised funds in the amount of US$ 615 million through sale of bonds (AfDB, 2006).

In the meantime, the EPRDF-led government found it necessary to restructure ETA with the aim of separating regulatory branches from operational entities. Accordingly, two separate bodies, the Ethiopian Telecommunications Authority (ETA) and the Ethiopian Telecommunications Corporation (ETC), were established by Proclamation No. 49/1996 on November 1996 (ETC, 1999). The separation of regulatory

and operational activities that were altogether exercised by the former Ethiopian

Telecommunications Authority (ETA) was consistent with international trends in

telecommunications management structure as the number of independent regulators

increased dramatically from 13 in 1990 to 140 in 2005. Established under the then

Ministry of Transport and Communications, the new ETA was tasked "to ensure the

implementation of government policy, to create a conducive atmosphere for private

investment in the telecom sector as well as to set standards for services and types of

communication equipment-imported, assembled or locally" (ETC, 2009, p.23). ETA's

major powers and duties included: ensuring the telecom services are operated in a manner

that best serve and contribute to the country's economic and social development;

ensuring that telecom services conform to the specified standards of quality; authorizing

and supervising the use of frequencies allotted to Ethiopia; specifying technical standards

and procedures for the provision of telecom services; regulating tariffs related to basic

telecom services; regulating types of telecom equipment, which may be connected to a

telecom system; and licensing and supervising operators of telecom services (ETC,

2009).

Upon its establishment in 2002, ETA granted ETC with monopoly rights that

provided the latter with fixed-line, mobile, Internet, and data communications services as

well as related training services. Audited by the Audit Services Corporation (ASC), ETC

as a state-owned company had management autonomy, a separate legal personality, a

supervising authority, and a management board (ETC, 2009). Its responsibilities included

design of the telecommunications network, procurement of telecommunications

equipment, construction, installation, and maintenance of the equipment and provision of telecommunications services to the public (ETC, 2009).

Between 1997 and 2007, ETC invested significantly in infrastructure development in a region of US$14 billion. In recent years, GoE's investment on telecommunications infrastructure had been increasing continuously to the extent that it comprised nearly 10 percent of the country's GDP in recent years. The majority of ETC's investment went into fixed wireless and mobile network infrastructure, including third-generation (3G) mobile technology as well as a national fiber-optic backbone. ETC also sponsored the establishment of the Graduate School of Telecommunications and Information Technology that provides training, research, and education in the specialized fields of telecommunications and information technology, offering three postgraduate programs, namely, Telecom Engineering, Information Technology and Telecom Management (Figure 12). Also important was the establishment of the Ethiopian Information and Communication Technology Development Authority (EICTDA) in 2003 (ETC, 2009). EICTDA was tasked with completing and implementing Ethiopia's National Information and Communications Technology (ICT) Policy that was first drafted and submitted to the Council of Ministers in 2002 (Figure 11). The policy strategized, among other things, a roadmap to e-government that aimed for public access to information and government services, enhancing good governance and strengthening the democratic process. In 2006, EICTDA finalized and published an information and communication technology (ICT) policy and related detailed ICT action plan for 2006–10 (Ministry of Information and Communication [MICT], n.d.).
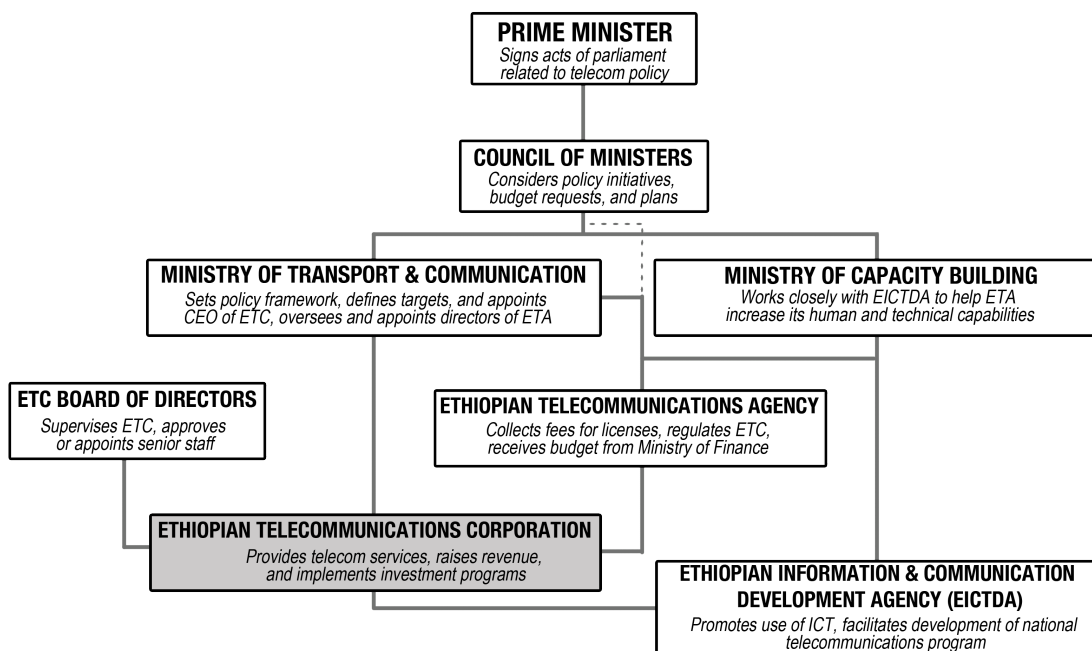
Figure 11: Institutional setting of ETC. Reproduced from Plummer (2012).

ETC streamlined its development strategy with the Plan for Accelerated and

Sustained Development to End Poverty (PASDEP) that served as FDRE's guiding

strategic framework for the five-year period 2005/06-2009/10. The PASDEP defined the

nation's overall strategy for development during the course of the five years. The

PASDEP program aimed to reinforce telecommunications development propositions laid

out by the previous Sustainable Development and Poverty Reduction Program (SDPRP)

that included the provision of broadband, multimedia and internet services; laying

underground fiber-optics cables covering large areas; conversion of hand operated semi-

automatic telecommunication centers into digital systems; undertaking preliminary

preparations to implement rural telecommunication expansion projects, extending

telephone services at the *qäbäle* level; major expansion of telephone coverage, from

about 400,000 lines at the beginning of SDPRP to over 1 million by the end of 2004/05

(Table 13); and, reductions in the cost of international calls and of Internet connections, and corporate reforms of Ethiopian Telecommunication Corporation (ETC) to increase efficiency (MoFED, 2006).

Specifically, PASDEP aspired to deploy "a world-class backbone and connectivity network" that included a full digitized national transmission microwave and switching system; 4,000 km of fiber along the major national route and 122+ interconnecting stations; 1,200+ broadband Very Small Aperture Terminal (VSAT) nationwide; a broadband multimedia Internet Protocol/Multi Protocol Label Switching (IP/MPLS) core network with footprints all over the nation; and a broadband Internet network with points of presence nationwide; and Wireless Code Division Multiple Access (CDMA) to 5,000 rural villages (MoFED, 2006, p. 41).

Regions	Landline		Mobile	
	By the end of 2004/05	By the end of 2009/10	By the end of 2004/05	By the end of 2009/10
Tigray	29,250	215,247		350,000
Afar	2,745	36,448		110,000
Amhara	64,345	623,764		1,300,000
Oromia	117,391	977,424		1,600,000
Somali	5,307	191,833		270,000
Benishangul-Gumuz	1,936	17,851		60,000
SNNPR	42,264	386,144		890,000
Gambella	1,797	12,127		40,000
Harari	7,691	29,204		50,000
Addis Ababa	332,369	681,711		1,660,000
Dire Dawa	14,305	71,590		80,000
Total	620,000	3,243,343	560,00	6,470,000

Table 13: Regional distribution of landline and mobile phones. Adapted from ETC (2009) and MoFED (2006).

The PASDEP also had schemes to promote e-governance through applying modern ICT to the delivery of services and administration of government, thereby improving effectiveness and reducing costs. SchoolNet was one of the largest programs

that was developed through this initiative providing educational satellite television broadcasting to 1,710 high schools in Ethiopia through a total of 15,600 Plasma TVs (MoFED, 2006). According to the MICT of the FDRE, the SchoolNet program delivers 1482 television programs in subjects like Biology, Chemistry, Physics, Mathematics, Civics and Ethical Education and English to grades 9-12 students across the country (MoFED, 2006). WoredaNet is another product of PASDEP and provides terrestrial and satellite-based network linking 950 districts. Its purpose is "providing ICT services such as video conferencing, directory services, messaging, Voice over IP, and Internet connectivity to the Federal, Regional, and Woreda level government administrative units across the country" (MICT, n.d.). Similar other nationwide ventures like AgriNet, HERNet and HealthNet were undertaken to create communication network between agricultural research centers, institutions of higher learning and major referral hospitals respectively.

The operationalization of PASDEP's proposal was mainly carried out through a vendor credit agreement GoE signed with ZTE in 2007 in the amount of US$1.5 billion. The ZTE project resulted in the rollout of 10,000 km backbone fiber optics cable across the country that would enable the aforementioned programs like SchoolNet and WoredaNet. The project also created a mobile network capacity of over 30 million subscribers and a CDMA wireless network covering rural areas (MoFED, 2006).

While SDPRP had outlined and executed some lofty schemes in the infrastructure development of ICTs, particularly in laying a nationwide backbone of fiber-optics, coverage of telecommunications in Ethiopia was still among the lowest in the world, with approximately 5 lines per 1,000 persons, and 87% of the rural population living more

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than 5 km from the nearest telephone service facility by 2006 (MoFED, 2006).

PASDEP's end goal was to increase fixed telephone subscribers from 620,000 to over

3.23 million, and cellular mobile subscribers from about 410,000 to over 6.76 million,

and in Internet connections from 17,000 to 0.193 million. It also aspired for the

percentage of population with access to telecommunications within 5 km to reach 100%

(MoFED, 2006).
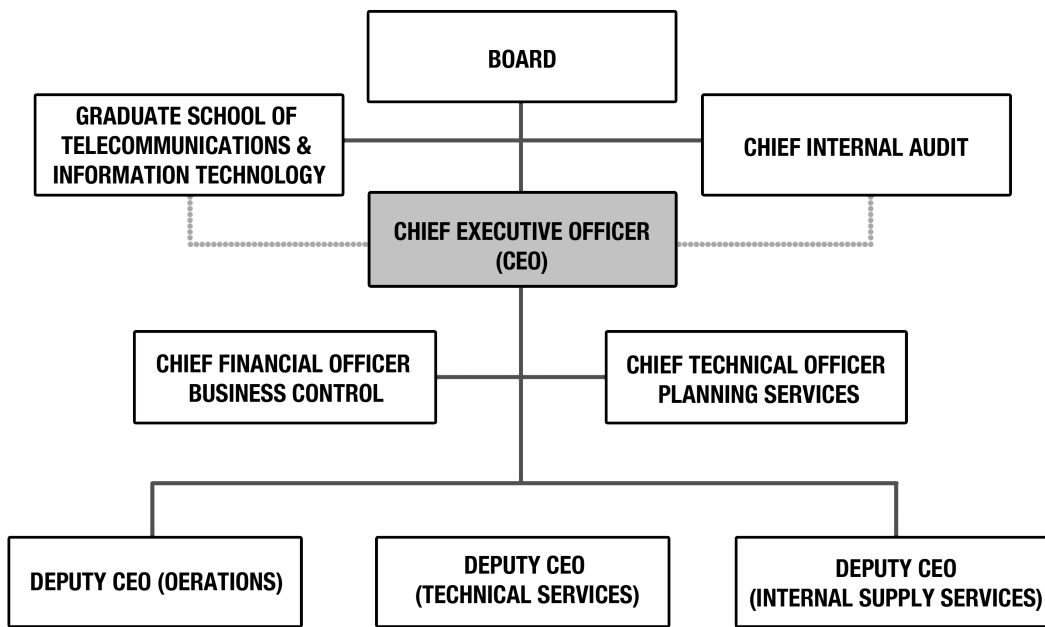
Figure 12: ETC organizational chart as of May 2006. Reproduced from Plummer
(2012).

Rebranding, Outsourcing and the Chinese Influx (2010-Present)

With the expiration of the PASDEP in 2010, GoE introduced the Growth and

Transformation Plan (GTP) that set the nation's economic and development agenda

between 2010 to 2015 (Figure 15). The GTP encompasses a lofty communications

program that proposed the objectives of finishing ongoing network infrastructure building

and applications and commence service, intensifying the need based network expansion

work, expanding of rural universal telecommunication access program, improving and maintaining the quality in fixed line, mobile phone, internet and data service provision; and creating a conducive environment to use latest telecommunication technologies and fair and economical utilization of National Frequency, Telecommunication number and IP addresses and increase the revenue from these services (MoFED, 2010a).

Indicators	Base Year (2009/10)	Annual Target				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Fixed line telephone density (%)	1.36	1.6	2.0	2.4	2.8	3.4
Mobile telephone coverage (%)	8.7	11.9	16.6	23.1	32.2	45
Number of mobile telephone subscribers (mln)	6.52					40
Wireless telecom service coverage (%)	50	56	63	71	80	90
Global link capacity (Gb/s)	3.255	4.680	6.729	9.675	13.910	20
Number of fixed line telephone subscribers (mln.)	1	1.25	1.56	1.95	2.44	3.05
Number of internet service subscribers (mln)	0.187	0.34	0.62	1.12	2.03	3.69
Rural telecom access within 5 km radius of services (%)	62.14					100

Table 14: Ethio-Telecom capacity targets 2009-2015. Reproduced from MoFED (2010a).

In order to execute the GTP's telecommunications infrastructure schemes, GoE found it crucial to revamp ETC administratively, operationally and structurally. In November 2010, Ethio-Telecom was established under Proclamation 197/2010 under the Council of Ministers with a capital of 40 billion ETB.[42] According to the Proclamation, the purposes for which Ethio-Telecom was established are: to provide and make accessible next generation network based world class standard information technology services; to build a competent next generation network based workforce with appropriate knowledge, skill, attitude and work culture to provide work class telecom service; to

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[42] On December 2010, 1USD=16.636ETB.

engage, in accordance with development policies and priorities of he government, in the construction, operation, maintenance and expansion of telecommunications networks and services; to provide domestic and international voice, data, video, and other related value-added services; to provide communication services using integrated information technology platform, including rebroadcast of telecommunication services; in line with directives and policy guidelines issued by the MoFED, to sell and pledge bonds and to negotiate and sign loan agreements with local and international financial sources; and to engage in other related activities necessary to the attainment of its purposes (Federal Negarit Gazeta, 2011).

Service Type	Subscribers in 2013	Users per 1,000 people
Fixed line telephone	790,188	9.123
Public telephone	5,359	0.062
CDMA telephone	136,744	1.579
Dialup internet	76,504	0.883
Internet and data	221,000	2.551
Mobile telephone	23,637,007	272.9
WCDMA telephone	296,897	3.428
AgriNet	49	0
Multimedia	6,500	0.075
Roaming	444	0.005
CDMA 1X	104,003	1.2
GPRS	4,208,989	48.595
EVDO	76,445	0.882
Gota	1,010	0.012
Internet bandwidth	8.686 Gbps	-

Table 15: Ethiopian telecommunications sector subscription and density statistics. Reproduced from MoFED (2010b).

Today Ethio-Telecom has monopoly over fixed, mobile, Internet and Value Added Services (VAS) like Domain Name registration and distribution over .et country

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code top-level domain (ccTLD), the Domain Name System, Web hosting, and Internet Protocol Address Service (Ministry of Communication, n.d.). It offers dialup Internet, CDMA 2000 wireless Internet, Asymmetric digital subscriber line (ADSL) and wireless Internet using AIRONET, very small aperture terminal (VSAT), and Enhanced Voice-Data Optimized (EVDO) (Table 14). Very few facets of Ethio-Telecom are available for private sector participation like the resale of airtime vouchers and Internet services through cyber cafés. Since the establishment of Ethio-Telecom. Mobile telecommunications subscribers surged from 1.2 million to 23.7 million between 2007 and 2013. According to MICT, voice communication geographic coverage has reached 64% with fixed telecommunciation netword comprising 790,188 subscribers, a figure that represents 1% of the population (MICT, n.d.).

Administratively, Ethio-Telecom's management was outsourced to France Telecom-Orange for a two year contract (Figure 13) in 2010 for a fee of US$ 40 million. Under France Telecom's management between 2010 and 2012, Ethio-Telecom's customer base reached 18.28 million subscribers, nearly a 60% increase from 2010 (Abiye, 2013). Mobile services, which constituted the vast majority of the customer base passed the 20 million mark and fixed line numbers reached 805,000—81.4% of projected performance target.

Financially, Ethio-Telecom's overall gross revenues by the end of France Telecom's tenure reached US$ 690 million, with two thirds coming from mobile services. This accounted for 70 percent of the US$980 of the target set in the agreement between France Telecom and GoE. By the end of 2012, Ethio Telecom's net profits, the money actually earned after taxes and other fees, amounted to US$ 495 million, a profit margin

that fell short of the US$600 they hoped to net (Yewondwossen, 2012). Almost one

quarter (22.4%) of Ethio-Telecom's profits came from international traffic

interconnection with the rest primarily coming from fixed telephone lines. France

Telecom's contract, which had a potential to be extended if certain goals were met, was

not renewed after MICT announced the former's tenure would end on December 13th

and Ethiopian staff would take over the management of the state owned monopoly

(Yewondwossen, 2012).
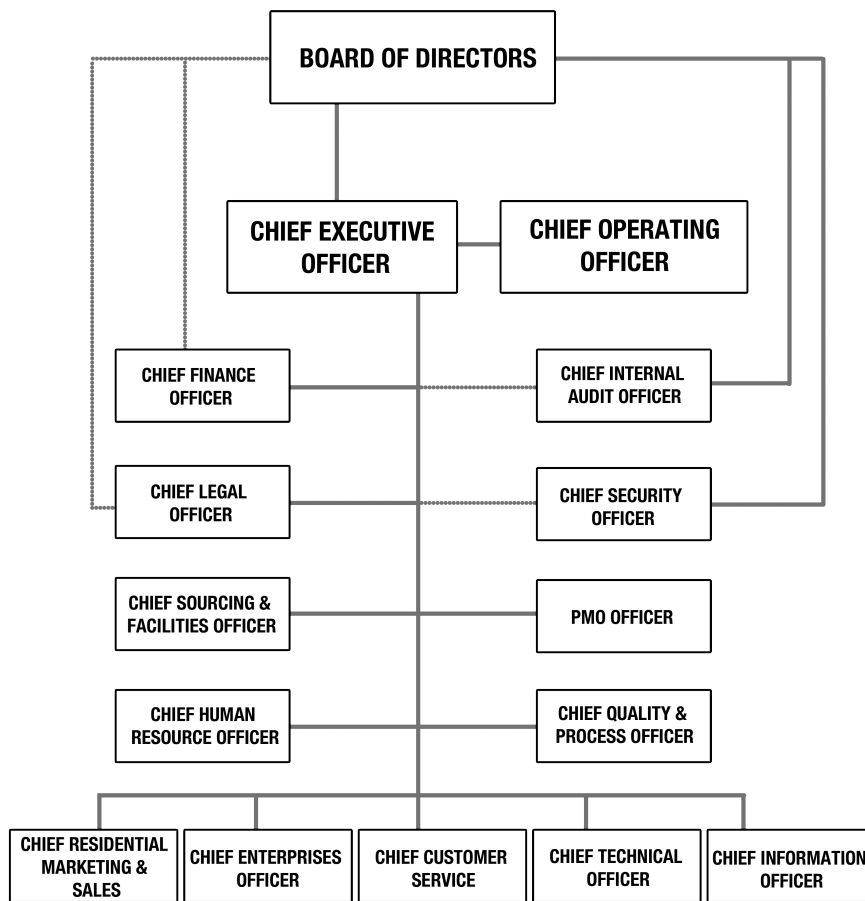
Figure 13: Organizational chart of Ethio-Telecom. Reproduced from Ethio-Telecom (2009).

In 2013 Ethio-Telecom has made a landmark agreement between Chinese telecom giants Huawei and ZTE for a nationwide telecommunications infrustructure development with a US$1.6 billion vendor credit arrangement involving the EXIM Bank of China (Essa, 2013; "Pros and Cons," n.d.).

Conclusion

This chapter explored the historical development of the telecommunications sector in Ethiopia from the introduction of the first telephone apparatus in 1894 to the present day. It particularly gave emphasis to the six major telecommunication infrastructure development projects between 1952 and 1992 that were made possible by financial arrangements secured from the IBRD, IDA and the World Bank. With the Ethiopian government's refusal to liberalize the telecommunications sector in the 1990s against the rising tide of laissez faire economics, traditional financial sources were reluctant to provide funding for further infrastructure development projects. As a result, the EPRDF-led Ethiopian government was forced to localize its funding sources for investing on the telecommunication sector until the emergence of Chinese assistance in the past decade. This chapter also provided the evolution of the state owned telecommunications provider in Ethiopia in terms of organizational structure and institutional reform from the birth of the first ministerial level inauguration of communications-related institution, Ministry of Posts, Telegraph and Telephone (PTT), to Ethio-Telecom presently.

CHAPTER VI

DISCONTENT, DISSONANCE AND SURVEILLANCE IN THE ETHIOPIAN

TELECOMMUNICATIONS SECTOR

> It was terribly dangerous to let your thoughts wander when you were in any public place or within range of a telescreen. The smallest thing could give you away. A nervous tic, an unconscious look of anxiety, a habit of muttering to yourself—anything that carried with it the suggestion of abnormality, of having something to hide. In any case, to wear an improper expression on your face…was itself a punishable offense. There was even a word for it in Newspeak: FACECRIME, it was called.

> —George Orwell, *Nineteen Eighty-Four*

The Ethiopian government has long defended its monopolistic control of the telecommunication sector by arguing liberalization will bring about an unbalanced distribution of access where communication infrastructure would be concentrated in economically affluent areas. A free market modeled telecommunication sector, EPRDF officials argue, further marginalizes people that are less advantaged and, therefore, "unattractive" to market forces. The assumption here is that the state is the only sensible actor that can bring about universal access and universal service to a country where more than 80% of the population lives in infrastructure deprived rural areas.

The Ethiopian government is also of the opinion that the telecommunications sector is a "cash cow" that generates a substantial amount of revenue for the state (see Chapter VII). Officials argue deregulating the sector will dry up this source of revenue, thereby jeopardizing infrastructure development and expansion projects that get their funding from profitable state-owned enterprises like Ethio-Telecom. In this sense, monopoly is a sensible course of action to take for the Ethiopian government in order to

fend off competition that can substantially reduce the sector's uncontested revenue. Ethiopia, being the second most populous country in Africa, presents an untapped market that the government wants to capitalize on.

The problem, however, is that the government has struggled to provide a reasonably sound service through its sole service provider for many years now. There have been reports that singled out the state-monopoly structure of the Ethiopian telecommunications sector as the cause for the inefficiency of Ethio-Telecom. The argument here is that lack of competition makes the government unchecked and unaccountable, leaving a room for incapacity and mediocrity. While these observations are widely shared by critics of state monopoly including the likes of the IMF (see Chapter VII), the analysis provided by these groups is largely based on elitist or institutional policies and/or interests. Largely missing in understanding challenges of state-monopoly of the telecom sector is the need of the Ethiopian public, who are the *de facto* customers of Ethio-Telecom. Through analysis of responses collected through an online survey, this chapter principally addresses the research question: To what extent does the Ethiopian public endorse/denounce state monopoly of the telecommunications sector? In doing so, it attempts to provide an analysis of the pros and cons of state-monopoly of the Ethiopian telecommunication sector from users' perspective.

The Service Woes of Ethio-Telecom

The Ethiopian government has prioritized the expansion of telecommunications and information communication technologies infrastructure in the past decade. This is evident from the huge investment made on the sector as per the provisions of the two latest development benchmark papers of EPRDF, the Plan for Accelerated and Sustained

Development to End Poverty (PASDEP) of 2005-2010 and the Growth and Transformation Plan (GTP) of 2010-2015.

While Ethio-Telecom took the ascending path in infrastructure development in the past few years, its track in quality of services, delivery capacity and support system has been in a continuous downhill. In fact, such is the sub-standard quality of the current state of telecommunications services in Ethiopia that Ethio-Telecom is one of the very few subjects critics and supporters of the government alike agree to disapprove in near unanimous proportions. In the past decade, even state-owned enterprises like the Ethiopian Revenues & Customs Authority (ERCA) and Ethiopian Airlines have sought for a network system that is independent from Ethio-Telecom in order to avoid the erratic network services. Public opinion is extremely dismissive about Ethio-Telecom with nearly 80% of respondents to the survey of this study expressing various degrees of disapproval, including 33% who categorically said they are "not satisfied" (see Figure 14).

The intensity in which the problems related to Ethio-Telecom's undependable services have been debated by the traditionally unassertive EPRDF monopolized parliament puts the gravity of the issue in perspective. In May 2013, members of the Ethiopian House of Representatives have uncharacteristically challenged and criticized the minister of Communication and Information Technology's 10-month work performance for the "poor quality of telecom services" and frequent interruption of mobile networks (Abiye, 2013b). As recently as February 2014, members of the Ethiopian House of Representatives have strongly criticized the poor performance of

Ethio-Telecom for its recurrent network disconnection problems and its poor implementation of budget (Abiye, 2013c).
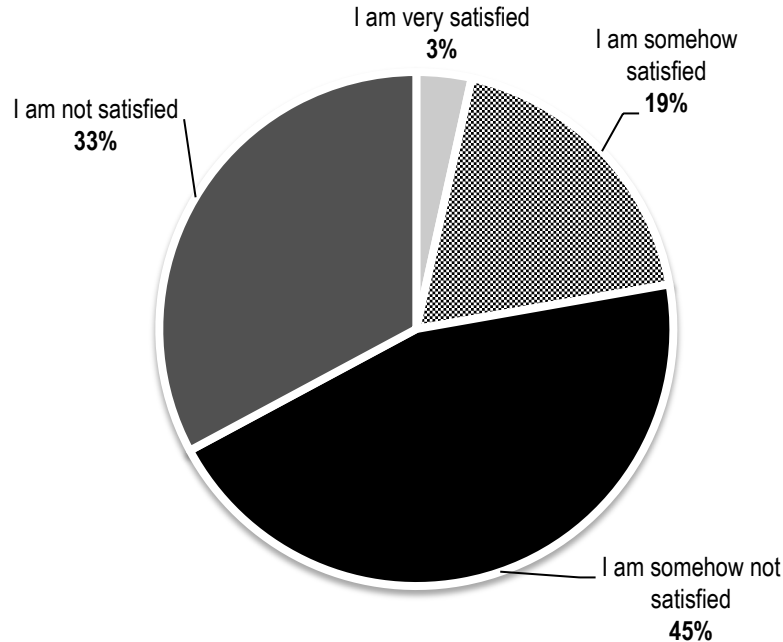
Figure 14: Public attitude toward Ethio-Telecom

However, nowhere in the public sphere is the grievance on Ethio-Telecom's poor service more evident than social media. Among many others, for example, a Facebook group that goes by the name "ETC Sucks: Disconnecting Ethiopia from the Future!" (Figure 15) has been active since its launch in 2009.[43] It has 2063 members at the time of writing. It is mainly a platform for sharing posts ranging from anecdotes related to Ethio-

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[43] When the group was launched in 2009, Ethio-Telecom was referred by the name of its predecessor, the Ethiopian Telecommunications Corporation (ETC). "Disconnecting Ethiopia from the Future!" is a mockery of ETC's motto "Connecting Ethiopia from the Future!"

Telecom's service failures to policy recommendations. The following are selected

comments posted by members of the group:[44]

> I wish ETC would realize that the development of the country relies on their service. What the hell are they doing to make their services better? Unfortunately nothing! We're forced to wait for one sad progress like little kids. WAKE UP ETC!! We deserve a quality service!!!!
>
> It [ETC] really really does suck and unfortunately we can do nothing about it. Poor us.
>
> We pay 75 cents per minute and 800 birr (per month) for a dial up internet that barely works. It is a daylight robbery cuz you r neither getting the quality nor the right price. In my opinion calling the Etc guys they suck is like a compliment to them. They super suck!
>
> Ethio Telecom operates one of the lousiest communication networks around the world. If you spend $50 birr a day a lot of providers around the world allow you unlimited voice, text & data with LTE speed to boot. Here your connection is so unreliable you wonder who's managing this behemoth with incompetence that wouldn't be allowed anywhere else. The frustration doesn't end there water has been gone since yesterday morning and I'm looking for a nearby river to take a shower. To say this society is tolerant of incompetence is an understatement.
>
> In the middle of an online exam, the connection failed. I failed my exam..damn Ethio Telecom!
>
> ETC is driving me crazy! When i want to call someone, it says, you dont have sufficient balance. I know i have, but they steal it. When i want to fill credit, it says, "sorry the operation is failed" (a very bad English). After some time, when i want to call again (after filling credit, which probably takes 1 hr), they return back my previous credit, but they tell me that "i can't reach the person am calling". What is wrong with them?
>
> you know sometimes i miss the time when we didn't have mobile service in this country at least we'll have one more less thing to fume about. you have no idea how many times i threw my phone.
>
> 10 phone calls to 994 interrupted...every and each other call interrupted regularly since morning..monopoly is the only way they survive, in another country I was going to change service provider immediately

---

[44] All posts are reproduced as they were written.

Figure 15: Profile picture of the Facebook group "ETC Sucks"

To put the public rating of telecommunications services in Ethiopia in perspective, participants in the online survey of this study were asked to rank the service competency of Ethio-Telecom as compared to other major state-owned service providers. The other three enterprises selected for comparison were the Ethiopian Electric Power Corporation, Ethiopian Radio and Television Agency and Water and Sewage Authority.[45] These enterprises are selected based on the rationale that they are, like Ethio-Telecom, state-owned monopolies that have exclusive rights to cater their respective services to the public. Another common characteristic these enterprises share with Ethio-Telecom is their low public approval in relation to the unreliable services they provide.[46]

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[45] While the Ethiopian Electric Power Corporation and Water and Sewage Authority are outright state owned monopolies, the Ethiopian Radio and Television Agency enjoys a preferential treatment from the government as other electronic media options are largely kept at bay.

[46] In what is indicative of the poor state of the aforementioned state-owned enterprises one participant of the survey, in a personal email message, wrote: "I personally am highly and equally dissatisfied with all the government providers and I was unable to rank them" (N. Gebretsadik, personal communication, November 10, 2013).

Interestingly, even when compared to these state-owned enterprises with low public

approval ratings, Ethio-Telecom manages to average an unflattering 3rd position with

only the Ethiopian Radio and Television Agency getting a worse standing (Figure 16).
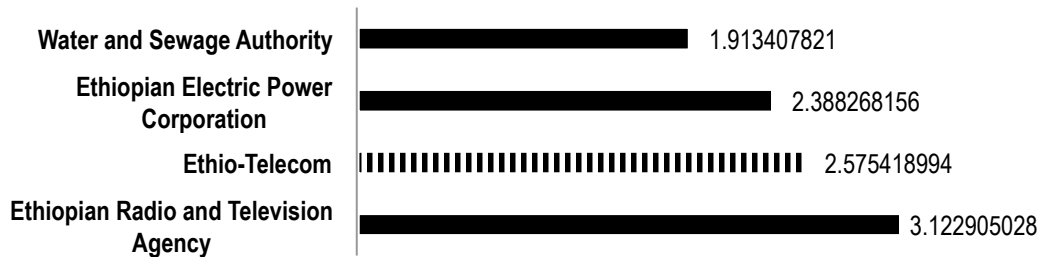
Figure 16: Comparative public rating of Ethio-Telecom to other state-owned
enterprises.

Internet Governance Policy Framework in Ethiopia

The Ethiopian government has adopted various legal frameworks that have direct

and indirect implications on how people shall use the Internet. Most of these laws that

govern Internet freedoms in Ethiopia are characterized by their restrictive provisions and

claw-back clauses. The purpose and effects of these laws are different and complex. On

one hand, they play a proactive role by dictating what kind of activities users should and

should not perform, and what type of content they should or should not use, process or

produce. On the other hand, they play a more reactive, practical role of criminalizing

alleged offenders. They provide a legal framework or façade for the government to

prosecute individuals that are deemed to have committed an offense. Critics opine these

laws institutionalize the Ethiopian government's crackdown of dissidents (Human Rights

Watch, 2014).

Perhaps one of the most important laws adopted by the Ethiopian government that has a direct bearing on users is the Telecom Fraud Offense Proclamation No. 761/2012. Section 9 of this controversial proclamation that attracted considerable international criticism provides absolute and exclusive rights to the established telecom service provider in Ethiopia and criminalizes whoever is establishing any telecom infrastructure ("Telecom Fraud Offence," 2012). According to the proclamation, anyone who bypasses the telecom service provider's infrastructure and provides "any domestic or international telecom service" can be sentenced to 10-20 years in jail ("Telecom Fraud Offence," 2012, p. 6551). A financial fine that is ten times the revenue the infringer has potentially earned will complement imprisonment as well. Users of these services are also subject to a sentence between three months and two years in addition to a fine of US$134-US$1,070.

What this means is that an internet kiosk along with its users in Ethiopia, for example, will be charged and sentenced with this law if it is found providing services related to, among other things, Voice Over Internet Protocol (VOIP) services. While the government claims telecom fraud "is a serious threat to the national security beyond economic losses," dissidents argue it is adopted to target activists who use services like Skype and Google Hangouts ("Telecom Fraud Offence," 2012, p. 6547).

Section 4 of this law stipulates anyone who provides telecom service without a valid license commits an offense and shall be punishable with imprisonment of 7-15 years plus a monetary fine. Section 5 states whosoever without the authorization of the service provider or lawful user, or any other competent authority obstructs or interferes with any telecom network, service or system; intercepts or illegally obtains access to any

telecom system; or intercepts, alters, destroys or otherwise damages the contents of telephone calls, data, identification code or any other personal information of subscribers commits an offense and shall be punishable with imprisonment from 10 to 15 years and will be fined fine from $5,500-$8,300. Section 15 of the proclamation, however, stipulates it is admissible to use digital or electronic evidences; evidences gathered through interception or surveillance; and information obtained through interception conducted by foreign law enforcement bodies in courts as evidences ("Telecom Fraud Offense," 2012).

Perhaps a clause that is one of the most vague and concerning in the proclamation under Section 6 states "whosoever uses or causes the use of any telecom network or apparatus to disseminate any terrorizing message connected with a crime punishable under the Anti-Terrorism Proclamation" ("Telecom Fraud Offence," 2012, p. 6550). For critics, not only does this provision migrate the offender to the highly controversial and obscene anti-terrorism law, but also makes him punishable under the Criminal Code under which a number of journalists, bloggers, and democracy activists have been charged and sentenced.

The Anti-Terrorism Proclamation No.652/2009 that came into force in August 2009 has probably been put into retributive effect more than any other legal framework related to communication involving electronic media. One of its provisions states whosoever publishes a statement "likely to be understood by some or all of the members of the public to whom it is published as a direct or indirect encouragement or other inducement to them to the commission or preparation or instigation of an act of terrorism" can be imprisoned for 10-20 years ("A Proclamation On," 2009, p. 4831). The

proclamation empowers the state with the authority to intercept communication under Section, and endows the National Intelligence and Security Service (NISS), upon getting court warrant, to: intercept or conduct surveillance on the telephone, fax, radio, internet, electronic, postal and similar communications of a person suspected of terrorism; enter into any premise in secret to enforce the interception; or install or remove instruments enabling the interception.

The proclamation further stipulates communication service providers are obliged to cooperate NISS when interception and surveillance is requested. Failure to comply can lead to imprisonment between three and ten years ("A Proclamation On," 2009). Eleven journalists have been convicted and sentenced to date since 2011 under the Anti-Terrorism Proclamation. Three of these journalists are currently in prison, three are sentenced *in absentia*, and the remaining two are currently on trial under the anti-terrorism law (Human Rights Watch, 2013a).[47]

This similar proclamation was invoked in December 2009 to prosecute two Swedish journalists, Martin Schibbye and Johan Persson, who were convicted for "rendering support to terrorism" and entering the country illegally "to commit an act that is a threat to the well-being of the people of Ethiopia" (Human Rights Watch, 2013b). The anti-terrorism proclamation has received widespread criticism from rights groups

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[47] Perhaps the most prominent victim of the anti-terrorism proclamation is Eskinder Nega Fenta, a journalist and blogger who received the 2012 PEN Freedom to Write Award who is sentenced to 18 years in prison. Reeyot Alemu Gobebo, a journalist for *Feteh* and winner the prestigious 2013 UNESCO/Guillermo Cano World Press Freedom Prize*,* was convicted on three counts under the terrorism law for her writings. Her sentence was reduced from 14 years to 5 years on appeal, and she remains in prison. Another convicted journalist is 2012 Hellman-Hammett Award winner Woubshet Taye Abebe, who is serving a 14-year sentence under the anti-terrorism law. Temesgen Desalegn, editor and writer of the now defunct independent magazine *Feteh*, is one of the journalists tried for offenses under the criminal code. Other journalists and media practitioners facing charges under the anti-terrorism proclamation include Mastewal Birhanu, Yusuf Getachew and Solomon Kebede.

across the world including HRW and CPJ that deem the law to be too "broad" and "vague" and one that blurs that difference between dissidence and terrorism (Committee to Protect Journalists, 2009; Human Rights Watch, 2013b).[48]

The Ethiopian Information and Communication Technology Development Authority Establishment Proclamation No. 360/2003 mandates the stated Authority to use ICT "in such a way that it contributes to the nation's socio-economic development and the building of democracy and good governance" ("Ethiopian Information And Communication," 2003, p. 2327). While the proclamation provides clauses that uphold support to concerned stakeholders to protect violations of social and individual constitutional rights that may be caused by the use of the technology and, therefore, sustain internet freedoms, it also empowers the Authority "to deter and offset national security problems that may arise from the utilization of information and communication technology" ("Ethiopian Information And Communication," 2003, p. 2327). The latter provision clearly capacitates the state to filter and block content that it deems "dangerous," or "inappropriate," thereby curbing online freedom significantly.

Surveillance, Censorship and Content Filtering in the Ethiopian Online Sphere

While the problems in lack of access and quality of service constitute the significant chunk of public apprehension toward Ethio-Telecom, issues related to

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surveillance, censorship and content filtering committed by the Ethiopian government have further exacerbated the distrust of users toward the state monopoly of the sector. In fact, respondents to the survey have identified "government control and interference" and "violations to privacy" as the two most important challenges facing the Internet in Ethiopia today next to "lack of access" (Figure 17).
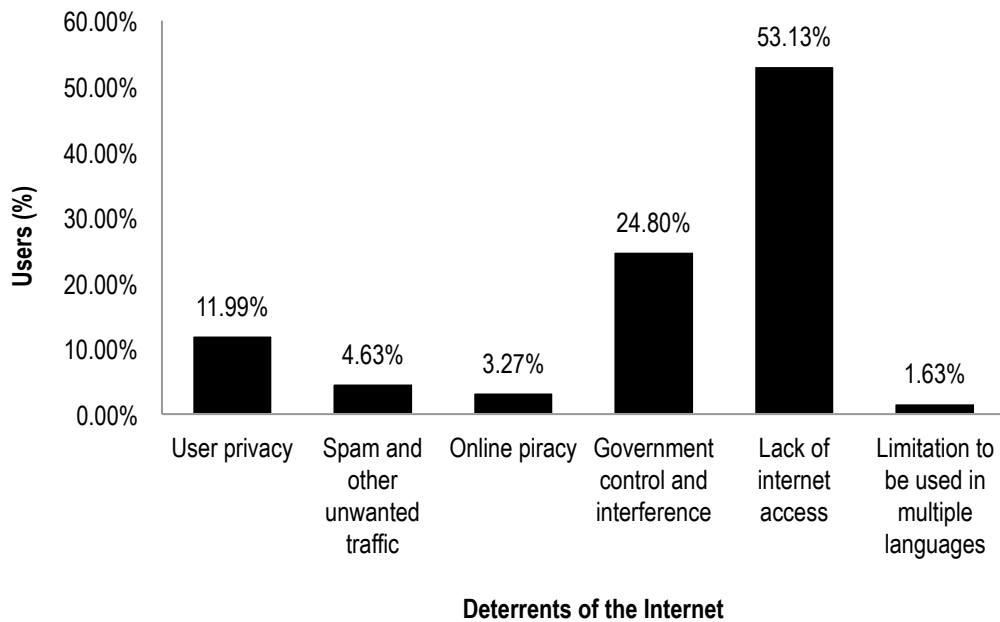
Figure 17: Major challenges facing the Internet in Ethiopia.

Reports about the Ethiopian government's involvement in filtering of content have been rampant in the past few years. Some of the more detailed reports came from OpenNet Initiative (ONI), a joint project involving the Citizen Lab at the Munk Centre for International Studies, University of Toronto; Berkman Center for Internet & Society at Harvard Law School; the Oxford Internet Institute (ONI) at University of Oxford; and the SecDev Group, which took over from the Advanced Network Research

Group at the Cambridge Security Programme, University of Cambridge. Through the use of a variety of technical means and an international network of investigators, ONI monitors and reports on Internet filtering and surveillance practices of nations, and the nature and extent of government-run Internet filtering programs. ONI reported that, between 2006 and 2007, a range of political and news-related websites were blocked, including opposition political sites, critical political blogs, independent Ethiopian media, human rights sites, and sites with content related to ethnic minorities in addition to the entire domain of several blogging platforms, including the international Blogspot (OpenNet, 2009). Another test conducted between 2008 and 2009 on Ethiopia's then sole ISP provider Ethiopian Telecommunications Corporation (ETC) by ONI revealed that a number of independent Ethiopian news sites were blocked (OpenNet, 2009). ONI's tests in 2012 produced an even larger list of blocked websites totaling 73 including independent media, critical political blogs and some foreign media outlets (OpenNet, 2009).[49]

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[49] ONI produced a complete list of what it claimed were blocked URLs in Ethiopia ranging from critical political organizations like the Solidarity Committee for Ethiopian Political Prisoners (http://www.socepp.de/) to the websites of Oromo independence organization Oromo Liberation Front (http://www.oromoliberationfront.org) and Ginbot 7 (http://www.ginbot7.org). Other targets of the blocking consisted of a number of anonymization and circumvention tools, such as the Tor Project (https://www.torproject.org), Ultrasurf (http://ultrasurf.us), and Psiphon (http://psiphon.ca). Only two international news sites were included in the list of blocked websites, namely Al Jazeera (http://www.aljazeera.net) and Al Arabiya (http://www.alarabiya.net). Other prominent blocked websites were related to imprisoned or convicted journalists critical of the Ethiopian government. Of these, Ethio Media (http://ethiomedia.com), a news site contributed to by imprisoned blogger Eskinder Nega, and Addis Voice (http://www.addisvoice.com), founded by prominent sentenced dissident Abebe Gellaw, and Ethiopian Review (http://www.ethiopianreview.net), whose editor Elias Kifle was convicted in absentia for allegedly violating the country's anti-terrorism laws are most notable. Addis Neger Online (http://addisnegeronline.com/), the site at which former weekly newspaper *Addis Neger* editors Mesfin Negash and Abiye Teklemariam (both in exile in relation to their practice of journalism) posted content was also reportedly blocked (OpenNet, 2009).

The internet creates more problems than it solves   92.07%

The internet solves more problems than it creates   7.93%

Figure 18: General attitude toward the effects of Internet.

In 2012, reports from the developers of Tor, a network of virtual tunnels designed to allow people and groups to improve their privacy and security on the Internet, claimed that the Ethiopian Telecommunication Corporation has deployed or begun testing Deep Packet Inspection (DPI)[50] of all Internet traffic ("Ethiopia Introduced Deep," 2012). During the same year, Electronic Frontier Foundation (EFF), an international non-profit digital rights group based in the United States, alleged the Ethiopian government practices widespread Internet filtering with the assistance of Chinese intelligence and infrastructure (Kaiser, 2012). Earlier in 2012, the Committee to Protect Journalists (CPJ), an American independent nonprofit organization that promotes press freedom and defends the rights of journalists, reported Elias Kifle, Reeyot Alemu and Woubshet Taye

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[50] Deep Packet Inspection (DPI) is a form of filtering that enables advanced network management, user service, and security functions as well as Internet data mining, eavesdropping, and Internet censorship. Ralf Bendrath writes DPI introduces "intelligence" into the routers and switches, "which allows for discrimination of traffic and implies the end of the end-to-end principle." At stake is therefore our conception and usage of the Internet. "If broadly deployed, ISPs who use DPI could monitor, throttle, censor, filter, or otherwise treat all Internet traffic of their users, based on the content. This could potentially have a massive impact on the free flow of information and on the end-to-end principle, which is until today regarded a founding idea of the internet: Give the users and content providers dumb pipes, and they will come up with amazing ideas on how to use them, while at the same time this will keep the network architecture as simple and open to innovation as possible" (Bendrath, 2009, p.4).

were convicted based on their writings about political dissent. Although the persecution of journalists by the government is common in Ethiopia, this trial was unique in the government prosecutors' presentation of "evidences" that included, among other things, intercepted emails and phone calls between the journalists.

A research report entitled "You Only Click Twice: FinFisher's Global Proliferation" published by the Citizen Lab at the Munk School of Global Affairs at the University of Totonto in 2013 details the discovery of a campaign using FinFisher, surveillance software marketed by Gamma International, in Ethiopia used to target individuals linked to an opposition group. According to the report, a FinSpy campaign in Ethiopia uses pictures of popular figures of Ginbot 7, an Ethiopian opposition group based in the United States and Europe, to cheat users into migrating the virus into their computers and in turn ship personal data from the computers to a central server at Ethio-Telecom. The malware "communicates with a FinSpy Command & Control server in Ethiopia" where "the server has been detected in every round of scanning, and remains operational" (Marquis-Boire et al., 2013).

In early 2014, Citizen Lab published yet another report about the Ethiopian government's use of commercial spyware that targeted political activists, human rights workers and journalists in the United States. The spyware employed in this operation "appears to have been made by Hacking Team, an Italian company with a regional sales office in Annapolis" whose products are capable of "stealing documents from hard drives, snooping on video chats, reading e-mails, snatching contact lists, and remotely flipping on cameras and microphones so that they can quietly spy on a computer's unwitting user" (Timberg, 2014).

The legalization of state-sponsored surveillance through broad provisions and ensuing penalties that range from financial fines to short to long-term imprisonment have had a notable impact on the nature and extent of internet usage behavior and practices of Ethiopians. Recurrent reports about the Ethiopian government's use of malicious malware and website blocking have also conditioned the way users conduct their businesses online. An overwhelming majority of participants of this study's survey (74%) have some degree of awareness that their activities over the Internet are monitored while 40% are certain that they are being spied upon (Figure 19).

Do you agree with the claim that your activities over the Internet are monitored by people or organizations?

Response	Percentage
I am not sure	16.35%
I disagree	9.81%
I agree partially	33.79%
I agree	40.05%
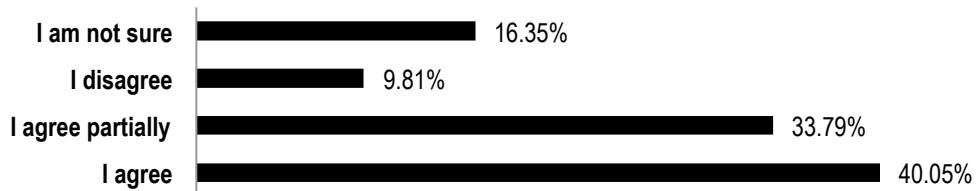
Figure 19: Public perception toward the existence of Internet monitoring.

When asked about who they think is capable of monitoring their online activities, the majority of the respondents have identified the government as the most likely entity with the potential to exercise surveillance. Of particular significance here is how respondents rate the government higher than web page administrators in its liklihood to monitor their activities (Figure 20).

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How capable do you think each of the following people or organizations are in monitoring your online activities?
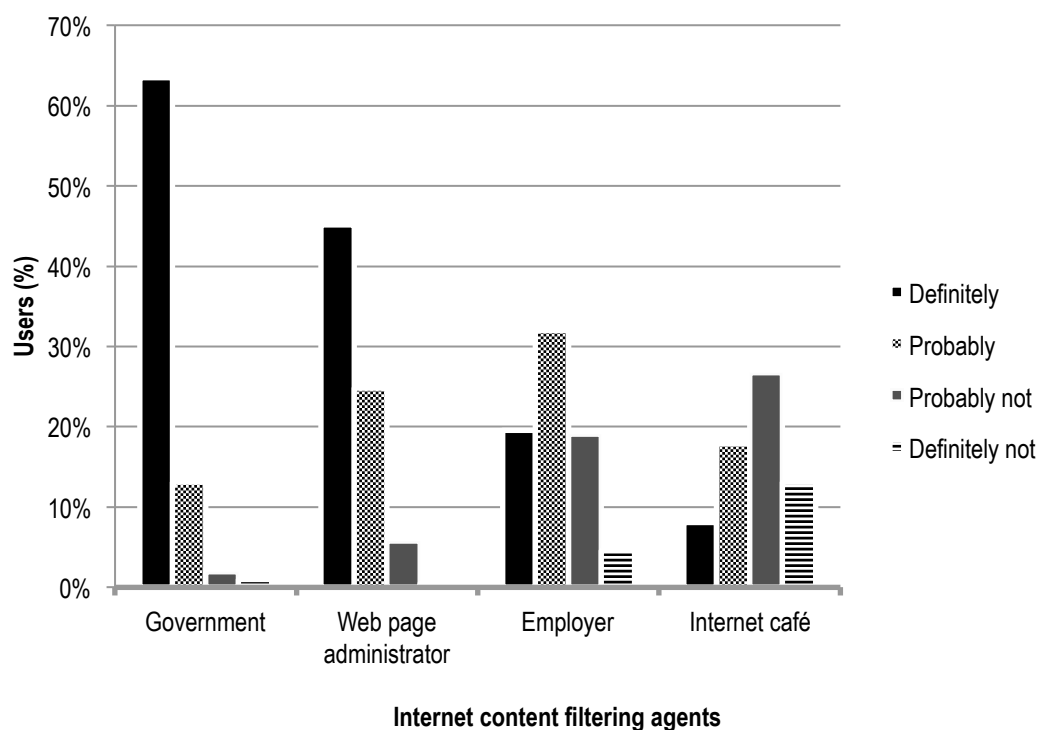
Figure 20: Public perception on potential Internet monitoring bodies.

Although the Ethiopian government hasn't officially admitted to its role in extensive monitoring of its citizens, results show the public thinks otherwise. Previous practices by the government in insulating information that it deemed "counterproductive" from the public set an important precedent here. For example, in 2010, ex-Prime Minister Meles Zenawi has admitted to his government's will to and endorsement of the jamming of the Voice of America's (VOA) broadcasts in Amharic after several members of his high-ranking officials denied of the accusations. Zenawi went as far as saying how the government have been "trying to beef up" its capacity in dealing with the "destabilizing propaganda" of the VOA through techniques including jamming (Malone, 2010).

Similarly, after the officials' continued denial of its online censorship involvement,

Brigadier General Tekleberahan Weldearegay, director of the Information Network

Security Agency (INSA), highlighted the importance of blocking online content that his

government sees undesirable (Freedom House, 2013). For the public, the government's

surveillance practices are unpopular with two-thirds of respondents saying they would be

"worried" if they know the government monitors their online and phone activities. This

concern over state-sponsored surveillance is particularly serious when seen from the low

level of trust the public has over the government, with 64% of respondents saying they

only trust the government to do what is right only some of the time while 22% claimed

they don't trust the government as all (Figure 22).

How does it make you feel if you were to know the government monitors your online and phone activities?

I'd be worried — 66.47%

I don't mind — 29.48%

I'd be happy — 4.05%
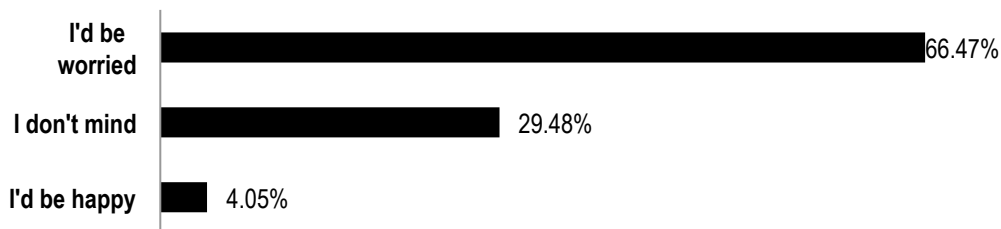
Figure 21: Public attitude toward online surveillance.

The perception of widespread surveillance committed by the Ethiopian

government has an obvious impact on the behavior of Internet users in Ethiopia. Nearly

two-thirds of respondents said they have refrained from posting content online fearing the

risks involved (Figure 23) which they believe includes verbal abuse and intimidation;

detention, arrest, or criminal investigation; and loss of employment or demotion (Figure

24). Similarly, a reasonably significant number of respondents reported they have used circumvention tools to access blocked contents (Figure 25).

How much of the time do you think you can trust the government to do what is right?

Almost never	22.22%
Only some of the time	63.74%
Most of the time	12.28%
Just about always	1.75%
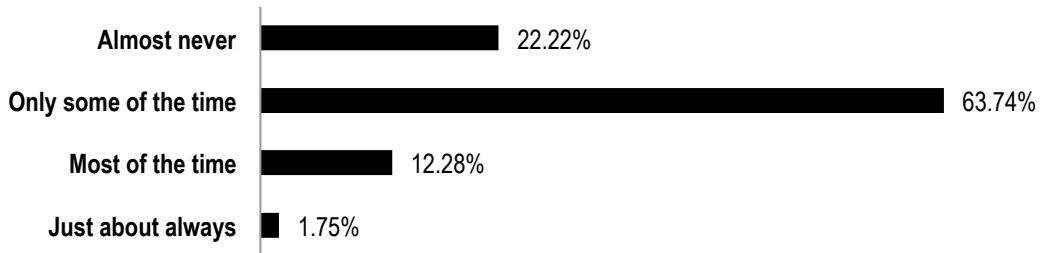
Figure 22: Public attitude on government trust.

Have you ever exercised self-censorship in posting content because of the risks involved?

Not sure	6.98%
No	27.62%
Yes	65.41%
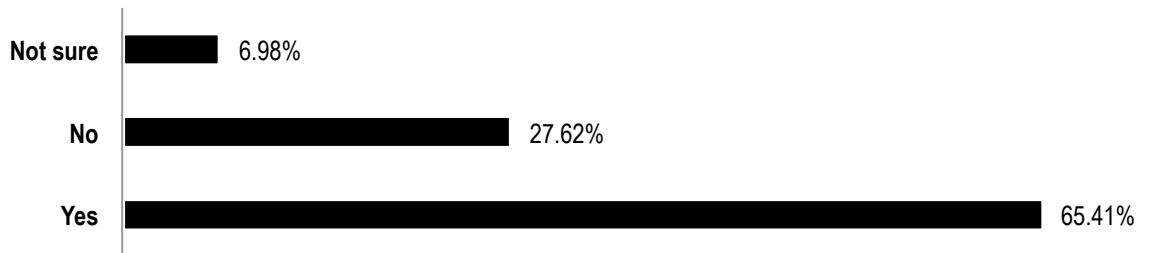
Figure 23: Trends in Internet self-censorship.

What do you think are the risks of posting material critical of the government in Ethiopia?
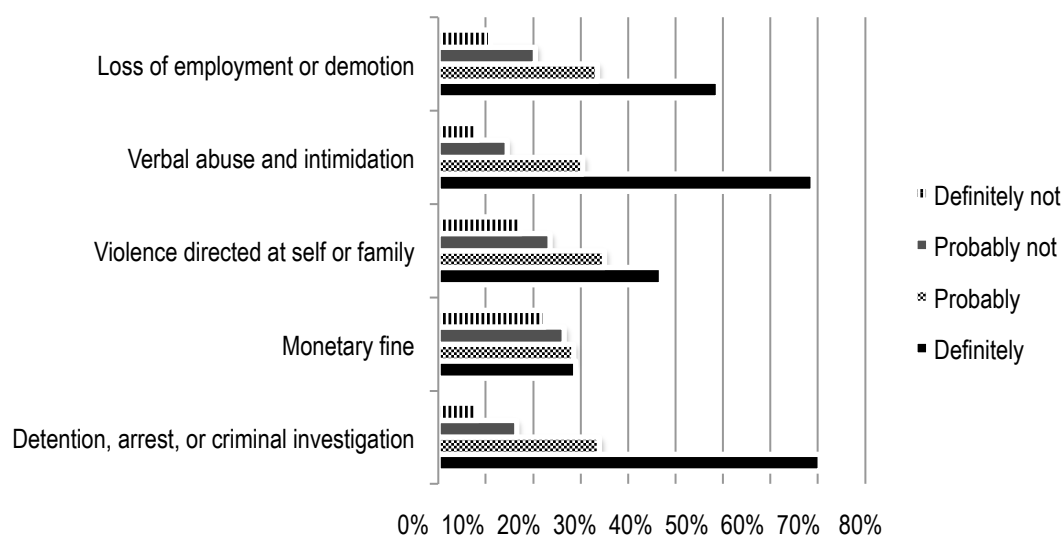
Figure 24: Risks associated with posting critical material on the government.

Do you or have you ever used circumvention tools in order to access blocked content?

Figure 25: Experiences in circumvention tools for accessing blocked content.

While users are generally opposed to state-sponsored interference on their Internet activities, their rejection toward "filtering of content" carried out by the government is not as radical as that of "surveillance." In fact, a significant number of respondents believe "national filtering" is important particularly in the categories of sexual content and pirated materials while the majority rejected similar actions against political,

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religious and social networking sites. This is in stark contrast to the online ecology

devised by the Ethiopian state where pornographic content is accessible and admissible

while most political websites are blocked. On a surface level, the mistrust directed toward

the government on the latter's interference of online information and the public's

recognition of the need to have a national filtering scheme seem contradictory. There is

little contradiction, however. What this rather shows is an indication of the public's

realization of the importance of regulating the harmful aspects of the Internet, but the

little confidence it has in assigning the task to a government that sees the online sphere as

an extension of its offline political engagement. Simply put, the public endorses national

filtering but it doesn't want the government to do it.

"There should be no restriction on accessing lawful content/ services via the Internet."

Disagree — 7.59%

Agree partially — 33.06%

Agree — 59.35%
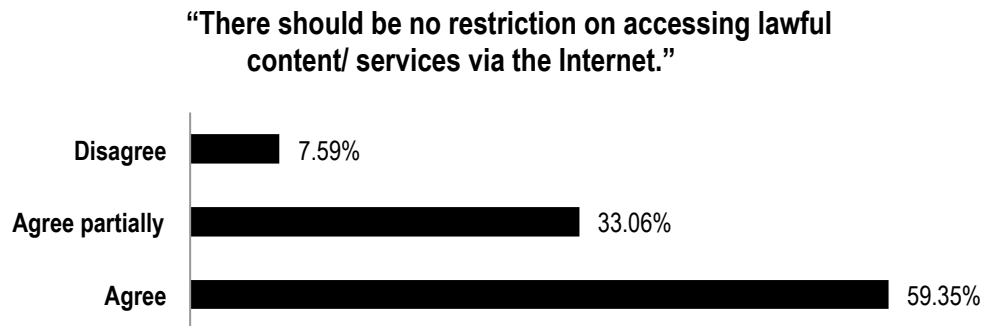
Figure 26: Public perception toward information access/filtration on the Internet.

"The ability to share and access information privately using the Internet is an important right."

Disagree — 1.63%

Agree partially — 25.75%

Agree — 72.63%
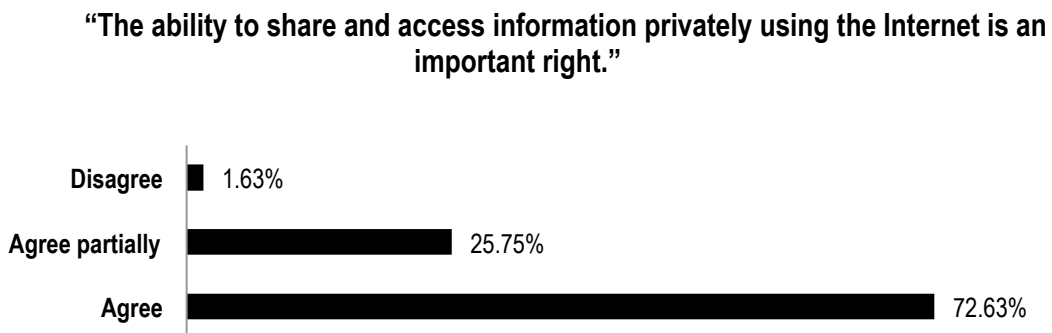
Figure 27: Public perception toward access and usage of Internet as a right.

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"National filtering in my country is beneficial to society."

Disagree	31.96%
Agree partially	41.87%
Agree	26.17%

Figure 28: Public perception toward national filtering of online content.
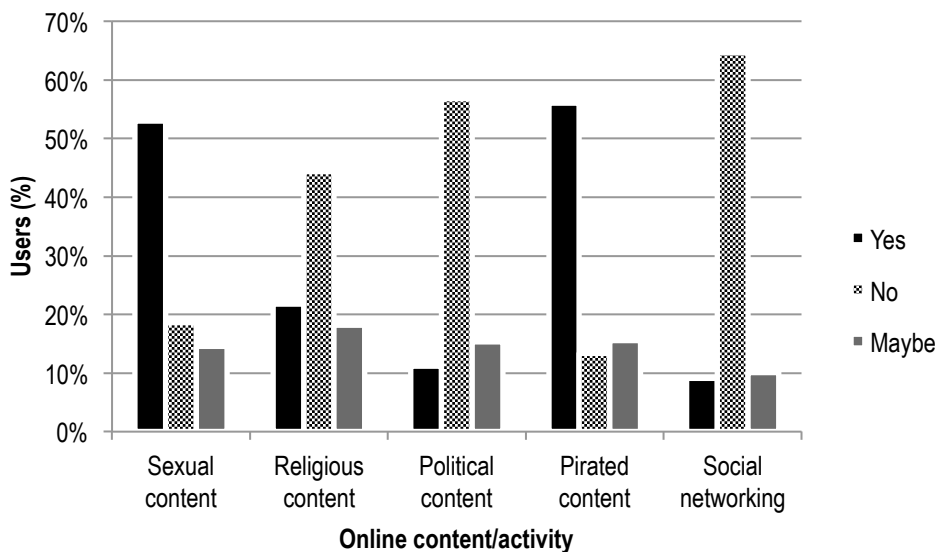
Figure 29: Public perception in favor of/against national filtering of Internet in select categories.

Public Perceptions vs. State Policy

The high level of dissatisfaction expressed by participants of this study on the service dysfunctions of Ethio-Telecom has led to a heightened sense of apathy to the state-run telecommunications service provider. While the government's characterization of the telecommunications sector as an engine to the development goals of the country is extensively shared by the public, what is not is whether the state is the right enterprise to

be entrusted with the task. Only a tenth of the participants of this study's survey responded favorably to trusting the state and its developmental rationale of maintaining monopolistic control of the telecommunication sector. In contrast, two-thirds of the respondents replied in favor of the liberalization of the sector while more than 80% believe the availability of multiple telecommunications service providers can bring about better quality of services and cheaper prices. In addition to service unreliability and delivery failures, skepticism on the monopolistic state ownership of the telecommunications sector is also exacerbated by trends of mass surveillance at the hands of the government. One in two respondents believe that state control of the telecommunications sector evokes surveillance of citizens by the government, thereby appropriating public resources to the political and economic interests of the ruling elite (Figure 43).
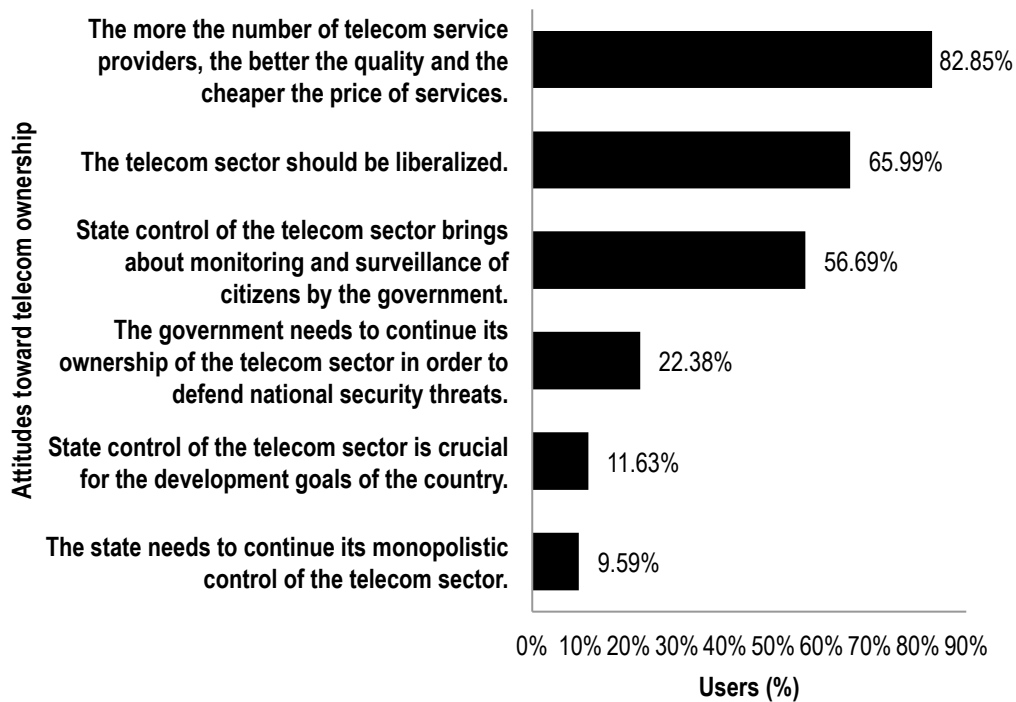
Figure 30: Public attitudes on the liberalization of the telecommunications sector.

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Conclusion

This chapter presented findings of the online survey conducted to assess public perceptions about state monopoly of the Ethiopian telecommunication sector. In doing so, it explored the relationship between state monopoly of telecommunications and service delivery in the Ethiopian context. The chapter also looked at effects of government control of the sector on surveillance, censorship and freedom of speech.

The following chapter explores the chief actors, justifications and motives surrounding the deregulation vis-à-vis state monopoly of the Ethiopian telecommunications sector.

CHAPTER VII

ACTORS AND DISPARITIES IN (DE)REGULATION DISCOURSES OF THE

ETHIOPIAN TELECOMMUNICATIONS SECTOR

> The issue is always the same: the government or the market. There is no third solution (Von Mises, 1951, p. 537).

> The times are too difficult and the crisis too severe to indulge in schadenfreude. Looking at it in perspective, the fact that there would be a financial crisis was perfectly predictable: its general nature, if not its magnitude. Markets are always inefficient (Chomsky quoted in Steingart, 2008).

> Deregulation is a transfer of power from the trodden to the treading (Monbiot, 2010).

Since the 1980s and the 1990s, state monopoly models of telecommunication are becoming rare across the international arena. The American experiment with telecom deregulation through the 1996 Telecommunications Act was probably the most influential factor that facilitated the deregulation of international telecommunications. As Shaw (2001) writes:

> Should the American economy enjoy robust economic growth and expansive employment, it is likely that precedent will have been established for decisive deregulatory experimentation elsewhere. However, should a narrow elite of oligopolies control market share and minimize competitive benefits while enhancing their own profit margins, it may well be that other nations will eschew such legislation and pursue a strategy of government-sponsored monopoly (p.155).

The end of telecommunications privatization and competition was also quickly adopted by Great Britain where the state monopoly British Telecom was privatized in 1984. The American and British experiences were repeated, in different ways, by other countries in Europe, Asia, Africa and Latin America, although the nature, motivation and arrangements of the deregulation process were different in each situation. As Katz and

Darbishire (2000) assert: "countries differ in the extent to which they are open to international competition and the extent to which international competition emerged as a new source of pressure" (p. 4). Therefore, although strongly conditioned by technological revolution, the path followed by each country for opening up services to competition and globalization was also influenced by social, political and economic factors.

Since the beginning of the 1990s when the Ethiopian People's Revolutionary Democratic Front (EPRDF) seized power, the issue of telecommunications liberalization has been an ongoing theme involving different actors internally and externally. In many instances, leading officials of the EPRDF have ruled out the privatization of Ethio-Telecom, the only state-owned telecommunications provider for Ethiopia's 83 million people. Amidst continuous attempts of coercion and cooption by IMF for the sector to be liberalized, EPRDF claims to remain unfazed by repercussions of cuts in loans and aids.

The aim of this chapter principally is to address the question: What are the underlying reasons behind the differences in telecom liberalization policies between the IMF and the Ethiopian state? In doing so, it explores the motives, extent and rationale of the external (IMF, WTO) and internal (general public, private sector) push for telecom liberalization in Ethiopia. In doing so, it will also explore and assess the political and economic rationales projected by Ethiopia's ruling party in the past two decades for strengthening the government's tight grip of the sector and refusing to consider deregulation and competition.

Putting the Tense IMF-Ethiopia Relationship into Context

One of the most difficult aspects that makes understanding development discourse originating from FDRE presently lies in the duality of EPRDF's proposition on what makes a sound economic policy. Many argue that such duality of economic policy by the ruling party is manifested, on one hand, by its association to the ideals of free market, and on the other hand, by its strong grip on areas that it identified as "critical" to economic development like the financial sector, aviation, power and electricity, and, more importantly, telecommunications[51]. Discourses that resonate with the latter have been prevalent in EPRDF's vigorous resistance to IMF's deregulation recommendations as evidenced by the IMF's criticism of, among other things, EPRDF's five-year Growth and Transformation Plan (GTP).

In fact, so adamant is the EPRDF about its interventionist policy that it has now transformed its strategy from defensive to offensive. Meles Zenawi, chief architect of EPRDF's economic program, had reiterated in many instances about his belief that neo-liberalism's relegation of the role of the state to mere spectatorship levels is fundamentally flawed and keeps developing economies in a constant cycle of poverty. Gill (2010) offers an interesting insight on the ideological contention between the Ethiopian state and the IMF. At one point, the series of disputes between the Ethiopian

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[51] In an editorial entitled "Ideology Impedes Business" (December 30, 2012) the weekly Ethiopian newspaper *Addis Fortune* attributes such dichotomous duality as a custom quintessentially embedded in the Ethiopian social fabric. It proposes EPRDF's evolution to embrace markets as an ostensibly exterior projection while it continues to exert strong state-led economy: "Prime Minister Meles Zenawi proved to be much more flexible and pragmatic than most early observers would have guessed. Faced with the contradictions between the expectations of the West and his Marxist ideology, he came up with an eminently Ethiopian solution; embrace the Western model of markets and democracy on the surface whilst rethinking and adjusting the true ideology underneath." Coherent with 'Wax and Gold', the long highland Ethiopian tradition of saying one thing on the surface, whilst meaning something completely different underneath (see Levine 1965), "the state and party system could be organized along a similar principal; with official positions often held by powerless figureheads to fill the ethnic quotas, whilst the real power often lay with relatively minor state officials, who were powerful within the party."

state and IMF reaches so confrontational that the latter suspended 88 million Special

Drawing Rights (SDRs) to Ethiopia and officially communicated the suspension to the

World Bank and other donors that "Ethiopia was an unreliable partner, a bad bet" (Gill,

2010, p. 82).[52] In summarizing the "ideological chasm" between the government of

Meles Zenawi and the IMF, Gill writes:

> One side favoured opening up Ethiopia's financial markets to western competition; allowing foreign exchange and interest rates to float free; and privatizing industry and the utility companies. The other side favoured only cautious moves into the marketplace; only modest relaxation of government control over the economic levers of power; and only partial privatization (Gill, 2010, p. 83).

The 1990s were particularly marked by an array of confrontations between the

IMF and the Ethiopian state. The Ethiopian resistance to adjust the economy along free

market lines was becoming clear. The government of Meles Zenawi was resolute in

rejecting neo-liberal prescriptions. It rejected the IMF's opposition to Ethiopia's early

repayment of foreign bank loans and disagreed on the IMF's position that Ethiopia was

relying more on foreign aid than on taxes. The IMF also wanted Ethiopia to float its

currency to which the Ethiopian government disagreed by suggesting such action would

cause "'a vicious circle' of inflation, depreciation, and devaluation" (Gill, 2010, p. 85).

At one point, the IMF fought to the last moment to prevent Ethiopia's entry into the debt

relief scheme of Heavily Indebted Poor Countries (HIPC), an initiative set up by the IMF

and the World Bank in response to a popular tide of western objections to the burden of

debt in the Third World.

In the end, Meles's government was able to maintain its rejection of the IMF's

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[52] SDRs are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund. According to the IMF, the SDR is "neither a currency, nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. (International Monetary Fund, 2014).

prescriptions that were consistent with the principles of market fundamentalism partly

because of its move to successfully align the World Bank along its propositions. Of

particular importance was the role played by Professor Joseph Stiglitz, winner of the

2001 Nobel Prize for economics and then chief economist at the World Bank; Stiglitz

unapologetically spelled out the deficiencies of market fundamentalism and essentially

discredited the policies of the IMF in his most popular book, *Globalization and its*

Discontents. In his chapter entitled, "Broken Promises," Stiglitz (2002) details what he

calls "the astonishing world of IMF politics and arithmetic" (p. 25) in his treatise of the

strained relationship between the IMF and the Ethiopian state. Stiglitz points out that the

IMF is particularly concerned about inflation, an aspect of macroeconomics that "is not

so much an end in itself, but a means to an end" (p. 27). The IMF, Stiglitz continues,

"often seems to confuse means with ends, thereby losing sight of what is ultimately of

concern" (p. 27). He argues that although Ethiopia did extremely well in macroeconomic

measures, the IMF showed little interest in these figures:

> Not only did Ethiopia have a sound macroeconomic framework but the World Bank
> had direct evidence of the competence of the government and its commitment to the
> poor. Ethiopia had formulated a rural development strategy, focusing its attention on
> the poor, and especially the 85 percent of the population living in the rural sector. It
> had dramatically cut back on military expenditures—remarkable for a government
> which had come to power through military means—because it knew that funds spent
> on weapons were funds that could not be spent on fighting poverty. Surely, this was
> precisely the kind of government to which the international community should have
> been giving assistance. But the IMF had suspended its program with Ethiopia, in
> spite of the good macroeconomic performance, saying it was worried about
> Ethiopia's budgetary position (p. 28).

Stiglitz contends that, even though Ethiopia devised a sensible and working

macroeconomic policy, the IMF was operating under the conviction that "countries

receiving money from it had an obligation to report everything that might be germane"

(p. 30) regardless of how immaculate their approach may be. He further notes that the

IMF had a tradition of suspending programs on grounds of such noncompliance. "To

Ethiopia, such intrusiveness smacked of a new form of colonialism; to the IMF, it was

just standard operating procedure" (p. 30).

The dispute between the Ethiopian government and the IMF was probably most

evident in the Fund's 2005 Ethiopia country report (International Monetary Fund, 2005),

where the Ethiopian authorities used strong language to defend their development

policies and critique the IMF's ideological determinism and "lack of new thinking." They

accuse the Fund of still applying the "old paradigm" of the "Washington consensus." The

Ethiopian authorities also denounced the Fund's singular representation of its views that

attempts to apply similar narratives to different contexts and challenges. The differences

in policy "should be presented as being based on the results of their own concrete

analysis and developmental strategy rather than due to an inherent gradualist approach or

suspicion of markets" (International Monetary Fund, 2005, p. 57).

The government of Meles has since grew bolder in its dismissal of notions such as

market fundamentalism, small government, and the entire construct of neo-liberalism. A

2011 EPRDF publication written in Amharic and widely rumored to be written by Meles

Zenawi himself entitled "*YäTähadəsow Mäsmärəna YäItyop'ya Hədase*" ("The Reform's

Path and Ethiopia's Renaissance") provides a detailed criticism of neo-liberalism and

commentary on Ethiopia as a "developmental state." It unapologetically singles out neo-

liberalism as one of the most important factors that sabotaged the prospect of African

development:

> From its very beginning, neolibealism hardly delivered growth and development but
> rather exacerbated economic crisis, reinforced Africa's economic dependency, and

diminished Africa's hopes of industrial development and structural transformation ("YäTähadəsow Mäsmärəna," 2011, p. 15).[53]

One of the specific attacks of EPRDF on neo-liberalism and its adherents is related to the role of the government and the extent to which it involves in certain aspects of development ventures. It vehemently rejects the notion that big governments are doomed to be preditory and rent seeking, and underlines the fallacy in the generic treatment of all interventionist states as neopatrimonial or clientalist:

> Because it is inconceivable for neolibealism to correctly identify the fundamental source of the preeminence of rent seeking political economy, it is impossible for it to correcly propose a remedy. What neo-liberalism has proposed as a remedy is to shrink big government to small government and limiting the role of government to principally be that of a law-enforcing body. This proposition is fundamentally flawed and stalemated ("Yä Tähadəsow Mäsmärəna," 2011, p. 17).

EPRDF believes that because neo-liberalism is opposed to the notion of state intervention in its entirety, it is not disposed to consider the alternative of a limited level of intervention even if the state is to change its behavior in fundamental ways. For EPRDF, foreign ineterventmion doesn't provide a sustainable platform on which democratization and development processes in Africa can thrive. EPRDF dismisses African democracies influenced by foreign aid conditionalities as weak states that sold their poltical and economic self-determination for external interests. In this sense, EPRDF is propagating that the external push for democracy in Africa is not based on a genuine interest in democratic reform but rather a misguided track that spreads rent-seeking practices. According to this proposition, external neo-liberal policy pushes *are* the sources of the rent-seeking political economy, not the remedies of it:

> The democracies that neo-liberalism carved out in Africa respirate with foreign caretaker lungs. The parties receive their orders from foreign caretakers; if they refuse assistance will stop and they are doomed to wither. The countless NGOs in

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[53] For original Amharic text, refer to Appendix J.

these countries multiply rent seeking nets and make the politics waltz with foreign tunes ("YäTähadəsow Mäsmärəna," 2011, p. 75).

For EPRDF, the enduring alternative to the "flawed" neoiberal logic is that of the developmental state, a state in which development is treated by everyone as an affair that precedes any other priority and one that should be treated as as a matter of survival. For this reason, EPRDF believes it is imperative that the lifestyle, thinking and culture of each citizen has to be wired to a unitary primacy of developmentalism. This is only possible when such a direction, EPRDF proclaims, is owned by and aligned with the thinking and culture of the general polity. Otherwise it is inevitable that the people demand for and bring about change in due course. EPRDF believes Ethiopia today fullfils what it calls the three fundamental pillars of a developmental state, namely, the determination to view development as a question of survival, political and economic independence from the private sector, and forming the hegemony of developmental state ideology. As a result, because the developmental state is not externally motivated and is self-sufficient in Ethiopia, it will *eventually* bring about democratic governance that is strong and sustainable, unlike the ephemeral targets of neo-liberalist trajectories that are based on weak foundations:[54]

> While neo-liberalism makes African democracy quintessentially non-democratic and one without an opportunity to sustainable growth by subsuming it into an entire external caretaker arrangemet, developmental states create an infinite opportunity for opportunities of development and advanced democracy through internal development and transformation capacities. As a result, neo-liberalism, beyond merely declaring democracy can be created in poor countries, projects a catastrophic, deadlocked path of democratic system building that falls miserbly short even when compared to states that started as anti-democratic ("Yä Tähadəsow Mäsmärəna," 2011, p. 65).

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[54] EPRDF recognizes that the first few years of the developmental state will be challenged.

Because of its rejection of neo-liberalism, EPRDF believes it is being penalized

by agents of the doctrine like the IMF in different ways, most significantly through some

kind of cuts or entire denials of loans and grants. The way EPRDF has seen it, Western

international financial institutions' conditionalities were aimed at bringing about the

submission of the Ethiopian state to neo-liberal "modalities." The strategy made sense

because a significant chunck of FDRE's annual budget relies on foreign assistance.

EPRDF also considered that the IMF and its associates were under the impression that the

neo-liberal push for reform would prevail in Ethiopia as it did in the rest of Africa:

> From the beginning our party has relied on the support of the people and never on
> external assistance, thus following a fundamentally different direction from that
> of neo-liberalism. Today it is carrying out its developmental and democratic
> objectives successfully. Even when its adherence to a different course resulted in
> cuts in assistance and loans or when it receives aid that is less than half what other
> African countries get individually on average, it is marching suceessfully,
> determined with the course it paved. Inspite of the relentless campaign of radical
> neo-liberals from all directions, it [EPRDF] has prevailed, resisting such an
> offensive ("Yä Tähadəsow Mäsmärəna," 2011, p. 75).

Today, the confrontational exchanges between the IMF and the authorities in

Addis have significantly subsided. This is not, however, a marked manifestation of

mutual accord. It is rather an indication of recognition on the part of the IMF that the

notion of a unitary path of economic development is no longer a viable option in

engaging with countries like Ethiopia that consider themselves as "developmental states"

and that give a significant credence to the idea of "big government," or one that sees

itself as an essential, active and inherently interventionist actor in economic development.

With the increasing availability of alternative financial sources, it is plausible for the IMF

and its associates to be mindful of the danger of pushing developing countries like

Ethiopia to the periphery. Consequently, IMF's critical *modus operandi* to the Ethiopian

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state's development path is not based on complete rejection of ideology per se, but rather on specific policies and methods within EPRDF's broader "developmental state" ideology enclave. Jan Mikkelsen, Resident Representative of the IMF in Addis Ababa, is clear about this changing approach of engagement:

> I think where we stand today is that we as the IMF recognize that there are different models that work in different places and there is not only one model that works for all countries…In terms of relationship with Ethiopia, we recognize that there is a developmental state model and we have tried to find ways to provide recommendations to make some policy adjustments but still keeping the fundamental pillars of that model (J. Mikkelsen, personal communication, December 5, 2013).

While the IMF seems to recognize the ideological autonomy of the Ethiopian state presently, certain critical themes prevail in recent exchanges between the two parties, particularly in relation to the operationalization of EPRDF's Growth and Transformation Plan (GTP). One area about which the IMF grows increasingly critical is the "ambitious" GTP projects the Ethiopian government is undertaking and the large sum of financial demands that are involved. While Ethiopia's public sector led developmental strategy "has delivered robust growth and rising standards of living," an assessment on the execution of the first two years of the GTP, according to the IMF, indicates that "the required external financing is not materializing, and the investment drive in the priority projects through directed domestic credit is squeezing the availability of credit and foreign exchange for the rest of the economy" (International Monetary Fund, 2013, p. 5).[55] For Mikkelsen, the problem with this policy is that it is not sustainable and won't allow the private sector to thrive:

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[55] The dam is estimated by the authorities to cost 10% of 2012/13 GDP and is intended to be entirely financed domestically.

We recognize and have agreed in the past that the public sector is playing a major role in the economy...But we are also concerned about the sustainability of it...The government of Ethiopia argues that the state's involvement in many sectors—not only in infrastructure but in productive industries like sugar, fertilizer, and so on—is something that is necessary because the private sector is not able to deliver, and the only solution is for the public sector to do it. We feel that the capacity and the financing available for the public sector can be a problem. There are efficiency issues as well. So what we have argued is that while we recognize the public sector should play a major role in in infrastructure, energy, roads, education and health where the government and the state have a comparative advantage to do well, there may be other sectors where the private sector could do more in terms of bringing knowhow and financing like telecom, metal industries and so falls (J. Mikkelsen, personal communication, December 5, 2013).

The GTP's proposed structural transformation of the country that involves large-scale investments in housing, roads, railroads, hydro-electric generation plants, telecommunications infrastructure, sugar factories and other projects require enormous financing. According to the World Bank, disbursements of external borrowing are projected to average US$2.3 billion (7½ percent of GDP) annually over the GTP period, of which about US$500 million would be nonconcessional over the next three years and US$585 million on average over the medium-term (World Bank, 2011). The IMF has reiterated the "ambitious" schemes of the GTP and is adamant about its "unsustainable" financing scheme that the IMF says may end up putting the rest of the economy into a significant distress. While the detailed financing of the GTP hasn't been specifically spelled out, it is quite evident that the Ethiopian government planned to collect a significant chunk of funding from local banks. The IMF warns that this expansion of domestic credit to public entities not only constrains the availability of credit and foreign exchange for the private sector but also leads to a large accumulation of public debt.

The financing requirements of the GTP are huge. They amount to about 50% of GDP per year. It is a substantial amount of financing. About half of the GTP is most likely to financed externally and the other half is planned to be financed domestically. That creates a lot of problems for the domestic economy since there

is not enough domestic financial resources available. That puts a lot of pressure on the banking system, and particularly on the state owned banks. It creates risks related to the unavailability of financing for the rest of the economy. It unbalances the macro-economy where there are certain sectors that have been experiencing difficulties to develop while certain other sectors like energy and sugar are doing better. What we have said is you should try to rebalance this so that it becomes more a development process where both the private and public sector are developing in line with each other and comfortable with each other. So our recommendation has been, in the event that external financing is not available, it's probably advisable to try to spread out this big investment program over a slightly longer period of time. This will make it sustainable and it will make sure that different sectors have the opportunity to have some resources so that they can develop at the same time (J. Mikkelsen, personal communication, December 5, 2013).

IMF's Deregulation Logic for the Ethiopian Telecommunications Sector

The IMF has been one of the most vocal proponents of telecommunication liberalization in Ethiopia. Since EPRDF's rise to power a little over two decades ago, IMF's recommendations for the liberalization of the Ethiopian telecom sector have been ubiquitous in many of its Ethiopia Country Reports, Article IV Consultations and Staff Appraisal Reports (International Monetary Fund, 2002; 2004; 2005). In spite of these recommendations, the Ethiopian government remained apathetic to the Fund's aggressive privatization approach. Based on comments from the Minister of Communication and Information Technology of the FDRE, it is safe to say that both the IMF and the Ethiopian government have reached a resolution where they, to use the old cliché, agreed to disagree:

> In principle, we do not get funding from them [the West] anymore for telecommunications infrastructure development. It is zero. There is hardly any push in this area now since they finally came to understand our unwavering position. The $200-300 million we probably can get from financial loans with conditional arrangements may seem attractive temporarily. This is inconsistent with our development model and is therefore unacceptable. We will not get into a deal that will compromise our long-term interest (D. Gebremichael, personal communication, December 12, 2013).

One of the recurring arguments set forth by the IMF is based on how an efficient

telecommunications sector can trigger a domino effect not only in the information

communication technology industry but also in all other sectors that are now highly

integrated with information communication technologies. Mikkelsen opines that the

Ethiopian economy is losing from the current arrangement of Ethio-Telecom's state

monopoly. He singles out the private sector to be most affected by the lack of quality and

the inefficiency of Ethio-Telecom's services that fail to deliver basic financial

transactions. While lauding the country's ambitious development agenda, Mikkelsen is

wary of the shortcomings of the telecommunication sector in negatively affecting the

critical role the private sector could play in meeting economic development goals and the

potential failure to attract foreign direct investment that brings knowhow and financing

with it.

> [If we agree on the decisiveness of the private sector in the growth of the
> Ethiopian economy], there are a number of sectors that need to be performing
> well because these are things investors, both domestic and local, look for. That
> includes good IT services and access and logistics to financial services. Since
> there have been shortcomings in terms of delivering high quality telecom services
> in Ethiopia, it has been discussed that there needs to be some improvement in
> overall IT services in the country. And that applies both to access to the Internet
> and mobile services and so on (J. Mikkelsen, personal communication, December
> 5, 2013).

There is an understanding within the IMF camp that the Ethiopian government

recognizes the inefficiency and incompetence of the Ethiopian telecommunications

sector. The government's direction of addressing the problems affecting the

telecommunication sector both at quality and capacity levels remains outside a

privatization framework. This includes contracting and/or outsourcing infrastructure

development and institutional management to foreign companies. The Chinese have

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particularly been active not only in infrastructure development and implementing the

operation but also in supplying the financial requirements of Ethio-Telecom's expansion

project. According to Mikkelsen, the IMF sees this as a positive move where the sector

"is still interesting enough for certain international companies" like the Chinese who can

provide "knowhow, financing and supply at the same time" (J. Mikkelsen, personal

communication, December 5, 2013). Nevertheless, it seems there is little doubt in the

IMF caucus that the ultimate solution to the Ethiopian telecommunication sector

predicament lies in liberalization. As Mikkelsen points out, liberalizing the telecom

sector in some capacity doesn't necessarily mean privatizing the state-monopoly of

Ethio-Telecom, which is a proposition the Ethiopian government doesn't want to listen

to:

> [A more sustainable solution is] trying to open up the telecom sector to other
> operators. We are not necessarily saying privatize the state-owned monopoly but
> one possibility would be to open up the sector for other mobile phone and IT
> operators to operate in the sector by selling licenses. And the government would
> earn quite a substantial amount of money by selling licenses since Ethiopia is a
> fairly new untapped market and a big country as well. That will be a big
> opportunity to get some financing that can be used to implement other programs
> in Ethiopia in health, education, infrastructure while at the same time improving
> IT which in turn will improve other sectors and foreign direct investment (J.
> Mikkelsen, personal communication, December 5, 2013).

Although the IMF is less insistent on the privatization of Ethio-Telecom, this,

according to Mikkelsen, doesn't necessarily reflect a shift in the Fund's recommendation

in how Ethiopia's telecommunications sector should be restructured. Rather, it

demonstrates a desire to engage with the Ethiopian government in the framework it

designed. In fact, there is little doubt in Mikkelsen's mind that privatization would

substantially resolve Ethio-Telecom's woes:

If you ask me about privatization, there is no doubt that it will improve the sector. Across the world, privatization of telecom has been explosive including in many countries that had state owned telecom providers. There is a demand for telecom technology, which is why there is an interest for the private sector. And the private sector has a lot of experience and a lot of money to invest particularly in Africa. So my personal view is that this is an obvious opportunity to privatize and that would generate a better service (J. Mikkelsen, personal communication, December 5, 2013).

Nonetheless, the IMF concedes that privatization is not at the horizon for now.

IMF officials speak about some "nervousness" in the Ethiopian government when it comes to liberalizing the telecom sector or privatizing Ethio-Telecom. The IMF is quite aware of the Ethiopian government's position of seeing the telecom sector as a "cash cow" that is too lucrative to let go. While there is an understanding that the service probably needs to improve, the position of the Ethiopian government remains uncompromised as it seeks to invest in the sector further within the state monopoly framework. Regardless, the "cash cow" logic that has been reiterated in the past few years by Ethiopian government officials remains unconvincing and unsustainable for Mikkelsen and the IMF:

Of course telecom is an important sector in terms of control and that may be part of the [Ethiopian government's] argument. The thing with the cash cow argument is there are other ways you can generate cash and at the same time be more efficient about it. For example, if you sell licenses or if you privatize the state monopoly, you can get a whole lot of money. You will get one or two providers here that will compete and be more efficient. So you are getting money—that again supports the rest of the economy—while becoming efficient at the same time. But of course there is some government regulation and control still in place in privatization (J. Mikkelsen, personal communication, December 5, 2013).

The IMF has previously expressed its concern that state monopoly of the telecommunications sector could potentially add stress to local borrowing. Because other public enterprises like the Ethiopian Electric Power Corporation and Ethiopian Airlines have also been engaged in local borrowing, the IMF has repeatedly warned against

commercial loans to public enterprises that could dry up financial resources for the

private sector (International Monetary Fund, 2006; 2007; 2009).

The Domestic Push for Telecom Liberalization

While EPRDF might have "tamed" or even "kept at bay" IMF's aggressive free

market "recommendations," the latter has had its major share of sway in molding the

texture of discourses in the liberalization of the Ethiopian telecommunications sector and

the privatization of Ethio-Telecom. Recently, however, the more vocal force in favor of

liberalization has been more domestic than foreign. Three groups have particularly been

vocal in this domestic camp, namely the public, the media, and the private sector. The

public, particularly the urban mass, has shown profound levels of dissatisfaction in the

services of telecom services in Ethiopia and showed a strong inclination in favor of

liberalization as an ultimate solution to the poor quality of the sector (see Chapter VI).

The press, particularly the private press, has for some time been vocal about the

need for opening up the service sector for foreign investment. A central argument for this

proposition is the need to account for the permissive behavior of local enterprises that

have operated in sub-standard levels severely impeding quality and accessibility of

service. In an editorial entitled "Open, Competitive Service Sector Essential for

Sustainable Growth" (2013) *Addis Fortune* weighed in on the cost of protectionism and

the opportunities in competition:

> Having an open and competitive regime would unleash the innovating and
> enterprising potential of citizens. This would eventually enhance the productive
> capacity of the economy and take it through the coming phases of development.
> Apparently, more people could benefit from growth that is achieved through their
> own participation…Opening the service sector up to foreign players would also
> enhance the rate in adoption of advanced production technologies, management
> approaches, marketing strategies and customer care services. It would also
> significantly reduce production costs and boost service quality.

Under this proposition, state protectionism under the guise of empowering the domestic private sector and incapacitating state owned enterprises has resulted in utter inefficiency and stagnation:

> Typical of the existing service sector is widespread protectionism. All the major sectors of the economy; from finance to telecommunications and from tourism to transportation, live under the guardianship of the state. Preferential investment laws, tax regimes, indirect incentives and tariffs continue to exclude them from the dynamics of competition. It all seems to have created a widespread comfort zone for local businesses ("Open, Competitive Service," 2013).

> Let foreign companies into the banking sector; even the telecommunications 'sacred cow' should be opened up. Ethiopian businesses will rise with the tide. Stop the incessant, "we are not ready yet, we are not ready yet." Be, at least, as brave as China! ("Reform, reform, reform," 2013).

While EPRDF's protectionist policy toward sectors such as banking, telecommunications and aviation has been justified by former Prime Minister Meles Zenawi as an important step to bring about capacity and competitiveness both to private and public enterprises, it is dubious whether this was to be a permanent policy or a strategic direction—as Meles claimed—to give time to the state and businesses to "catch up" with global standards before opening up. For some commentators, the death of Meles in 2012 has left a chasm in EPRDF's leadership in correctly interpreting and executing the purpose of protectionism and "big government":

> The ruling party will soon be at crossroads. The high targets set in the Growth & Transformation Plan (GTP) are unlikely to be met. The focus on the public sector means that infrastructure will be built, but unless there is a strong and flourishing private sector too, the use of that infrastructure will not be maximized. To obtain 'Chinese rates' of economic growth on a sustainable basis, not only does one need infrastructure, but too there is a need for an unleashed public sector. This was the direction that Meles was heading in, against all of the traditional and ideological anti-business attitudes surrounding him. This is the direction that [Prime Minister] Hailemariam needs to take; the next logical step from Meles…If the ruling party interprets the legacy of Meles as one of 'restricting and hobbling' the private sector, the economy will falter. If they interpret it, rather, as movement towards

greater freedom and support for the private sector, then the long-term growth rates, achieved by China, are also possible here ("Reform, reform, reform," 2013).

It is important to point out that, although increasingly becoming controversial between those in favor of it in the EPRDF camp and the general public (and particularly the private sector), the logic of protectionism has some strategic support and endorsement from the latter. For example, local private banks are profitable from this arrangement because they do not have to face competition from foreign banks, which are not allowed to operate in Ethiopia. When it comes to EPRDF's seemingly unwavering position in maintaining the state monopoly model of the Ethiopian telecommunication sector, however, the rejection from the general public, the private sector and the media is nearly unanimous. Even if one may be so inclined to sympathize with EPRDF's ideological logic for state monopoly of the telecommunications sector, the chaotic, utterly abysmal services of Ethio-Telecom are so profound that anything less than liberalization is doomed to be considered lethargic and defunct:

> At stake is, then, the future of the nation and its people. And the only way out to make the future prospective is to liberalise [sic] the sector. Liberalizing the sector would bring the essential ingredients of competition within the system. It would infuse an inherent systematic incentive that could promote innovation and flexibility. Such a system would also bring change to the workings of the regulators as it would dismantle the structural causes of passivity and complacency. By diversifying interests, it would incubate responsibility and transparency. A similar incentive for regulatory innovation would also be realized with liberalisation [sic]. These changes would benefit the consumer a lot. Competition would certainly reduce cost and enhance service quality by initiating innovation. It would also drain inefficiency, promote introduction of new services, accelerate outreach, and expand market size. Sitting at the heart of all these changes would be the very forces of economies of scale. All indications are that it is time to change the track of the sector for better. And the right track, if seen from the prism of reality, is liberalisation [sic] ("Piling Telecom Problems," 2012).

A journalist for *The Reporter* also comments:

The telecommunication sector is highly monopolized, with Ethiopian Telecom (ET) and ETV the sole providers of mobile services and television respectively. With this monopoly comes a great deal of government control, poor services and poor accountability…If Barclays Bank and Safaricom expanded into Ethiopia along with their tried and tested services, wouldn't ET improve its bad network, high charges and low bandwidth internet? Wouldn't the customer care services improve? Wouldn't ET introduce new services like Mobile Money to compete with Safaricom?[56] And how many jobs would Safaricom create as a result of its entry into Ethiopia? Wouldn't the tax base increase as a result of direct taxes paid by Safaricom, Barclays Bank and all their employees? If you answered these questions correctly, then trust me, their profit repatriation will be the least of your concerns (Nsubuga, 2013).

In addition to the media, the private sector in Ethiopia has actively lobbied for the liberalization of the telecommunications sector. In a comprehensive research report entitled "The Impact of Telecommunications Services in Doing Business in Ethiopia," the Addis Ababa Chamber of Commerce and Sectorial Associations criticized the poor quality of fixed, mobile, national, and international services and poor broadband ADSL and wireless Internet facilities, among other things, of the incumbent operator. In the view of the private sector, the operator "must adjust the telecommunication services to market expectations" in the short term (Baron, 2010, p. 71). A more sustainable and "pragmatic" solution would be for the government to "create conditions to encourage a reduction in the price of services, especially in the broad- band sector, either by liberalizing the activity within the public sector (as in Vietnam) or through Public-Private Partnerships" (Baron, 2010, pp. 71,73). While the push for liberalization is widely upheld by the private sector, the interest in some of the strongest associations of local private investors like the Ethiopian Chamber of Commerce & Sectorial Associations (ECCSA)

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[56] Safaricom, a mobile network operator in Kenya, is one of the success stories of foreign investment in East Africa. It has revenue of $1.25 billion and employs over 3000 workers directly and over 500,000 indirectly as mobile money agents. It is managed by the British company Vodafone, which has a 40 percent stake, with the Kenyan treasury owning 35 percent, and is known all over the world for revolutionizing Mobile Money services. Such kind of success wouldn't have happened was it not for the favorable foreign investment policies.

for the liberalization of the telecommunication sector is not necessarily to partake in the

ownership of it; but rather, the intention is to benefit from projected efficacy that would

come with global telecommunications operators:

> ECCSA considers strongly that it is in the interest of Ethiopian businesses and
> consumers to open up the telecommunications sector, as the quality and reliability
> of services currently provided are inadequate and a source of many complaints.
> Recognizing that basic telecommunications, as well as coordinates and backbone,
> are restricted to state provision through Ethio-Telecom, ECCSA suggests that
> consideration should be given to how this sector will eventually be opened to
> foreign suppliers, albeit under joint venture arrangements (Ethiopian Chamber of
> Commerce, 2013, p. 5).

In addition to seeing an efficient and vibrant ICT-assisted business environment,

the private sector is also keen to see the liberalization of the telecommunications sector in

the hope of expediting Ethiopia's accession to the World Trade Organization (WTO).

Ethiopia started its WTO accession application in 2003 and submitted a Memorandum of

Foreign Trade Regime to the WTO Secretariat in December 2006. Between 2006 and

2012, a series of exchanges were made between the two parties. Ethiopia held its first

working party meeting in May 2008 and submitted its goods market access offer in

February 2012.

The optimism on the part of the Ethiopian government in joining the WTO while

maintaining its grip on state owned enterprises like the telecom sector is related to the

former's conviction that the WTO has lowered the bar for the world's least developed

countries to join the organization by agreeing to new membership standards. This is

probably not a correct interpretation of WTO proceedings by the Ethiopian officials.

Josefita Pardo de León, Secretary of the Working Party on the Accession of Ethiopia and

Legal Affairs Officer at the Accessions Division of the World Trade Organization, asserts

that the 2002 LDCs' Accessions Guidelines and an Addendum from 2012 to which

Ethiopian officials may be referring do not offer a unique package for a separate

treatment of LDCs like Ethiopia and that the original Uruguay Round Agreements still

form the backbone guidelines for accession processes:

> Accession to the WTO focuses on ensuring compliance of the trade regime of the acceding government with the disciplines contained in the Uruguay Round Agreements. It will remain like this until new/updated agreements are reached by Members. With regard to LDCs, WTO Members agreed on the "2002 LDCs' Accessions Guidelines" and an Addendum in 2012. None of these documents alters the substance of WTO Agreements or the accession process itself (J. Pardo de León, personal communication, August 27, 2013).

It is also important to note that the Ethiopian accession to the WTO is at a very

early stage. As far as the official proceedings of Ethiopia's accession is concerned, Pardo

de León confirmed, "There has been no discussion on the telecom sector in the Working

Party, as Ethiopia has not yet presented its initial offer on market access for services."

The Ethiopian government's hope in joining the WTO is not a *de facto* no in the absence

of a commitment to liberalize its services sectors, as "many WTO Members actually do

have State-trading Enterprises" and that "accession commitments in any area are the

result of negotiations" (J. Pardo de León, personal communication, August 27, 2013).

For now, despite Ethiopian government officials' hope to realize WTO accession

by 2014 or 2015 at the latest, all indications are this is a far-stretched proposition. For

example, ECCSA is of the opinion that the likelihood of requests from other WTO

members regarding the liberalization of the telecommunications sector is "high." This has

proven to be a correct assessment as some key members of the WTO have since

expressed their views about the need for Ethiopia to open its telecommunications sector if

it is serious about joining the elite group of global trade.[57] Although WTO accession is a

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[57] Canada, the U.S., and some European states are among the countries that posed a series of questions on the goods offerings of Ethiopia. As well, the Republic of South Korea leveled some 168 questions at

target of the GTP, it is unlikely that the EPRDF-led government will prioritize sectors such as telecom, finance and energy before 2015.

EPRDF's Defense

Telecommunications as Universal Service

The concept of universal service originally represented the idea of connecting every household to the telephone network. Today, the platform has grown to incorporate other information and communication technologies including voice, television, radio, fax, data, etc. At the core of the thinking behind universal service is the availability and accessibility of communication technologies to customers at access points. Universal service aims to ensure the wide distribution of services at affordable costs instead of forcing the customer to pay for unwanted services. Affordability, availability and access to ICT services are therefore the key components of universal service.

A closely related notion to universal service is universal access. Universal access may be understood as access to a medium of communication, such as telephone, fax or e-mail or it may represent access to information with regard to various contents accessible through Internet or other computer network based applications. For access to have added value, however, appropriate initiation programs on the use of ICT services like computer literacy must be considered. Other issues like relevance of content to the user including language are critical to the purposefulness of universal access. For access to be meaningful, therefore, initiatives and programs to promote the development of value adding, local and adopted content need to be produced. Universal access is usually the

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Ethiopia as well. Peter Allgeier, U.S. representative to the WTO, recently commented that Ethiopia should liberalize its protected banking and telecom sectors as a step toward joining the World Trade Organization. "For a country like Ethiopia, this is extremely important in establishing the competitiveness of its economy…Our expectation would be there are some movements in these areas" (McLure, 2009).

natural step toward achieving universal service as it aims to increase access to ICT

services on a community-wide level through a balanced geographic distribution of points

of presence for ICT services that are offered.

The Ethiopian government's self-characterization of being a developmental state

puts the notions of universal service and universal access at the center of its

telecommunications policy. Prominent EPRDF officials have reiterated that it is only

through the intervention of the state that access to communication services and content

can become universal. EPRDF has argued that market forces, by their very nature, cannot

bring about universal service and universal access since they are not obliged to set up

prices in line with a level that a large part of the population can afford. These market

forces are therefore prone to "imperfections" that are discriminatory by design and are

bound to serve only sections of the population where capital is accumulated:

> When a private investor engages in any kind of sector, the motive is get profit
> from every dollar it spends; and it should. In order to do this, the easy way is to
> provide a service that is available by major cities and customers that have a
> relatively higher income. This arrangement cannot deliver a telecom service that
> plays a superior role in our development agenda by reaching out to all Ethiopians
> including those in small cities and rural areas. This is why telecommunications
> services in many countries are kept under state control with the aim of achieving
> universal access, during which the private sector can be involved. The state can
> uphold this objective without being counterproductive to the principle of
> profitability by operating in big cities and providing services to customers with a
> higher income so as to use the profit it collects here in order to expand its services
> all over the country. Private investors cannot advance this cause (Yä Industri
> Limat Strateji, 2001, pp. 146-147).[58]

Given the amount of investment made in the past decade on the

telecommunications sector, there is little doubt that the Ethiopian government believes

the expansion of the telecommunications infrastructure produces a positive effect on

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[58] For original Amharic text, refer to Appendix J.

growth. There is a recognition that the telecommunications infrastructure generates spillovers to other sectors; complementarities, reduction of transaction costs, and improvement in human capital. These spillovers are magnified through network effects. This is in contrast to mainstream development economics theory, which argues government shouldn't attempt to expand access to the level of universality and that there is no conclusive evidence that expanding telecommunications infrastructure is a panacea for growth. Debretsion Gebremichael, Minister of Information and Communication of the FDRE, argues otherwise:

> Under private ownership arrangements, [universal access] is difficult to be achieved because rural areas are less attractive in terms of their profit margins. But if the sector is under government control, the state can build infrastructure in rural areas where there is extreme poverty and affordability can be taxing. For example, there is better gross coverage in countries like Kenya. But in terms of coverage in rural areas we are far better. Our SchoolNet educational program connects every high school in the entire country through ICTs. I doubt if there are many countries in Africa that have their entire high schools networked in this manner (D. Gebremichael, personal communication, December 12, 2013).

> In this sense, the Ethiopian government considers liberalization and privatization

of the telecommunications sector as a betrayal to the principles of universal access and therefore that of equitable development. Gebremichael continues:

> We do not open the telecommunications sector because we understand what is at stake. We believe telecommunications, just like roads, is an instrument and accelerator to development as much as it is an indicator of development. Because we view telecommunication as a public good, it should be structured along universal access principles. When we invest on telecommunications, our calculation is not based on how much profit we make from it but how soon it can help us get out of poverty. The quality of our service is a work in progress; our penetration is low; and our capacity is yet to reach a satisfactory level. When it comes to access, however, we have got the entire country covered including border areas. The only exceptions in this regard are the deserts in the Afar and Somali regions (D. Gebremichael, personal communication, December 12, 2013).

> Chief Data and Network Design Consultant at Ethio-Telecom Woldeloul Kassa

argues that it is difficult to execute a universal access scheme in the presence of a

telecommunications service provider that is driven primarily by profit maximization:

> Telecom investment is not chump change. It is a lot of money in billions of dollars. The current push for privatization assumes for the state to build the infrastructure and the sell it to service providers. If you tell them [companies] to build the infrastructure they will say, "Oh, let me see my return of investment" first. If you tell them to go to Ogaden and set up fiber optics or mobile data, they will not do it (W. Kassa, personal communication, December 15, 2013).

The participation of the private sector in the Ethiopian telecommunications

services at a major level will be conditioned by how soon the universal access/service

challenge will be met. EPRDF's view of the state as a vanguard of equitable development

assumes markets facilitate concentration and centralization of resources in areas where

capital is accumulated. This "market failure" can thus only be corrected by the strategic

intervention of the state. In a nutshell, the government's doctrine is that the private sector

will be allowed to partake in the provision of telecommunications services once

infrastructure is spread out and resources are decentralized to the least developed

peripheries of the country. Ex-Prime Minister Meles Zenawi highlights:

> We want telecommunication in every school and in every village, and we want it cheap, not at 30% discount rate…but at 2%, 3% discount rate. That is why we have not yet opened up the telecommunications sector to private investment. Is that going to be the permanent future? No. Once the market failure there is overcome, we move out. There were times we owned breweries in this country. Now we have privatized all of our breweries because that is not our business. Private sector can do an excellent job (World Economic Forum, 2008).

The challenge with the Ethiopian government's universal access program,

however, is the little regard that is given to the "last mile," or the final leg of

telecommunication networks delivering communications connectivity to retail customers.

While many commentators agree there is a significant amount of commitment on the part

of the government to the universality of access of mobile, fixed line and Internet

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communications, similar levels of commitment in service delivery and quality are neglected at large. In the absence of targeted marketing of available services, sufficient customer support, and efficient delivery, the mere expansion of infrastructure development for universal access is self-defeating.

Telecommunications as a "Cash Cow"

Perhaps the most widely publicized opinion among senior EPRDF officials in relation to the state monopoly of the telecommunications sector is related to revenues. EPRDF is of the opinion that the telecommunications sector is too lucrative for the state to let it go to private proprietorship. In 2007, ex-Prime Minister Meles Zenawi was quoted saying: "Privatizing cell phone service is equal to issuing license to print money" (Tessema, 2007). As recently as May 2013, Ethiopian Prime Minister Hailemariam Dessalegn reiterated the Ethiopian government's resolve to keep privatization and liberalization at bay:

> This sector [telecommunications] is a cash cow, and that's why the private sector wants to get in there, and they're trying to tell us all kinds of stories ... to get the license…We want to use that money for infrastructure development" (Manson, 2013).

Ethiopian officials are well aware of the recommendations made by the likes of the International Monetary Fund for the liberalization of the telecommunication sector including the estimated $3 billion the state could earn if it decides to sell licenses. The Ethiopian government's "cash cow" logic considers this arrangement as an inadmissible deal compared to the more than $600 million in revenue Ethio-Telecom generates annually. The predominant thinking among Ethiopian officials in this regard is to sustain the profitability of Ethio-Telecom by keeping competitors at bay and using the revenue to subsidize other projects like the development of railways or reinvesting the money into

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telecommunication infrastructure development. Gebremichael asserts:

> The profit we get from Ethio-Telecom won't be redirected elsewhere but is rather reinvested and recycled within the sector. We multiply it and use the surplus to maintain and develop the sector. This way, the sector can feed itself and withstand financial pressure (D. Gebremichael, personal communication, December 12, 2013).

Similarly, Kassa is of the opinion that while privatization and competition isn't a

bad idea by itself, the highly likely scenario of foreign companies taking over the

telecommunications sector will most definitely result in a massive amount of capital

flight abroad and the hemorrhaging of the already tight foreign currency reserve:

> This [telecom liberalization] is like the abortion debate. There is an ideological motive behind it that is very difficult to discern. Personally I do not have a religious view about privatization (or not) as some do. I am not against privatization per say if the guy or the group that is going to own [Ethio-Telecom] is going to be Ethiopian. The reason is simple. Telecom is nothing but a service for talking and conversation. Of course this is not to say it doesn't have an impact on industrialization. This doesn't change the fact that billions of dollars are spent by people simply chitchatting. It is in this sense that I cannot imagine giving it [telecom] to MTN or Orange and shipping out dollars overseas at this time when the country doesn't even have foreign currency. But if it is a local company, the collected revenue will be reinvested in the economy. In my view giving the sector to foreign companies is like going back to the colonial era (W. Kassa, personal communication, December 15, 2013).

Kassa also argues that the notion of liberalization is a recent trend and that most

countries in the West have been operating under state monopoly models until recently:

> The [external] criticism [against state monopoly of telecommunication in Ethiopia] is disingenuous. For all I know, [telecom in] half of Europe before fifteen years was all a state-owned monopoly. The only motive I see in the external push for liberalization is the desire to scramble the profitability of the sector.

An "Unready" Local Private Sector

In defending its vehement resistance to the liberalization of the Ethiopian

telecommunications sector or the privatization of Ethio-Telecom, one of the threads the

Ethiopian government singles out is the absence of an able and competitive local private sector that can take over the sector. In principle, EPRDF officials are of the opinion that the government should only intervene in the economy when the market and the private sector are not able to deliver services at the desired level. There is also the recurring theme that the government needs to puts a lot of effort in elevating markets and the private sector to be competent service providers. Officials have, at least in principle, declared the irrationality for the state to operate parellel to the private sector and waste its limited financial and managerial capacity when markets and the privae sector are in a condition to deliver services efficiently. When looking at telecommunciations services, however, they argue that the private sector has not matured enough and ready to rise up to the challenge, therby necessitating the state to intervene in the sector. One interpretation of this argument, for EPRDF, is that the incapacity of the domestic private sector implies a justification for seeing telecommunications as a natural monopoly in the local context.

A monopoly represents a condition where all sales in a given industry or market are dominated by a single firm or service provider. A natural monopoly is a characteristic of an industry or market where it is believed the presence of a single firm that is responsible for all production is most efficient since it involves the lowest production costs. Baumol (1977), one of the pioneers in the modern theorization of natural monopoly theory, defines the concept as a condition that exists when "[a]n industry in which multiform production is more costly than production by a monopoly" (p. 810). Traditionally, natural monopolies have usually occurred when there was a need for a vast bedrock infrastructure to start a given operation business (Liebowitz and Margolis, 1996).

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In these kinds of situations, natural monopoly is usually enacted in order to protect a given firm that made initial and expensive large-scale investments from competition. Traditional examples of natural monopolies included transportation, communication and postal networks and utilities that involve exorbitant costs.

During the first instances of application, natural monopolies generally referred to those types of monopolies not artificially enforced by law but rather instances that emerge because of the limited quantity of the resource that is available including talent and location (Mosca, 2008). Although there is no unanimity, Sharkey (1982) argues that John Stuart Mill was the first to speak of natural monopolies in 1848. In his *Principles of Political Economy*, Mill (1899) indeed discusses about natural monopoly in this paragraph regarding labor and wage disparity:

> The superiority of reward is not here the consequence of competition, but of its absence: not a compensation for disadvantages inherent in the employment, but an extra advantage; a kind of monopoly price, the effect not of a legal, but of what has been termed a natural monopoly... independently of... artificial monopolies [i.e. grants by government], there is a natural monopoly in favour [sic] of skilled labourers [sic] against the unskilled, which makes the difference of reward exceed, sometimes in a manifold proportion, what is sufficient merely to equalize their advantages. If unskilled labourers [sic] had it in their power to compete with skilled, by merely taking the trouble of learning the trade, the difference of wages might not exceed what would compensate them for that trouble, at the ordinary rate at which labour [sic] is remunerated. But the fact that a course of instruction is required, of even a low degree of costliness, or that the labourer [sic] must be maintained for a considerable time from other sources, suffices everywhere to exclude the great body of the laboring [sic] people from the possibility of any such competition (p. 236).

According to Posner (1969) natural monopoly "does not refer to the actual number of sellers in a market but to the relationship between demand and the technology of supply" (p. 548). On the other hand, Carlton and Perloff (2004) argue, "[w]hen total production costs would rise if two or more firms produced instead of one, the single firm

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in a market is called a 'natural monopoly'" (p. 104). Natural monopolies are also associated with supply-demand characteristics that included scenarios where the product or service supplied must be essential; the products must be non-storable; and the supplier must have a favorable production location (Sharkey, 1982).

If the proposition of the Ethiopian government's treatment of telecommunications as a natural monopoly is valid, this means that the state monopoly of telecommunications in Ethiopia is not a result of a deliberate protectionist intervention through policy but rather a natural course of action that assumes the absence of a capable actor (in this case the domestic private sector) urging the state to solely carry out the service. However, while the state contends it remains the only viable actor with the capacity to carry out telecommunications operations along universal access and universal service principles, experience thus far locally and globally indicates quality will suffer under such arrangements. A long-term, sustainable solution should involve the private sector in some capacity, as Kassa asserts:

> I think it is a good strategy and very brave of this government if they meet the universal access and universal service goal to reach every *qäbäle*. Once they do that the market will probably be mature and hopefully some private company of Ethiopian origin will take over or alternatively they may partner with foreigners as long as they [foreigners] do not put the dollar in the bag and go. It is not deal if I give away a dollar every time I talk… The problem in this country is there is no individual or group that is capable of investing on this sector. In the absence of it, I have no problem if the state keeps it because they will have to liberalize it eventually anyway. Any government operator by its very nature is inefficient whether it is in Ethiopia, the United States or Canada (W. Kassa, personal communication, December 15, 2013).

Conclusion

Through an analysis of interviews and documents, this chapter aimed to mainly address the underlying reasons behind the differences in telecom liberalization policies

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between the IMF and the Ethiopian state. It explored the debates surrounding deregulation discourses regarding the Ethiopian telecommunication sector, and investigated external pressures, motives and rationales—most notably led by the IMF— that attempted to justify the need for liberalizing telecommunications operations in Ethiopia. Whereas domestic groups such as the private sector also share IMF's call for liberalization, EPRDF remains adamant about keeping telecommunication operations in Ethiopia under state control for the foreseeable future.

CHAPTER VIII

CHINESE MULTINATIONALS IN THE ETHIOPIAN TELECOMMUNICATIONS SECTOR

> I'll love you, dear, I'll love you
> Till China and Africa meet
> And the river jumps over the mountain
> And the salmon sing in the street.

—W. H. Auden, *As I Walked out One Evening*

The rise of neo-liberalism in the 1970s and 1980s after the crisis of Keynesian capitalism sealed the dismissal of all alternative forms of economic thinking (Chomsky, 1999; Shefner & Fernández-Kelly, 2011). With the end of the Cold War and the demise of the former Soviet Union, it seemed the position of the United States as a global hegemon would prolong unchecked in the absence of any palpable economic and ideological contender (Hunt, 2007). The processes of globalization such as substantial increases in merchandise trade flows, foreign direct investment, and cross-border financial investments propelled neo-liberal practices to new heights (Duina, 2006). Soon after, neo-liberalism had strong advocates in continental Western Europe and Japan. Toward the end of the 20th century the U.S. has successfully dictated neo-liberal policies into most of the transitioning and developing economies. If there was any resistance to the neo-liberal global order, it was not a rejection of the notion in its entirety as such, but rather the pursuit to customize its tenets to local needs and national interests (Ferguson, 2006; Soederberg, Menz, & Cerny, 2005; Solimano, 2012).

Neo-liberalism was supposed to bring unprecedented American hegemony, provided that it was replicated in its original script. This means countries should

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subscribe to the recommendations of deregulation of business, privatization of public

activities and assets, elimination of or cutbacks in social welfare programs, and reduction

of taxes on businesses and the investing class (Cypher, 1997). As for international trade,

neo-liberalism calls for free movement of goods, services, capital, and money (but not

people) across national boundaries (McDonough, Reich, and Kotz, 2010)

The beginning of the 20th century delivered the rise of new economies that

embraced market-led globalization. In fact, in 2003, the highly influential Goldman Sachs

report, *Dreaming with BRICs: The Path to 2050*, emphatically predicted the BRIC

countries (Brazil, Russia, India and China), will economically overtake the traditional

economic powerhouses or G7 countries (Wilson, Roopa, and Goldman, Sachs & Co.,

2003). The problem for the United States and its partners, however, was that these

emerging economies didn't simply clone the neo-liberal blueprint. They reprogrammed

and mutated it to their developmental needs, essentially enabling them to actively

participate in the global economic order while maintaining their independence from

Washington (Overbeek and Apeldoorn, 2012). This newfound power and leverage is

significantly challenging and changing dominant structures and hierarchies in

international relations. By the end of 2007, for the first time in recorded history, the total

deal size of emerging-into-developed economies was estimated to have exceeded that of

developed-into-emerging economies (Gupta and Wang, 2009).

More than 50% of the world's GDP growth today is attributed to emerging

markets (Becker, 2013). Remarkable as it may be, any significance of emerging

economies cannot be meaningful without an analysis of the towering implosion of the

Chinese economy in the past two decades. Such is the dominance of China's presence

that its GDP is expected to become the world's largest by around 2030 ("China to Be,"

2010). In the past decade alone, China's economy grew seven times as that of America.

China is one of the few countries integrated into the global market economy that not only

survived the international financial crisis but that also capitalized on it. It has been the

fastest growing economy in the G20 for years now, and boasts ownership of the three

largest banks globally in terms of market capitalization—an astonishing feat considering

no Chinese bank was among the world's largest a decade ago (Winters & Yusuf, 2007).

China's newfound creditor's position is such that it has generated "a new potential for

power in the form of influence in the international arena—a potential that is in fact

greater than that of the Japanese state in the late 1980s" (Chin & Helleiner, 2008, p. 87).

This increasing economic prowess of China in the past three decades has a

demonstrated potential to challenge traditional practices in international power relations,

diplomatic leverage and trade agreements. It remains unpredictable what China makes of

this newfound economic might, however. China recognizes that the global economic

system is increasingly becoming multipolar and decentralized, and thus it should

transform to reflect the existing reality (Amin, 2006; Brzezinski, 2000). This would entail

a more representative and participatory design and enforcement of international economic

rules that would, among other things, reappraise future international roles of the United

States, the U.S. dollar and international organizations like the International Monetary

Fund, the World Bank and the World Trade Organization. Nevertheless, China has hardly

made the case for the global economic order's overhaul. This is not surprising given

China has been a major beneficiary of economic globalization (Huan, Dang, & Wang,

2011). As Fu Chengyu, CEO of Chinese National Offshore Oil Corporation affirms,

"China's goal is not to overturn the world order but instead to participate in this order and to reinforce it and even to profit from it" (Shirk, 2007, p. 34).

This growing importance of China in the world has impacted every global economy directly and indirectly. Ethiopia is no exception. In fact, Ethiopia has repeatedly praised the Chinese approach to economic development as a welcome alternative to neo-liberal capitalism. Consequently, Chinese multinational corporations, both private and state-owned, are capitalizing on the cordial state of Sino-Ethiopian relations, particularly in the telecommunications sector. In line with this increasingly significant development, this chapter aims to explore salient issues related to this research question: What are the premises on which Sino-Ethiopian partnerships in the Ethiopian telecommunications sector are laid? In order to address this question in a comprehensive manner, I will, firstly, discuss the circumstances of the growing presence of China in Africa and in Ethiopia. Then, I will explore why China succeed in wooing the Ethiopian government while others failed, and what issues are at stake in this partnership. Finally, I will analyze arguments for and against Chinese proliferation in the Ethiopian telecommunications sector.

Tenets in Sino-African Partnerships

"Where America brings drones, the Chinese build roads," writes John Pilger (2013), a war correspondent, film-maker and author, in his *The Guardian* article, "More than Jihadism or Iran, China's Role in Africa is Obama's Obsession." Whereas this quote doesn't necessarily reflect the intricacies behind Chinese, American and African priorities in bilateral relations, it succinctly summarizes the growing influence of China in Africa at the expense of the United States and its allies, and, more importantly, why.

The relations between China and Africa date back to the 10th century B.C. through exploration and trade links (Strauss, 2009). Many sub-Saharan Africa countries had established economic relations since then. These links were undermined during the period of European imperialism in the African continent (Manji and Marks, 2007; Shinn & Eisenman, 2012). The economic, political and social conditions of post-colonial Africa in the second half of the 20th century resuscitated Sino-African relations, nevertheless. The struggle for independence from Western colonialism, the challenges of nation building, and the lure of the economic and political left propelled many African countries to look for alternative partners in the East (Edoho, 2011; Rotberg, 2008). The Bandung Conference of 1955 attended by representatives of 29 Asian and African countries marked the first serious attempt to renew Afro-Asian relations in the areas of the role of the Third World in the Cold War, economic development, and decolonization. It set important benchmarks in shared concerns of participant nations like political self-determination, mutual respect for sovereignty, non-aggression, non-interference in internal affairs, and equality (Lee, 2010; Tan, 2008). The Bandung Conference, in which China played a prominent role, sought for collaboration among Third World countries and aimed to minimize economic reliance on the West, essentially foreshadowing today's notion of South-South Cooperation.

Varying range of loyalties by participant countries and accentuated Cold War polarities resulted in the waning of the "Bandung spirit" in the 1960's and 1970's. As a result, China's engagement with Africa prioritized geopolitical interests over development initiatives (Alden, Large, & Oliveira, 2008). China maintained its shared solidarity with the Third World rhetoric of struggling against capitalism and economic

exploitation but didn't have the resources to engage with the African continent through investment and trade. The "Great Leap Forward" economic program of Mao had disastrous economic consequences that led China to economic stagnation (Teiwes and Sun, 1999). Mao's other radical left programs like the "Cultural Revolution" marginalized skilled and highly educated personnel from the economic system to the detriment of the industry sector (Luo, 1990). Subsequently, internal political and economic problems as well as ideological radicalism decapitated China's leverage to compete with the United States and USSR in the scramble for international leverage.

Sino-African relations remained static until the 1990s when Communism collapsed and China's restructured state-led capitalist economy started vying for international markets. Beijing's aggressive market-oriented economy identified the African continent as a prime target for development of trade, investment, new markets, energy and commodity resources (Ampiah & Naidu, 2008). By the turn of the 21st century Sino-African relations became institutionalized with the establishment of the Forum on China-Africa Cooperation (FOCAC). FOCAC serves as a platform to promote diplomatic, trade, security and investment relations between China and African countries (Taylor, 2010).

After the first China-Africa Consultative Forum (CACF) in Beijing in 2000, China quickly moved to offer an attractive bundle of incentives in economic, political, and security fronts that significantly departed from traditional Western bilateral practices of tied aid, conditionalities and structural adjustments. These unique strategies include, among other things, targeted debt relief, cheap loans linked to infrastructure development, political "non-interference" in the internal policies of African countries,

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promotion of South-South linkages, support for Africa in global forums such as the United Nations, WTO, IMF and World Bank, and the establishment of parallel funding agencies to institutions such as the IMF and the World Bank (Brautigam, 2009; Eisenman, Heginbotham and Mitchell, 2007). The Beijing meeting was attended by over 800 officials from China and 44 African countries and advocated for "an equitable and just new international political and economic order" (FOCAC, 2009). Today, China has invested close to $75 billion on the African continent and eclipsed the United States as Africa's biggest trade partner in 2009 (Benjamin, 2013; Provost and Harris, 2013). In what is a symbolic gesture to the increasingly tightening tie between China and Africa, the former has fully funded and overseen the construction of the $200 million tower and conference center for the headquarters to the 53 member states of the African Union in Addis Ababa, Ethiopia (Ighobor, 2013). Even more telling is Angola's surpassing of Saudi Arabia as China's largest supplier of oil in 2006 (Zhu, 2008). The fact that China has eclipsed the World Bank to become Africa's biggest creditor epitomizes the significance of Beijing to the African continent today (Swann & McQuillen, 2006).

China's near omnipresence in African economies is a subject of intense debate and scrutiny by concerned scholars, policy-makers and politicians around the world. An optimistic interpretation of Sino-African relations sees the partnership as one founded on mutual benefits and interests. In this sense, China is a development partner rather than an economic competitor with "a long-term strategic commitment to the continent, one that is driven by its own economic needs, a commitment to transmit its development experience to the continent and a desire to build effective cooperative partnerships across the developing world" (Alden, 2007, p. 5). This view is notably shared and articulated,

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oftentimes in strong words, by African and Chinese politicians alike. African leaders

contend Sino-African diplomacy and negotiation is carried out on a level-playing field. It

is a key departure from how the West historically engaged with Africa through

'presumptuous' economic and political interventions and tied aid. "Those who criticize

China today are the same ones who used to impose their will on Africa…Those who

believe so [that China is a threat] have no right to choose friends for Africa," contends

Joram Biswaro, Tanzania's ambassador to Ethiopia (Essa, 2013).

On the contrary, others are less enthusiastic about the Sino-African alliance and

view it with varying doses of skepticism. They regard Beijing's ubiquity in the African

continent as motivated by the need to quench the former's voracious appetite for energy

and raw materials instigated by its economic upsurge. It frames China's bilateral ties with

individual African countries as an attempt to chain African resources to Chinese

industries, particularly in the area of energy where traditional suppliers in the Middle East

are becoming unreliable because of growing political instability in the region (Alden,

2007; Ghazvinian, 2007; Rotberg, 2008). In essence, this analysis contends that China

has little or no interest in catering to the development needs of Africa. Much like its

Western counterparts, China's interest is founded on short-term resource grab and

exploitation motives. Most commentators in this group accuse China of dumping cheap

goods in the African market to annihilate local manufacturing (Taylor, 2009). This camp

interprets China's policy of non-interference in the internal affairs of African countries as

a deliberate tactic to disregard concerns in sustainable development, environment

protection and human rights. They contend Beijing is systematically subordinating Africa

to its pockets not only to satisfy its resource needs but also to advance its interests and

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accentuate its soft power globally in issues it considers as critical to national security (Kurlantzick, 2007; Liang, 2012). They point out South Africa's continued refusal to grant the Dalai Lama a visa and the majority of the continent's reluctance to engage independently with Taiwan as consequences of the muzzling effect China's soft power on African countries (Mishkin & Rice, 2013; Polgreen, 2011). In its extreme version, this view sees China as a neocolonial power with a long-term aim of annexing Africa through political and economic dependency.

Regardless of the criticism, the view from Africa, particularly from politicians and policy makers, remains overwhelmingly positive towards emerging economies of the global South like China. As Manji and Marks (2007) highlight:

> [Africans] feel that traditional relations and partnerships with the West have not helped Africa overcome the structural obstacles to eradicating poverty and reversing its economic marginalisation. Rather than develop, Africa is haemorrhaging while the rest of the world accumulates wealth at its expense through the unbalanced exploitation of its natural resources and the enforcement of a distorted international economic system" (p. 17).

In addition to the frustration compiled by the traditional broken development paradigm, there is also China's extraordinary leap from poverty to a global economic powerhouse in a relatively short period of time, a symbolically significant pull factor for many African countries. For African politicians and policy makers "the knowledge that within a span of a few decades China had been able to scale the development heights without compromising sovereignty, party control or engaging in the elaborate formalities of Western-inspired ODA was a revelation" (Alden, 2007, p. 35)". It is also important to emphasize the oft-overlooked aspect of China's commitment to the notion of pan-Africanism, both practically and through policy making. As China's alternative model that blends balanced doses of idealism and pragmatism coincides with Africa's continued

economic growth in the past decade, the current of the Beijing Consensus[59] to displace

traditional international development practices is momentous if not warranted.

No Oil, No Problem: Making Sense of Ethio-Chinese Relations

If the rhetoric of China's interest in locking African resources through

government-to-government bilateral relations is to be taken exclusive of other motives,

Beijing excellent ties with Ethiopia shouldn't make sense. Although Ethiopia and China

had long established political exchanges, official diplomatic relations between the two

countries didn't begin until November 1971 during Emperor Haylä Səllasé's visit of

China. Ethio-Chinese relations remained cordial in diplomatic, political and economic

fronts until the *Derg*, which aligned with the Soviet Union, thereby effectively becoming

incompatible with the ideology of Maoist China. Chinese development assistance to

Ethiopia in the 1970s and 1980s was therefore mostly limited to emergency relief (food

aid) and manpower development (Adem, 2012). With the collapse of the Soviet Union

and the triumph of EPRDF over the *Derg* by the beginning of the 1990s, the conditions

were ripe for Ethio-Chinese relations to resume (Sharamo & Mesfin, 2011). Although the

TPLF, the veteran (and arguably the most important) organization within the EPRDF

coalition has long adhered to Marxist principles and drafted its political program in the

line of the Albanian Party of Labor, it had to quickly rebrand itself as free marketeer in

response to changing dynamics in international relations and politics (Clapham, 1991;

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[59] The "Beijing Consensus" was originally coined by Joshua Cooper Ramo to indicate the preeminence of a new Chinese inspired strategy in global economic development that contrasts with the so-called Washington Consensus. The Washington Consensus proposes policy recommendations that espouse liberalization, privatization, and deregulation, principles that are closely associated with the neo-liberal ideology, free market capitalism or market fundamentalism. Instead of prescribing rigid recommendations for the problems of distant nations, the Beijing Consensus, Ramo argues, is inherently focused on innovation, while simultaneously emphasizing ideals such as equitable development and a "Peaceful Rise" (Ramo, 2004, p. 6).

Vestal, 1999). EPRDF remained largely sympathetic to Marxist economic principles, however, and eventually started openly criticizing Western neo-liberal practices. The unrelenting pressure from the West on the Ethiopian government to restructure the country's economy along free market principles, coupled with EPRDF's lingering Marxist ethos, paved the way for the search of alternative partners like Russia and China.

Subsequently, between in the past two decades, high level visits were exchanged between Ethiopian leaders and their Chinese counterparts. The visits of Chinese President Jiang Zemin in 1996 and Prime Minister Wen Jiabao in 2003 to Ethiopia and that of Prime Minister Meles Zenawi in 1995 and 2006 to China were very significant in this regard. EPRDF has reiterated the importance it attaches in strengthening its inter-party ties with the Chinese Communist Party (CCP) in order to "learn" state-running experiences and the practice of market-led socialism and agricultural development (Hackenesch, 2011). Events that followed the controversial 2005 national elections were important in EPRDF's intensification of fortifying its relations with China. With a government crackdown of opposition groups, the latter boycotted the government, fled the country or were imprisoned. EPRDF's methods brought severe criticism from traditional Western donors like the World Bank, which responded with measures like suspension or deferral of loans and aid. EPRDF saw this as a potential threat to its stability and henceforth started aggressively fortifying its ties with China and likeminded partners with the aim of curbing Western influence in the Ethiopian political sphere. EPRDF made its calculations right in that the government in China always refrained, unlike Western donors, from the issue of democratic reforms in Ethiopia. In short, EPRDF attaches massive significance to China's "non-interference" policy in the internal

affairs of Ethiopia (Hackenesch, 2011). As such, EPRDF views the CCP as its natural

international partner not only in terms of shared development models but also mutual

interests in the role of the party in the state or party succession strategies. Here, it is also

important to emphasize that EPRDF's party-to-party relations with the CCP is demand-

driven, whereas political deliberations are usually pushed from the outside in the case of

traditional Western donors. Economically, EPRDF sees an opportunity in minimizing the

West's clout in the development strategy of Ethiopia and working independently from

donor preferences. Even though EPRDF officials occasionally suggest that China is not

necessarily the ultimate model to follow, many observers say Ethiopia sees China as an

economic model to emulate. The "authoritarian developmental state" model to which the

CCP adheres and which EPRDF wants to adopt delivers economic development while

maintaining political power, some commentators argue, albeit at the expense of

participatory democracy, social justice and human rights (Lingle, 1996; Pei, 2006; Scott,

1998).

Given EPRDF's apprehension of external interference on its national political

behavior and economic program, Ethiopia's flirtation with China is unsurprising. Chinese

FDI increased from almost zero in 2004 to an annual figure of US$ 58.5 million in 2010

(World Bank, 2012). An array of different agreements have been signed between

Ethiopian and Chinese officials since 2006 including the establishment of Chinese

language training center, the foundation of Special Economic Zones (SEZs) for Chinese

manufacturers, and accord of loans from the Export-Import (EXIM) Bank of China to

help housing projects in Ethiopia. Meanwhile, Beijing started following its newfound

fandom in Ethiopia's capital with great interest. This was particularly true concerning

Ethiopia's bold support to Chinese positions in sensitive regional and international debates. For example, Ethiopia supported the adoption of the Anti-Secession Law by China's National People's Congress in 2006 in spite of the fact that Ethiopia is, ironically, the only country in the world that constitutionally grants the right of secession. In another instance, Ethiopia spoke out against the condemnation of China's human rights record when it was a member of the United Nations Human Rights Commission in 2007.

For all the arguments that attempt to explain China's resource-centered diplomacy with Africa, Beijing's remarkable ties with Ethiopia defy logic. Ethiopia is not rich in resources that are critical to China's insatiable industries. In a strictly economic sense, Ethiopia simply doesn't have attractive incentives to lure China like Nigeria or Angola. So why does China continue to attach an enormous significance to its bilateral relations with Ethiopia?

There are different explanations for this question. Firstly, Ethiopia's excellent diplomatic stature within the African continent is valuable for China to foster the latter's self-proclaimed "Africa's development partner" position. The Ethiopian government, and particularly its late Prime Minister Meles Zenawi, hardly shied away from defending China's positive role in Africa. A staunch admirer of the Chinese state-led development model and ardent critic of neo-liberal capitalism, Zenawi lauded China's efforts as a "godsend," "generous" and "dependable" (Adem, 2011; "Looking East," 2010). Beijing holds this decorated assessment of itself by the government in Addis Ababa with high regard. In Zenawi, China found a diplomatically astute and articulate partner who took it upon himself to don Beijing as Africa's role model to get out of its poverty trap. Coupled

with Ethiopia's history as a pioneer in black freedom and pan-Africanism movements, China understands that the leverage Addis enjoys within the African leadership is of paramount importance to its economic and diplomatic interests. China also recognizes Addis Ababa is the seat of the headquarters of the African Union, United Nations Economic Commission for Africa (UNECA), and many other regional and international organizations.

In this sense, it is plausible to conclude that Ethiopia serves as the Chinese aisle to the rest of Africa in two ways. On one hand, Chinese investment in Ethiopia—a country lacking meaningful significance in terms of resources attractive for Beijing's economic appetite—helps reinforce China's self-proclaimed narrative that it is a trustworthy development partner with genuine commitment to poverty alleviation in the African continent. The Ethiopian scenario quells the argument that China is looting Africa through economic exploitation. On the other hand, it is common sense from China's point of view to see Ethiopia as an investment and development workshop at which visiting African political elites can look and marvel. Every year, Addis Ababa hosts senior political figures, including presidents, prime ministers, ministers and delegates of almost all African countries for the African Union and other meetings, where the fast changing architecture and infrastructure development of the city in the areas of road construction, transportation and real estate development hardly go unnoticed. In this manner, Addis serves as a prototype of Chinese efficiency in infrastructure development, and assumes a real time see-it-for-yourself marketing and public relations hub for other African countries to follow. This is consistent with Deborah Brautigam's (2009) argument that "the move by Chinese companies into production in Africa has the potential to catalyze a

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flying geese model in leather. If this happens, it is likely to happen first in Ethiopia.

Ethiopia's experience provides some early insights into what may follow across the

Sahelian leather belt in Africa" (p. 213).

Chinese Multinationals in the Ethiopian Telecommunications Sector

If there is one sector that epitomizes EPRDF's resolute stance on the significance

it attaches to the notion of "state-led development," it is telecommunications (Tsigie and

Feyissa, 1999). The EPRDF controlled government views the telecommunications sector

as a strategic asset for the economy and national security, which the state cannot afford to

"let go" just yet.

In spite of EPRDF's vehement rejection of liberalization, the sector has remained

pitifully incompetent in the past two decades. Such was the impotence of the then-ETC

that, between 2004 and 2007, getting a SIM card required a customer to submit an

application with a wait period of more than a year. "At that time, a SIM card could fetch

as much as $100 on the black market, not including call charges and 15% tax, and what's

more, you couldn't necessarily buy one even if you did have the money" (The Chinese

Telecommunications," 2012).[60]

What's more, ETC's cellular capacity at the time, a meager 700,000, was fiercely

sought by global telecommunications equipment vendors including Nokia, Siemens,

ZTE, Huawei, Ericsson and Alcatel-Lucent. This global interest was probably not

necessarily because of the margin of profit involved per se, but rather because of what

Ethiopia represents in terms of an untapped potential in the telecommunications market.

Nonetheless, this competition did not always bring favorable outcomes to ETC's

expansion schemes. Before ETC floated its fourth tender calling for bids in mobile

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[60] Comment by Zhang Jinyu, Chief inspector, ZTE Ethiopia Technology Center.

network infrastructure development in 2004, Ericsson was endowed with the task of building network capacity for 60,000 lines five years earlier in 1999. This was followed by a second tender in June 2003 that provided a capacity of 200,000 lines for $29 million. Nokia won the third tender that upgraded the network capacity by 300,000 lines in a deal that saw the Finnish communications and information technology multinational corporation get $47 million. This interchange of vendors caused incompatibility between the first two networks installed, thereby forcing ETC to use only 70% of the cumulative capacity of 260,000 lines (Girma, 2004).

Despite being a pioneer in the African telecommunications landscape, it became obvious that ETC struggled to catch up with the dynamic changes and complexities in telecommunications technology and management, and was utterly inefficient in providing a reasonably sound service to its clients. With dissatisfied customers who would jump to a competitor and foreign investors ready to buy the sector at will if the market is liberalized, EPRDF understood it had to find a partner that would boost the country's telecom service efficiency without compromising state ownership of the sector. When it became apparent to GoE officials that something needed to be done about the telecom sector, a drastic course of action in foundational telecom infrastructure investment was inevitable. As a result, in 2005 the government of Ethiopia (GoE) called for proposals for the construction of a backbone network in Global System for Mobile Communications (GSM), Code Division Multiple Access (CDMA) and other technologies covering the entire country. The project, in which major global telecommunications equipment vendors including Ericsson, Nokia, Siemens, Alcatel-

Lucent, Huawei, and ZTE took part and submitted bids, needed a budget between $1.8 and 1.9 billion.

Subsequently, GoE selected ZTE Corp. as a strategic partner for telecom infrastructure development in 2006, resulting in a framework agreement that would see the Chinese company aggressively upgrade the national telecom network. This historic agreement saw GoE ink a deal with the Chinese telecom giant to the tune of $1.5 billion, a credit as big as the total current worth of the Ethiopian telecom monopoly (Whelan, 2010). The total cost of the project was, however, US$1.9 billion: $1.5 billion for equipment and $0.4 billion for engineering construction.

Although three major Chinese telecommunications equipment producers and suppliers, ZTE, Huawei, and China Communications Services Corporation submitted expressions of interest, it was ZTE that was able to get the financial support from the Chinese Development Bank in order to win the bid. There were a couple of factors that tilted the balance in ZTE's favor. Firstly, ZTE had a better knowledge of the Ethiopian telecom sector compared to its other competitors. Although its substantial breakthrough in the sector didn't come until 2006, it started operating in Ethiopia in 1996 and officially opened its Ethiopian Office in 2000. ZTE, Ethio-Telecom, and the CBD have signed a long-term payment agreement which covers a period as long as 13 years, and is considered a mid to long-term loan, of which the first three years are interest-free. Vendor credit is provided by the export bank to the exporter (i.e., the supplier, in this case ZTE), and then the exporting and importing businesses (in this case Ethio-Telecom) signing a separate repayment contract.

In 2013, Ethio-Telecom signed a network expansion deal worth $1.6 billion with Huawei and ZTE with the two companies sharing 50 percent of the project each. For this latest project, Huawei and/or ZTE, pending further negotiations, are contracted to deliver fourth generation (4G) technology for the capital city of Addis Ababa that would allow customers to have browsing speeds of 100mb per second. The Chinese companies are also expected to expand the existing infrastructure of cellular networks and introduce 3G services in the 11 infrastructural zones set up by the Ethiopian state. The Ethiopian government sees the project as an implementation phase of the Growth and Transformation Plan (GTP) that will run out in 2015. The project aims to increase Ethio-Telecom's mobile subscription capacity from 23 million to 50 million.

Salient Issues in the Proliferation of Chinese Multinationals into the Ethiopian Telecommunications Sector: Assessing Advantages & Drawbacks

Vendor Financing Schemes and Chinese Malleability

Although the Ethiopian economy has registered some steady economic growth in the past decade, it has been hit by chronic foreign currency shortage that limited the country's import capacity to a matter of few weeks. Although an unstable foreign currency reserve has historically been Ethiopia's underbelly, the past few years have especially been inopportune. In one instance, the National Bank of Ethiopia (NBE), the state institution endowed with the authority of regulating financial sectors, notified importers that the state can no longer provide foreign currency. According to the IMF, gross official reserves in April 2012 decreased by almost $1.2 billion to 1.8 months of projected imports for 2012/13 (International Monetary Fund, 2012). NBE instituted a case-by-case application procedure where importers had to wait for months to get

rationed foreign currency. As a result, between 2008 and 2011, the country experienced unprecedented inflation rates.

There are several reasons that cause the depletion of foreign currency in the Ethiopian financial sector. The huge imbalance between the country's imports and exports contribute significantly to overseas hard currency flight. Although the annual income of exports has reached around $3 billion in 2012 (from about $1.8 billion in 2007), Ethiopia's imports remains four times higher than its exports with a trade deficit of around $6 billion.

In the final analysis, so long as Ethiopia's import-export balance remains in favor of the former, the country will remain prone to foreign currency deficit in the years to come (Figure 31). What this means is that the shortage of capital, in addition to the financial burden it imposes on the Ethiopian people in a form of inflation, will arrest the GoE from executing its ambitious infrastructure development schemes that are outlined in the Growth & Transformation Plan (GTP). In this sense, the GoE is at crossroads. If it opts to use all its capital resources to finance its massive infrastructure projects, it will come at the cost of macroeconomic stability that could, for example, escalate inflation to yet another unbearable height.

Another course of action GoE could pursue is to finance these mega projects by garnering funds through the mobilization of local resources. The GoE has already taken this path in its construction of the Grand Ethiopian Renaissance Dam (GERD). Having understood that it could not secure external funds because of complex geopolitical and historical precedents, GoE decided to finance the massive $4.8 billion project by collecting funds from the local population through selling bonds, gifts and salary

deductibles. Although the majority of the Ethiopian populace responded positively to the construction of GERD and committed financial contributions to the cause, there was equally a sense of indignation by many who saw this as an additional burden on their households that had been hard-stricken by a severely inflated economy. This view is shared by the likes of the IMF and the World Bank, which warned that infrastructure spending financing was equivalent to 19 percent of Ethiopia's GDP in the fiscal year 2011/2012.

Other sources of foreign currency for Ethiopia include foreign aid, which is estimated to have reached $4 billion, and foreign remittances, which reached $3 billion in the first nine months of 2011/2012 fiscal year. The problem with foreign aid, however, is that the receiving country is not usually in a position to spend the resources it gets in a way it sees fit, and even less so in infrastructure development. Ethiopia's major bilateral and multilateral donors have particular areas of interest and priorities that they focus their investments. These priorities include health, education and poverty reduction. U.S. bilateral assistance to Ethiopia through USAID, for example, is focused on "reducing famine vulnerability, hunger, and poverty and emphasizes economic, governance, and social sector policy reforms" (U.S. Department of State, 2013). Similarly, U.K.'s Department for International Development (DFID) gives foreign assistance to GoE in order to "reduce child mortality, support the education system and protect people from hunger" (DFID Ethiopia, n.d.) This kind of assistance, overseen by the US Congress and the British Parliament respectively, cannot be redirected to other purposes including for infrastructure development.

This leaves Addis Ababa with the option of securing funds in a form of loans from international financial institutions like the World Bank and International Monetary Fund. Whereas this would be a viable alternative for many governments in the developing world, the window of opportunity for collaboration is limited for GoE. This is because of fundamental ideological differences in economic development paths as the EPRDF-led Ethiopian government continues to refuse liberalizing its banking and telecom sectors (among other sectors). Subsequently, the GoE can only secure loans from these institutions in select projects and programs in agriculture, transportation, education, basic services, energy, land management, natural disaster mitigation, et cetera, where standard lender procedures and conditionalities are met.

When the FDRE government decided to radically upgrade telecommunications capacity in 2005, it simply didn't have the money to finance the project. In addition to the different hindrances of securing foreign currency, Ethiopia's GDP at the time, which totaled close to $15 billion—a relatively low income even by African standards— couldn't support this massive project. It is, therefore, in the context of EPRDF's aggressive schemes in state-led infrastructure development and the GoE's bottlenecked thirst of foreign currency that we find the most sense in Ethio-Chinese relations, particularly in the telecom sector. Debretsion Gebremichael, Minister of Communication and Information Technology and Deputy Prime Minister of Ethiopia explains why his government finds the Chinese partnership extremely valuable:

GoE claims the 2013/14 FDRE fiscal year budget of $8.3 billion will be funded 79.1 percent from domestic sources and the rest would come from foreign loans and aid. This budget is set to exceed the previous year's amount by 12 percent. Critics fear GoE's domestic borrowing scheme may deplete the private sector's chances of securing funds from local banks.

EXTERNAL LOAN
$7.8 billion

In 2012/2013, FDRE made central government, government-guaranteed, and non-government guaranteed external loan commitments totalling 7.8 billion. Creditors include Abu Dhabi Fund, ADF, BADEA, EXIM Bank of China, EXIM Bank of India, IDA, Kuwait Fund, CDB, EDC, CET, Huawei & ZTE.

NATIONAL BUDGET
$8.3 billion

FDRE Foreign Currency Flow

Ethiopia's import value amassed to $9.5 billion in 2012. Major import items are petroleum and petroleum products, food, chemicals, machinery, motor vehicles, cereals and textiles. China (13.1%), U.S. (11%), Saudi Arabia (8.2%), and India (5.5%) are key suppliers to the Ethiopian import sector. FDRE's reserve of foreign exchange and gold in 2012 was approximately $3.17 billion.

IMPORTS
$9.5 billion

EXPORTS
$3.1 billion

Ethiopia's exports registered $3.08 billion in 2012/13 fiscal year. Chief commodities including coffee, khat, gold, leather products, live animals, oilseeds were sent to major export partners including China (13%), Germany (10.8%), U.S. (7.9%), Saudi

According to a report by Global Financial Integrity, Ethiopia has lost US$11.7 billion to illicit financial outflows between 2000 and 2009. In 2009, illicit money leaving the Ethiopian economy totaled US$ 3.26 billion, which is double the amount of each of the previous two years.

ILLICIT FINANCIAL OUTFLOWS
$3.3 billion

ODA
$3.6 billion

Remittances to Ethiopia showed 80% increase from 1.5 million dollars in 2010/11 to close to 2.7 billion in the 2012/13 fiscal year. However, a report by the World Bank indicates a significant amount of remittances of approximately two billion dollars is transferred through informal channels.

REMITTANCES
$2.7 billion

FDI
$1.2 billion

According to estimates by the World Bank, the annual inflow of FDI increased from US$0.5 billion in 2007 to US$1.2 billion in 2011. Floriculture, horticulture, textile, and leather are the sectors that have attracted the most FDI.

Ethiopia's ODA, $3.56 billion in 2011, tops the worldwide list of countries receiving aid from the US, UK, and the World Bank. Ethiopia has been receiving $3.5 billion on average from international donors in recent years, which contributes to a significant chunk of its national budget.

Figure 31: Major FDRE foreign currency inflow-outflow. Adapted from World Bank (2011, 2012, 2014c); Ministry of Finance (2010a, 2010b); African Development Bank (2013); International Monetary Fund (2012).

It has been some time now since we started using Chinese resources. The Chinese approach doesn't compromise our sovereignty. It doesn't interfere with our policy. It doesn't deploy a prescription. It is purely business. The partnership we have with them is not only free from political conditionalities but also from business conditionalities. It is a very attractive deal that allows us to develop our capacity to implement our development policies (D. Gebremichael, personal communication, December 12, 2013).

Whereas Chinese non-intervention policy in the internal matters of its partner states has been a key factor for Beijing's success in Africa, this very trajectory is even more indispensable when dealing with EPRDF and its unbending development policies and political economy. China understands these dynamics thoroughly and responded to ETC's vendor financing scheme with capital that GoE couldn't simply have acquired from traditional creditors:

It is important to remember that we got about $1.5 billion at once from these guys—just for telecom development. ETC did the discussions on the terms of the loan from our part; it didn't even involve the central [Ethiopian] government. Nobody has given us this amount of money even at a national level. The maximum we can get from the likes of the World Bank is between $200-300 million after arduous article-by-article negotiations (D. Gebremichael, personal communication, December 12, 2013).

Many indicators suggest that the vendor-financing scheme involving Ethio-Chinese collaboration in the Ethiopian telecom sector is a win-win scenario for the parties involved. For EPRDF, the Chinese alternative is some sort of emancipation from "Washington fatigue," a sense of exasperation shared by many political leaders in the developing world borne out of conditions placed by the World Bank or the IMF on the usage or distribution of money lent. From the GoE's perspective, Chinese vendor-financing arrangements have therefore three major benefits: economic and development policy autonomy; low interest rates and generous grace period; and infrastructure development with warranted profit-making capabilities.

Chinese financial institutions play key roles in vendor-financed projects like this

one. The China Export-Import Bank, established in 1994, has a mission of promoting

Chinese exports and FDI in infrastructure development including roads, power plants,

telecommunications, and so on (Wang, 2007). China Development Bank (CDB), also

established in 1994, is another key player that offers loans to Chinese firms. CDB is

particularly appealing to Chinese multinationals that operate on projects in the African

continent since it has launched an exclusive China-Africa Development Fund to support

Chinese FDI in Africa. ZTE's four-year contract to build a backbone mobile phone

network in Ethiopia in 2006 was possible only because CDB handed ETC a 13-year,

US$1.5 billion loan to finance the project. SINOSURE (China Export and Credit

Insurance Corporation) is yet another Chinese financial institution that has since 2001

provided insurance against the risks involved in Chinese exports and foreign investment

(Renard, 2011).

Such vendor financing and cheap financing arrangements between these banks

and the likes of Huawei and ZTE tips the balance in the favor of the Chinese when it

comes to competing with telecom equipment providers globally:

> China Development Bank's support for Huawei and other Chinese companies is
> the cornerstone of the country's "going out" policy, meant to nurture companies
> in telecommunications, alternative energy and oil. The bank's low-interest loans
> dwarf those offered by U.S. and European development agencies, helping
> Shenzhen-based Huawei and crosstown rival ZTE Corp. increase market share"
> (Bloomberg News, 2011).

The benefits of vendor financing projects worldwide are therefore even more

lucrative to China, particularly in the long run. By extending extremely attractive

financing to Chinese multinationals operating globally from its immense capital, China

makes it possible for its companies, particularly State-owned Enterprises (SOEs), to

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increase their leverage in securing global contracts and building a global brand name in

the process. Clients in developing countries like Ethiopia will in turn find such low-cost

financing irresistible. This puts traditional Western powerhouses in the global telecom

sector like GE, Siemens, Nokia, and Ericsson in a disadvantage when competing for

telecom markets in developing countries. While the practice of vender financing is also

common in many Western countries, the size of capital China extends to its SOEs in this

regard is incomparable.[61]

While the logic in vendor-financing schemes with countries like Ethiopia seems

to be represent a fundamentally win-win situation for the parties, there are some concerns

about the nature of the deals. Although Chinese development banks provide capital for a

much-needed infrastructure investment in Ethiopia, the long-term effects of these lending

practices in areas ranging from good governance to sustainability remain unclear. David

Shinn, Adjunct Professor of International Affairs at the George Washington

University's Elliott School of International Affairs and Former Ambassador of the United

States to Ethiopia and Burkina Faso, warns that Ethiopia might find it difficult to repay

these huge amounts of loans, especially considering its enormous trade deficit with

China:

> What China is doing is offering the use of multi-billion dollar loans which in
> theory will have to be paid back. Their terms are quite attractive in terms of
> interest rate but the fact is they are loans and, theoretically, they [the Ethiopians]
> are supposed to pay them all back. The idea was that Ethiopia was to ship certain
> products to China to pay down its loans but Ethiopia's trade with China is a one-
> way proposition. It is China selling products to Ethiopia, not Ethiopia sending
> much to China. I just don't see how they are going to pay down those loans by
> shipping sesame seed and goat and cattle skins to China. It takes a long time to

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[61] Huawei has a $30 billion credit line with China Development Bank, while ZTE has a $15 billion credit line. Such support for Chinese multi-nationals extends to every sector that Chinese firms compete in globally.

pay a multi-billion dollar loan that way (D. Shinn, personal communication, November 28, 2013).

There are also concerns about quality. Like many different places in the world, it is fair to say that the image problem that is associated with Chinese products is widely ingrained into Ethiopian society. Other concerns include long-term operational costs and lack of genuine technology transfer to Ethiopian experts that could potentially create support and operational dependency on Chinese telecom manufacturers and service providers (Geda & G/Meskel, 2001). An informant who works for ZTE as a technical trainer to end-users explains that the quality of products and services involving Chinese multinationals like ZTE has more to do with the competency of buyers than with the companies themselves. According to the informant, the marketing and operational strategies of ZTE and other Chinese companies are usually formulated based on an analysis of the level of expertise and expectation of the client. The informant believes that Ethio-Telecom finds itself at a disadvantage in this regard in that it can potentially receive substandard services because of its lack of know-how in making the most out of the deal:

> Normally once a system gets operational, you have to wait and observe it live in order to make sure it is stable. If the system is stable, the work should be transferred to local technicians unless there is a maintenance agreement in the deal. In many different circumstances after finishing my training, I get frowned upon by my superiors when I make arrangements for local staff to take over. It looks as if they want to sustain some form of dependency. You can see this in Ethiopia, where, long after Ethio-Telecom approved ZTE's completion of the project, it is still Chinese technicians that are running the network (M. Fanta, personal communication, December 10, 2013).

It is also common practice, according to the informant, that ZTE brings fresh college graduates with no work experience. This not only includes engineers and

information technology professionals but accountants and other human resources that are

easily available in the Ethiopian labor market:

> Local staff at Ethio-Telecom are hardly getting any benefit from this arrangement.
> Chinese junior expatriates get all the experience and financial reward, after which
> they will go and work in other projects with senior positions. In this aspect, I am
> of the opinion that ZTE has made a mockery of the country (M. Fanta, personal
> communication, December 10, 2013).

Mereid Bekele, IP Next Generation Network (NGN) Project Consultant at Ethio-

Telecom, admits there might have been some setbacks in the transfer of know-how to

local professionals, but not in the scale and for reasons stated above:

> There are two types of training components—offshore and onshore—offered by
> ZTE to Ethiopian personnel in all the nine sub-projects involving mobile, fixed
> line, billing, etc. In addition, a team from ETC was involved in every work from
> design to implementation. So, in principle, all the right conditions were set for
> knowledge transfer to take place…I suspect there might have been attitudinal and
> operational gaps when it comes to actually running the system. For example, most
> Ethio-Telecom personnel have good expertise on Nokia and Ericsson systems.
> When ZTE came, it introduced a different standard that required a new set of
> skills. In this regard, there may have been circumstances where some personnel
> believed studying Chinese products wouldn't benefit their careers. Regardless, we
> remedied these issues. Currently, ETC personnel who participated in the trainings
> are actively involved in upgrading and updating the system without Chinese
> assistance. We may still need assistance in advanced operations but Ethiopians
> carry out basic operations (M. Bekele, personal communication, November 28,
> 2013).

Most of the interviewees, who participated in the now completed ZTE mega

telecom infrastructure project, agree there is an inaccurate and unfounded stereotype

associated with Chinese multinationals operating in Ethiopia. Woldeloul Kassa, Data and

Network Design Consultant at Ethio-Telecom, has more than 30 years of experience

working for some of the big names in the information communication technology

industry in Silicon Valley including, Cisco Systems and Apple. Kassa admits that he had

his doubts about the Chinese before he got the opportunity to work with them in the ZTE

project. He now describes the Chinese as "formidable practitioners" with proven global

experience:

> [The Ethiopian project] was not a guinea pig. They [ZTE] didn't begin to do it
> here. They have done it in France, Sweden, Russia, Iran, India and whatnot. Your
> satisfaction comes from the extent to which you met your objectives. The rest of it
> is your personal bias and prejudice (W. Kassa, personal communication,
> December 15, 2013).

Kassa's emphasis on the importance of competency rather than idiosyncrasy when

it comes to Chinese telecom multinationals has a lot of merit when looking at ZTE's and

Huawei's records internationally. ZTE, a publicly-listed global provider of

telecommunications equipment and network solutions with products ranging from

"wireless, access & bearer, VAS, terminals and professional services," is the fifth largest

smart phone vendor with a market share of 4.3% in 2012 at a yearly growth rate of 48.4%

(Smith, 2013). After making an initial public offering (IPO) in 1997, ZTE exponentially

expanded its overseas sales and services with clients that include major global brands like

MTN and Glo in Africa; Etisalat in the Middle East; Vodafone, Telefónica, Telstra, and

France Telecom in Europe; and Telus, AT&T, Cricket, T-Mobile, Sprint, Verizon and

Virgin Mobile in North America. It now provides products and services to over 500

operators in more than 140 countries. ZTE Corporation's major subsidiaries include ZTE

(Australia) Pty Ltd., ZTE Deutschland GmbH, ZTE USA Inc., ZTE (HK) Ltd and ZTE

do Brasil Ltda (ZTE Corporation, 2012). By the end of 2009, ZTE was one of the top

three global vendors of GSM telecom equipment with a market share of 20%. ZTE is is

also a global leader in telecommunications innovation. For the second year running, it

was ranked first in international patent applications by World Intellectual Property

Organization (WIPO) in 2012, exceeding other global multinationals like Panasonic,

Ericsson, Nokia and Alcatel-Lucent by some distance. This trend makes ZTE "one of the leading patent holders among vendors in the telecommunications industry internationally, having filed applications for 48,000 patents globally, with more than 13,000 patents granted" (ZTE Corporation, 2013). ZTE's nine-month net profit from January to September 2013 registered US$90.5 million, a 132% increase from the previous year (ZTE Corporation, 2013).

Like ZTE Corp., Huawei Technologies is headquartered at Shenzhen, China, although its assets, global outreach and profit margins enormously exceed that of ZTE's. Founded in 1987 and registered as an employee-owned company, Huawei provides comprehensive and multi-platform telecom products and services that are related to radio access, fixed access, core network, transport network, data communication, network energy, application and software, server, storage, cloud computing, management and tools and network security. In 2012, Huawei became the world's largest telecommunications equipment maker overtaking Swedish telecommunications equipment giant Ericsson. In the same year Huawei reported a net profit of US$2.5 billion, a 33% rise from 2011. Huawei's products and services have been deployed in more than 140 countries and it currently serves 45 of the world's 50 largest telecoms operators (The Economist, 2012).

In this sense, the image problem and quality concerns associated with Chinese telecom companies operating in Ethiopia may as well be part of the colonial narrative of associating everything good with Western business practices and relegating alternative models to a sub-standard levels. The assumption that Chinese telecom multinationals are in Ethiopia simply because of the political clout that they enjoy within the ruling party,

and not because of their competence and smart business strategy, is therefore unfounded.

In reflecting on the level of his office's satisfaction on the work done by ZTE, Bekele, IP

Next Generation Network (NGN) Project Consultant at Ethio-Telecom, explains:

> Our goal is not comparing ZTE with Western telecom companies. Our key question was: Are the specific targets and requirements we designed met? It is true that we occasionally encountered some problems. Sometimes there were features that were not supported by ZTE. Other times there were things that we saw needed upgrading or replacement. But at the end of the implementation, yes, we have got what we wanted to get from them and we were content (M. Bekele, personal communication, November 28, 2013).

Another important theme that emerged repeatedly in the conversation I had with

key figures in the Ethiopian telecommunication sector related to the experience of

working with ZTE is the extent to which Ethiopia appreciates the willingness of the

Chinese to work flexibly beyond contractual agreement stipulations. This factor,

according to Kassa, has helped Ethio-Telecom get more than what it aspired to harvest

from the project:

> It terms of deliverables, it met our objectives by in large. We regimented them in a way we wanted them to do it. That is what we are proud of. Although we had constraints of time, scope and budget that we probably stretched a lot, we not only met our objectives, but also exceeded them in some areas (W. Kassa, personal communication, December 15, 2013).

Gebremichael further elucidates Kassa's observations by indicating that the

malleable manner in which the Chinese operated throughout the lifespan of the project

and beyond not only delivered more than twice the intended objectives of the project, but

it also brought a sense of mutual understanding that is hard to come by when dealing with

"other" vendors:

> The completed project had a goal of creating capacity of 8.5 million cellular lines as stated in the contact. Without adding any money, we were able to raise this number to 22-23 million through internal negotiations only by making some design changes. In every sense we found this business deal to be remunerative.

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We sought each other and we respected each other. We were not treated as equals in our business ventures with others (D. Gebremichael, personal communication, December 12, 2013).

Chinese Multinationals and Surveillance

Global information communication technology and telecommunication industry today is a multi-trillion dollar industry. Gartner, Inc., a leading information technology research and advisory company, estimates worldwide IT spending in 2013 to be US$3.6 trillion, a two percent increase from the previous year (Gartner, 2012). The growing importance of telecommunications is not measured in terms of monetary value alone, however. Growing concerns in cyber security have made even the most free market-oriented states exercise implicit and explicit control over telecommunications operations (Comor, 1994; Janczewski and Colarik, 2008; National Research Council, 2008; Traynor, McDaniel & La, 2008).

Today, the outcome of this line of thinking is epitomized by the marriage of telecommunications and cyber surveillance. According to the Electronic Frontier Foundation (EFF), The United States government and its National Security Agency (NSA), with assistance from major telecommunications carriers including AT&T and Verizon, have been engaging in a massive illegal surveillance of domestic communications and communications records of millions of ordinary Americans since at least 2001. In addition, the NSA reportedly has direct access to data held by internet giants including Microsoft, Google, Yahoo, Facebook, YouTube, Skype and Apple (Greenwald & MacAskill, 2013). In 2011, *The Guardian* newspaper wrote an expose about "Tempora," a clandestine security electronic surveillance program used by the British Government Communications Headquarters (GCHQ) that infiltrates fiber-optic

cables to gain access to large amounts of internet users' personal data (MacAskill et al., 2013). In China, "the Great Firewall of China" allows access to foreign websites to be filtered. According to Reporters without Borders, in addition to the usual routing regulations that allow access to an IP address or a particular domain name to be blocked, the Great Firewall of China "makes large-scale use of Deep Packet Inspection (DPI) technology to block access based on keyword detection" (Reporters without Borders, n.d.).

In this sense, the notion of techno-optimism, or the belief that technology can continually be improved and can improve the lives of people, especially in enhancing freedom of speech is unrealistic, if not ludicrous. McChesney (2013) warns us that contrary to our notion that internet access is a protected democratizing tool, in fact, it is turning out to be a modern way for corporate interests to control and exploit the public. According to Morozov (2013b), notions like "cyber-utopianism" and net neutrality are hardly making a case for true democratic societies; rather, create paranoia of what he calls the "net delusion." He further elaborates:

> As the Internet takes on an even greater role in the politics of both authoritarian and democratic states, the pressure to forget the context and start with what the Internet allows will only grow. All by itself, however, the Internet provides nothing certain. In fact, as has become obvious in too many contexts, it empowers the strong and disempowers the weak. It is impossible to place the Internet at the heart of the enterprise of democracy promotion without risking the success of that very enterprise" (pp. xvi-xvii).

The technological deterministic assumption that once information communication technologies penetrate into authoritarian regimes they can bring about democratic governance, to say the least, is futile. Instead of being intimidated by the technological possibilities of the digital aura, authoritarian regimes and their subsidiaries in

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collaboration with corporations are embracing and appropriating ICTs and

telecommunications to strengthen their positions through sophisticated policing of

citizens to stifle dissent. As Kalathil and Boas (2003) correctly point out, "the

authoritarian state is hardly obsolete in the era of the Internet" (p. 136). They further

argue:

> In fact, the state plays a crucial role in charting the development of the Internet in authoritarian regimes and in conditioning the ways it is used by societal, economic, and political actors. Through proactive policies such as instituting e-government and wiring key industries, authoritarian regimes can guide the development of the Internet so that it serves state-defined goals and priorities (p. 136).

The EPRDF-led Ethiopian government has been implicated in ICT-assisted

surveillance that had the goal of crushing dissent and hunting down opposition groups

and critical citizens. A report by OpenNet Initiative (2009) highlights how the

telecommunications service provider in Ethiopia blocks independent media, blogs and

human rights sites. In 2010 the now defunct *Addis Neger Online* reported Ethiopian

Satellite Television (ESAT), a Washington D.C. based television station critical of the

Ethiopian government, was successfully jammed and deterred from public viewership in

Ethiopia by the Information Network Security Agency (INSA), GoE's cyber and

information infrastructure security unit ("China Involved In," 2010). In the same year, the

Ethiopian government admitted of procurement and testing of jamming equipment that

targeted Voice of America's (VOA) broadcasts in Amharic. In 2012, Rapid7, a global

security solutions company with regional headquarters in Boston, London and Hong

Kong reported that Ethiopia was among a group of 10 countries that possessed the

commercial spyware toolkit FinFisher, a surveillance suite made and sold by a subsidiary

of the UK based Gamma Group ("Analysis Of The," 2012). In early 2012, Ethiopian

government persecutors presented intercepted e-mails and phone calls as evidences in the trials of Reeyot Alemu, Woubshet Taye and Elias Kifle.[62] Later in 2012, Tor, a network of virtual tunnels that allows people and groups to improve their privacy and security on the Internet, reported that Ethio-Telecom has started testing or applying Deep Packet Inspection (DPI) of all Internet traffic passing through its facilities ("Ethiopia Introduces Deep," 2012).

The growing list of legal frameworks adopted by the Ethiopian government between 2009 and 2013 equip the government with an unprecedented power to monitor targets. The Ethiopian Anti-Terrorism Law of 2009 gives the National Intelligence and Security Services (NISS) the authority to "intercept or conduct surveillance on the telephone, fax, radio, internet, electronic, postal, and similar communications of a person suspected of terrorism," and to enter any premise to install and intercept communications after obtaining a court warrant (OpenNet Africa, n.d.). On one hand, there are fears that the Ethiopian government is undertaking massive surveillance infrastructure and program development through INSA. In November 2013, the Ethiopian parliament endorsed a new proclamation giving INSA the power to investigate suspected computers, networks, Internet radio, television and social media platforms like Facebook. The agency is vested with "the power to conduct an information or computer-based critical infrastructure security audit at any time, and provide, for those that meet the criteria, a security standard approval certificate or delegate other bodies to perform such functions" (Abiye, 2013a). In the same year, the Ethiopian government has announced the reestablishment of NISS into an autonomous federal government office with extended powers to "lead intelligence and security work both inside and outside Ethiopia, formulate national security and

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[62] See Chapter V for details.

intelligence policies and establish and run intelligence and security training institutions"

("National Intelligence And," n.d.). Although the Ethiopian government reiterated the

purpose of these legal frameworks in providing a much needed upgrading in guaranteeing

"national security," critics fear these tools will be used against citizens and groups that

are critical of the government.

Some of these concerns, amidst the reported rise of surveillance sponsored by the

Ethiopian government, are exacerbated by the growing presence of Chinese

multinationals in the Ethiopian telecom sector. According to Freedom House (2013), the

provision of equipment, software and training related to jamming, blocking and

surveillance operations by the Chinese to the Ethiopian government in the past has casted

a doubt on whether ZTE and Huawei are solely in Ethiopia for telecom infrastructure

development:

> Given allegations that the Chinese authorities have provided the Ethiopian
> government with technology that can be used for political repression—such as
> surveillance cameras and satellite jamming equipment—in the past, the new
> contracts have led to increasing fears that the Chinese may also be assisting the
> authorities in developing more robust internet and mobile phone censorship and
> surveillance capacities (p. 7).

The problem is compounded because both ZTE and Huawei have been linked

with some security threats and surveillance patterns in different parts of the world. In

October 2012, the Intelligence Committee of the U.S. House of Representatives strongly

urged American firms including AT&T and Verizon Wireless to discontinue their

business relationship with Huawei and ZTE because of espionage allegations that warned

the two Chinese telecom giants are being used by Beijing for spying on U.S.

communications and vital systems (Committee on Intelligence, 2012). In another

instance, Michael Hayden, former head of the NSA, claimed that Huawei had "shared

with the Chinese state intimate and extensive knowledge of the foreign telecommunications systems it is involved with" (McGregor, 2013). In the same year, ZTE Corp. was criticized for selling to Iran a powerful surveillance system capable of monitoring landline, mobile and Internet communications as part of a US$130.6 million contract for networking equipment it provided to the state-owned Telecommunication Company of Iran (TCI) ("China's ZTE To," 2012). In Australia, Huawei was barred from participating in a US$38 billion tender made by NBN Co.—an Australian government-owned corporation tasked to design, build and operate Australia's National Broadband Network—after the Australian Security Intelligence Organization warned against security threats posed by the Shenzhen-based Chinese telecom giant ("Australia Blocks Huawei," 2012).

With multiple legal frameworks endorsing mass surveillance, growing evidence of ICT-assisted government monitoring of dissidents and the proliferation of telecom equipment providers with a global track record of selling surveillance products and services, the concern over ZTE's and Huawei's role in the Ethiopian telecommunications sector is warranted. In doing so, however, there is a need to take extreme discretion not to attribute surveillance as a product or service inherently associated with certain entities. Like pizza, LeBron James or PlayStation, surveillance is a commodity that is traded in an intricate global economy of a supply-demand chain. Surveillance is a multi-billion dollar industry that has exponentially grown since 2001 to register a US$13.5 billion market share in 2012. In this sense, China, like everyone else, is participating in a global market with a heightened thirst for surveillance technology. In this regard, Huawei and ZTE are not necessarily pushing any particular agenda themselves. Rather, they amplify and

operationalize, just like any other multinational corporation in the sector, whatever interest the given client has. As unfortunate as it may be, the truth is if the Ethiopian government cannot buy surveillance from China, it will shop it from Gamma, Trovicor or Amesys. Therefore, if ZTE and Hauwei end up building surveillance infrastructure for the Ethiopian government, it is fundamentally because they are making profit out of the project, not because doing so is an exclusively Chinese attribute to do. Nokia/Siemens sold to the Iranian government surveillance technology that let them monitor calls and track activists (Dehghan, 2009). Cisco, Nortel, Blue Coat, and many other major telecommunications equipment providers have had a history of selling network technologies to repressive regimes (Deibert, 2013).

On that account, so long as information communication technologies continue to shape the nature and purpose of interpersonal, group and international communication, the commodification of surveillance technologies will only balloon. Unfortunately for dissidents in authoritarian regimes like Ethiopia, information communication technologies are likely to be advanced tools for control rather than channels of free speech. It is also important, however, to remember that for a sparsely connected country like Ethiopia, framing the contributions of ZTE and Huawei only through the lens of surveillance disregards the various benefits ordinary Ethiopians are getting as a result of this telecom infrastructure development made possible by special vendor-financing arrangements. As Cobus Van Staden, South African journalist and academic, highlights, as important as it is to be unapologetic for repressive uses of ICTs, the mere presence of communication infrastructure can have a profound impact on ordinary Ethiopians:

> Even though the Ethiopian government is using Huawei equipment to oppress free speech, the fact that Huawei networks are bringing 4G and 3G networks to

Ethiopia, to normal Ethiopians, has a lot of positive impact on their lives as well. Even if they can't use this equipment for political speech, they use it to improve their lives in lots of other kinds of ways…I tend to think that even if political speech is kind of controlled, other kind of speech is enabled ("Pros And Cons," n.d.)

Conclusion

This chapter explored the relationship between China and Ethiopia in the Ethiopian telecommunications sector. It particularly emphasized the pros and cons of this partnership. It examined the sustainability of the Chinese approach; implications to users in terms of access and quality of services made possible by Chinese telecom multinationals; and myths and realities in fears of state-sponsored surveillance enabled by Chinese assistance.

The next chapter provides a summary of key findings and concludes the dissertation.

CHAPTER IX

CONCLUSION

Nearly 80 years after the publication of John Maynard Keynes's (1936) *The General Theory of Employment, Interest and Money*, the global economy is still debating where—between the state and markets—the key lies in achieving economic development. In spite of the hegemony of neo-liberalism and the seeming infallibility of Hayekian market fundamentalism in the past three decades, the financial and economic crisis of 2008 has brought the role of the state back to the discussion. In addition, the rise of the BRIC and particularly that of the explosion of the Chinese economy in the past decade has bred a growing sense of confidence and legitimacy to interventionist states, particularly in the developing world.

Ethiopia is one such developing country that strongly adheres to the notion of state intervention as a guiding principle to economic development. There is hardly any other sector in the Ethiopian economy that draws debates and controversy, externally and internally, on the pros and cons of state intervention as telecommunications does. It is in light of the enormous significance of this debate and the absence of a comprehensive treatise of literature, policy, the whys and wherefores of stakeholders and empirical evidence that this dissertation research has undertaken the challenge of providing such analysis.

A comprehensive and critical examination of key issues in the Ethiopian telecommunication sector calls for an analysis of a host of factors, actors and ideologies including the external versus the internal; the ruling versus the governed; state versus markets; developmental versus neopatrimonial; monopoly versus deregulation; and so

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much more. In order to address the philosophical foundations of these ideas and their significance to this study, this study adapted a multidisciplinary and multi-method approach. As such, using a theoretical framework informed by political economy of communications, development studies and political science, this study has explored the foundations, rationales and implications of ideologies in the Ethiopian telecommunications sector. The rationale behind this cross-pollination of theories and disciplines is not only to project the complexity of the challenge but also to provide a more complete analysis. This chapter discusses significant findings of the study and highlights areas for further investigation.

Major Findings

This research was guided by four research questions that called for a comprehensive analysis of salient issues in the Ethiopian telecommunications sector. These include analysis of: telecommunications history in Ethiopia; causes and consequences of discontent and surveillance in the Ethiopian telecommunications sector; discourses informing (de)regulation ideologies and policies in the Ethiopian telecommunications sector; and the proliferation of Chinese multinationals in telecommunications operations in Ethiopia. The following summary of findings is organized in a manner that addresses each of the research questions guiding this research.

Research Question 1: What is the institutional history of telecommunications in Ethiopia?

The origin of telecommunications in Ethiopia dates back to the end of the 19th century, making Ethio-Telecom, Ethiopia's sole provider of telecommunications services,

the oldest Public Telecommunications Operator (PTO) in Africa. The founding of Addis Ababa as the permanent capital of the then Ethiopian mobile court resulted in manifestations of urbanization including the development of the first telephone services in 1894. Cross-country installation of telephone and telegraph infrastructure was facilitated by the construction of the Ethio-Djibouti railway between 1897 and 1899. Although many members of the Ethiopian court and clergy were initially cynical about this "foreign" import, Emperor Menelik II played an instrumental role in the expansion of telephone and telegraph services in different parts of the country.

The first ministerial level communications-related institution of Ethiopia, the Ministry of Posts, Telegraph and Telephone (PTT), was founded in 1911. Although Ethiopia had a head start in adapting telecommunications technology compared to other African countries, a host of different factors, including the deteriorating health condition of Menelik II and subsequent succession power struggles following his death, stagnated the sector's development. The five-years-long fight between the Ethiopian resistance and Italian forces during Italy's invasion of Ethiopia between 1936 and 1941 had had a particularly devastating effect as both groups targeted communication infrastructures to weaken the enemy's coordination strategies.

Between 1952 and 1992, the telecommunications sector in Ethiopia underwent through major infrastructure development projects and institutional reforms. Of particular importance in these transformations was the role of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), both of which provided close to US$256 million in loans for six telecommunication infrastructure development and expansion projects.

The 1980s and 1990 saw the majority of telecommunication operators across the developed world embracing liberalization and privatization with the rise of neo-liberal policies in the United States and across Western Europe. The four-decade long relationship between the Ethiopian state and the World Bank in the Ethiopian telecommunication sector came to an end as a result of the former's dissent to join the growing tide of liberalization in global telecommunications. As a result, the 1990s were marked by infrastructure development impasse due to lack of financial sources. However, this has changed in the past decade as the Ethiopian telecommunications sector is aggressively expanding as a result of vendor financed Chinese assistance.

Research Question 2: To what extent does the Ethiopian public endorse/denounce state monopoly of the telecommunications sector, and why?

Criticisms toward the poor services of Ethio-Telecom, the sole telecommunications services in Ethiopia, have been increasing in the past few years in magnitude and frequency. Ethiopian nationals who participated in the online survey that was designed to measure public perception of the state of telecommunications in Ethiopia expressed strong dissatisfaction on the services they get from Ethio-Telecom. This user discontent is consistent with dismissive public opinion on the services of Ethio-Telecom that is commonplace in social media platforms like Facebook, where members of groups like "ETC Sucks: Disconnecting Ethiopia from the Future!" post their disapproval of the service provider. According to opinion gathered through the survey, so poor is the public approval of Ethio-Telecom that it only managed rank 3rd when compared to other state-owned enterprises with low public approval ratings.

Another important finding shows how telecommunications and Internet governance policies adopted by the FDRE government have conditioned the behavior of the *de facto* users of Ethio-Telecom. These legal frameworks including the Telecom Fraud Offense Proclamation, the Anti-Terrorism Proclamation and the Ethiopian Information and Communication Technology Development Authority Establishment Proclamation stipulate clauses with significant restrictions on users' online experience and vaguely worded language of what are considered as offenses. Some of these clauses also empower the government to proactively interfere in and monitor users' activities. Consistent with this observation, respondents to the survey have identified "government control and interference" and "violations to privacy" as the two most important challenges facing the Internet in Ethiopia today next to "lack of access." A majority of the respondents identified the government as the most likely entity that monitors their online activity ahead of web page administrators, employers and Internet cafés. The majority of the respondents believe that posting material critical of the government involves risks in the following order: detention, arrest or criminal investigation; verbal abuse and intimidation; and loss of employment or demotion. Consequently, three-thirds of the respondents reported of exercising self-censorship from posting content because of risks involved while 45% reported to have used circumvention tools in order to access blocked content.

The majority of respondents associate the poor performance of Ethio-Telecom and rampant surveillance activities with state monopoly of telecommunications policy of the Ethiopian government. This is supported by public opinion gathered by the survey. While only a tenth of the participants of this study's survey support the monopolistic

control of the telecommunication sector, two-thirds of the respondents replied in favor of liberalization. Regarding state interference and monitoring of citizens, one in two respondents believe that state control of the telecommunications sector evokes surveillance of citizens by the government.

Research Question 3: What are the underlying reasons behind the differences in telecom liberalization policies between the IMF and the Ethiopian state?

Since the coming to power of the Ethiopian People's Revolutionary Democratic Front (EPRDF) at the beginning of the 1990s, telecommunications liberalization has been a cause of intense confrontations with the IMF. The IMF is of the opinion that state control of telecommunications promotes inefficiency and stalls the growth of other sectors. According to the IMF, the private sector is most affected by the state monopoly of telecommunications in Ethiopia as the lack of quality and the inefficiency of Ethio-Telecom's services cause failure to deliver basic financial transactions. State monopoly of the telecommunications sector is also affecting the supply of capital in local banks as government borrowing for investment on telecommunications infrastructure development dries up financing that the private sector could have used. For the IMF, the monopoly arrangement is also less appealing for foreign direct investment that brings knowhow and financing with it.

In defending its monopolistic approach, EPRDF argues market forces work contrary to the government's direction toward achieving universal access and universal service in telecommunications. Market forces, EPRDF contends, have "imperfections" that call for state intervention so that equitable distribution of resources can be realized.

Secondly, EPRDF officials have repeatedly characterized the telecommunications sector as a "cash cow" that generates huge amounts of revenue for the state, which, in turn, is used to finance the expansion of the sector and other infrastructure projects. Thirdly, EPRDF, while resolutely dismissing foreign proprietorship, believes the telecommunications sector in Ethiopia cannot be liberalized because of the absence of a potent local private sector that can invest on the industry.

Research Question 4: What are the premises on which Sino-Ethiopian partnerships in the Ethiopian telecommunications sector are laid?

The emergence of China as a global economic giant in the past two decades has had a tremendous impact on changing dominant patterns of international relations and development trajectories. This is particularly evident in the growing partnership of China and Africa where the former, among other things, brought alternatives to traditional Western bilateral practices of tied aid, conditionalities and structural adjustments. Policies like targeted debt relief, cheap loans linked to infrastructure development, political "non-interference" in the internal policies of African countries have made China popular within the circle of the African political elite. This approach was particularly attractive to EPRDF officials who deplored the West's insistence on liberal democracy, human rights and free market economy.

The proliferation of Chinese telecommunications multinationals ZTE Corporation and Huawei into the historically shielded Ethiopian telecommunication conforms to this development. EPRDF finds Chinese vendor-financing arrangements extremely attractive as they bring about economic and development policy autonomy; low interest rates and

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generous grace period; and infrastructure development with warranted profit-making capabilities. However, critics warn that Chinese-Ethiopian trade relations reflect a one-way traffic and that Ethiopia might find it difficult to repay these huge amounts of loans, especially considering its enormous trade deficit with China. Other critics single out concerns over substandard services from Chinese multinationals because of lack of know-how in making the most out of the deal from Ethiopia's end. While some of these fears still persist, Ethio-Telecom consultants argue that Chinese telecommunication multinationals have a proven experience around the world in telecommunications infrastructure development, and that the problem of quality arises not from the inefficiency of the Chinese expertise but rather from lack of local know-how in maneuvering the installed infrastructure.

China's history of helping repressive regimes with censorship, blocking, jamming, content filtering and surveillance technologies has brought a significant amount of concern as well. Reports of Chinese empowered widespread surveillance undertaken by the Ethiopian government, particularly on dissidents, have made critics skeptical about the Chinese presence in the Ethiopian telecommunications sector. While this is a valid argument, what is missing is the fact that surveillance is a commodity made available by the global capitalist order. China, like everyone else, is participating in this global market. In fact, the commodification of surveillance has historically been promoted by popular Western brands like Cisco, Nortel and Blue Coat. In this sense, while fears of state-sponsored surveillance in Ethiopia made possible by Chinese technologies and know-how are, unfortunately, warranted to the detriment of political speech, other forms

of speech are made possible dues to Chinese-assisted telecommunication infrastructure development.

Future Research Directions

Although this study attempted to pursue a comprehensive analysis of salient issues in the Ethiopian telecommunications sector, it was naturally limited by its scope and foci. Some of the limitations of this study are related to methodological issues while others are linked with restraints in access, time and resources. This is further discussed in Chapter IV. However, the issues I explored and the research questions I attempted to address throughout this study have helped me identify a plethora of potential future lines of research on the Ethiopian telecommunication sector in particular and international communications systems in general.

Some previous studies have been emphatic about the impact and spillover effects of telecommunications services and information communication technologies on economic development and poverty reduction (Claudio, 2005; Heeks, 2010; Kleine, 2013, Robert and Ajay, 2008). Development communication scholars have particularly been interested in researching the role of communication in poverty reduction, social welfare and conflict resolution in developing countries (McPhail, 2009; Melkote and Steeves, 2001). The growing access to mobile communication in Ethiopia provides an important challenge in this regard. A scientific investigation into this growing accessory of everyday life embraced by people from all walks of life will add an important empirical perspective on the relationship (or not) between information communication technologies and development indicators like poverty reduction; increase in literacy;

gender equality and empowerment; improvement in child and maternal health; combating HIV/AIDS, malaria and other diseases; and environmental sustainability.

An interesting observation I made in the course of doing this research is the lack of literature on a comparative analysis of global telecommunications ownership models. Whereas states and markets are still the most important forces that dominate the discourse of telecommunication operations globally, research that is informed by a comprehensive comparison of alternative models is missing.

Another important area to research is the political economy of global telecommunications. In spite of the fact that the global telecommunication bazaar is a trillion dollar business, which is more than any other media-related industry, it is surprising that a comprehensive literature in the area is lacking. From China Telecom, the world's largest telecom operator that boasts over 700 million subscribers, to Mexico's América Móvil and everyone in between and beyond, global telecommunications is a gigantic and intricate marketplace that calls for a scholastic inquiry of international magnitude.

Concluding Remarks

One of the remaining few countries to exercise state-monopoly of telecommunications, Ethiopia provides a rare insight into the promises and challenges of a counter-neo-liberal arrangement of infrastructure development and service delivery. In contemplating about this scenario and the course I have taken in assessing this situation, three things have stood out for me.

i.   It is an intriguing thought that a poor Third World country like Ethiopia stands up against the relentless profit-driven pressures of global capitalism. The

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notions of universal service and universal access, as utopian and egalitarian they are, are important to uphold if the poor are to be served and if equitable development is to be realized. Although the Ethiopian case may be an anomaly, it informs us notions like sovereignty are not yet as blurred as global capitalism paints them to be.

ii. EPRDF's dogmatic creed of state monopoly of telecommunications in Ethiopia needs a serious rethinking. While the arguments for universal access and universal service are important to uphold, they can be achieved in a non-monopolistic arrangement involving public-private partnerships.

iii. The friction between forces of state monopoly and those of liberalization are increasingly getting insignificant to end-users. The external push for liberalization is not interested in serving the communication needs of end users in Ethiopia as much as it is interested in upholding the interest of transnational corporations and their profit-driven ethos. The Ethiopian state, on the other hand, seems to be less interested in providing quality service to its *de facto* users and more interested in using public infrastructure to exercise mass surveillance of citizens and exert control. If anything, in the battle for power between states and markets, end-users are the real losers, at least in Ethiopia.

APPENDIX A

ACRONYMS

AAU:	Addis Ababa University
ADF:	African Development Fund
AfDB:	African Development Bank
ANDM:	Amhara National Democratic Movement
AU:	Africa Union
BADEA:	Arab Bank for Economic Development in Africa
BTE:	Board of Telecommunications of Ethiopia
CACF:	China-Africa Consultative Forum
CDB:	China Development Bank
CDMA:	Code Division Multiple Access
CET:	China Electric Power Equipment and Technology Co, Ltd
CCP:	Chinese Communist Party
CPJ:	Committee to Protect Journalists
CSA	Central Statistical Agency of Ethiopia
EDC:	Export Development Canada
EDU:	Ethiopian Democratic Union
DFID:	Department for International Development
ECCSA:	Ethiopian Chamber of Commerce & Sectorial Associations
ECOWAS:	Economic Community of West African States
EFF:	Electronic Frontier Foundation

EICTDA:	Ethiopian Information and Communication Technology Development Authority
EPA:	Ethiopian Privatization Agency
EPDM:	Ethiopian People's Democratic Movement
EPLF:	Eritrean People's Liberation Front
EPRDF:	Ethiopian People's Revolutionary Democratic Front
EPRP:	Ethiopian People's Revolutionary Party
ESAT:	Ethiopian Satellite Television
ETA:	Ethiopian Telecommunications Authority; Ethiopian Telecommunications Agency
ETC:	Ethiopian Telecommunications Corporation
EU:	European Union
EUS:	Ethiopian University Service
EXIM:	Export-Import Bank
FDI:	Foreign Direct Investment
FDRE:	Federal Democratic Republic of Ethiopia
FOCAC:	Forum on China–Africa Cooperation
GCHQ:	British Government Communications Headquarters
GDP:	Gross Domestic Product
GERD:	Grand Ethiopian Renaissance Dam
GoE:	Government of Ethiopia
GSM:	Global System for Mobile Communications
GTP:	Growth and Transformation Plan

HDI:	Human Development Index
HIPC:	Heavily Indebted Poor Countries
HRW:	Human Rights Watch
IBTE:	Imperial Board of Telecommunications of Ethiopia
IBRD:	International Bank for Reconstruction and Development
ICTs:	Information Communication Technologies
IDA:	International Development Association
IFIs:	International Financial Institutions
IMF:	International Monetary Fund
ITU:	International Telecommunications Union
INSA:	Information Network Security Agency
LDCs:	Least Developed Countries
MDGs:	Millennium Development Goals
MEISON:	All Ethiopian Socialist Movement
MICT:	Ministry of Information & Communication Technology
MoFED:	Ministry of Finance and Economic Development of Ethiopia
NAFTA:	North American Free Trade Agreement
NBE:	National Bank of Ethiopia
NISS:	National Intelligence and Security Service
NSA:	National Security Agency
OAU:	Organization of African Unity
ODA:	Official Development Assistance
OECD:	Organization for Economic Co-operation and Development

OLF:	Oromo Liberation Front
OPDO:	Oromo People's Democratic Organization
PASDEP:	Plan for Accelerated and Sustained Development to End Poverty
PDRE:	People's Democratic Republic of Ethiopia
PMAC:	Provisional Military Administrative Council
PRSPs:	Poverty Reduction Strategy Papers
PTT:	(Ministry of) Posts, Telegraph and Telephone
SAPs:	Structural Adjustment Programs
SDPRP:	Sustainable Development and Poverty Reduction Program
SDRs:	Special Drawing Rights
SEPDC:	Southern Ethiopia Peoples' Democratic Coalition
SEPDF:	Southern Ethiopia Peoples' Democratic Front
SINOSURE:	China Export and Credit Insurance Corporation
TPLF:	Tigrayan People's Liberation Front
TGE:	Transitional Government of Ethiopia
UK:	United Kingdom
UNECA:	United Nations Economic Commission for Africa
US:	United States
USAID:	United States Agency for International Development
VOA:	Voice of America
VOIP:	Voice Over Internet Protocol
VSAT:	Very Small Aperture Terminal
WIPO:	World Intellectual Property Organization

WPE: Workers' Party of Ethiopia

WTO: World Trade Organization

ZTE: Zhong Xing Telecommunication Equipment

ONLINE SURVEY COSENT FORM (ENGLISH)

Dear Research Participant:

My name is Téwodros Workneh, and I am a doctoral student at the Department of Journalism & Communication, University of Oregon. I would like to invite you to participate in my research study that explores public opinion about the ownership model of the Ethiopian telecommunication sector and its relationship with customer satisfaction, governance and democracy, development, surveillance and privacy issues. You may participate if you are an Ethiopian national of 18-years-old and above getting landline, mobile or Internet services from Ethio-Telecom.

The purpose of this study is to explore salient issues like ownership model, infrastructure development and privatization discourses in the Ethiopian telecommunications sector presently. If you choose to participate, you will be answering questions with themes of: the state of the Ethiopian telecom sector today; challenges and prospects of the state-monopoly model of the sector; and the role of external stakeholders in the Ethiopian telecommunication sector. The survey will take about 15 minutes to complete.

Participating in this study may not benefit you directly, but it will help us learn identify challenges in the delivery of services in the Ethiopian telecommunication sector. You may skip any question you don't want to answer and you may end the interview at any time. There are no payments associated with participating in this study, and there is no cost to you to participate in this research study.

Your questionnaire responses will be strictly confidential and data from this research will be reported in the dissertation aggregately and anonymously. You will not be asked of you name. If you would like a summary of my findings, you will be able to enter your email address at the end of the survey.

Data will be collected through the survey software tool "Qualtrics" (www.qualtrics.com), a highly reliable and professional portal. Only the researcher will be able to access the database through a unique combination of username and password that is not shared with anyone else. Once the survey is closed, I will perform data analysis on the same software and download the results to my computer, which is placed in a locked office. There is no foreseeable danger associated with participating in this survey. You will not be asked to provide open ended and elaborate responses to issues of government policy in the Ethiopian telecommunications sector. For your own comfort, please make sure to close your browser after completing the survey. The risk associated with breach of confidentiality in this research is that of data security. The researcher cannot guarantee total data security in the unlikely event of data damage, interception, and/or corruption. In the unlikely scenario of breach of confidentiality, no harm is anticipated on you.

Your participation in this study is completely voluntary and there are no foreseeable risks associated with it. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. It is very important for me to learn your opinions. If you have any questions about this study, please contact me at tworkneh@uoregon.edu. My faculty advisor is Leslie Steeves, who may be reached at lsteeves@uoregon.edu. If you have any questions about your rights as a research subject, you may contact: Research Compliance Services, University of Oregon at (541) 346-2510 or ResearchCompliance@uoregon.edu. You may copy this consent form or print it for your records and future reference.

Statement of Consent

I have read the contents of this consent form and have been encouraged to participate in this survey. I have received answers to my questions. I give my consent to participate in this study. I have received a copy of this form.

_____   _____

Digital Signature (first and last name initials)   **Date**

By putting your initials and clicking "submit form" you are giving consent to participate in this survey.

APPENDIX C

ONLINE SURVEY COSENT FORM (AMHARIC)

ውድ የጥናቱ ተሳታሬ፥

ቴዎድሮስ ወርቅነህ እባላለሁ። በዩኒቨርስቲ ኦፍ ኦሬገን የጋዜጠኝነትና ኮሙኒኬሽን ትምህርት ቤት የዶክትሬት ዲግሪ ተማሪ ነኝ። ይህ በኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍ ዙሪያ በማደርገው ትምህርታዊ ጥናት መጠይቅ እንዲሳተፉ የሚጠይቅ የአክብሮት ጥሪ ነው። የዚህ ጥናት ዋነኛ ዓላማ በአንድ በኩል የኢትዮጵያ መንግስት በቴሌኮሙኒኬሽኑ ዘርፍ የሚከተለውን የባለቤትነት ሞዴል ምንነት፣ አስፈላጊነት፣ አፈጻጸምና ተግዳሮትን መመርመር ሲሆን፣ በሌላ በኩል ደግሞ ከዚህ ሞዴል ጋር ተያያዥነት ያላቸውን እንደ የአገልግሎት ጥራትና ተደራሽነት፣ መልካም አስተዳደርና ዲሞክራሲ፣ ልማት፣ የበይነ መረብ ስለላእና ብሕትውነት ጉዳዮች በተመለከተ በዝህ አስተያየት ላይ የተመሰረተ ትንተና ማቅረብ ነው። ከአስራ ስምንት ዓመት በላይ የሆኑዎት ኢትዮጵያዊ ከሆኑና ከኢትዮ ቴሌኮም የተነቀሳቃሽ ስልክ ወይም የኢንተርኔት አገልግሎት የሚያገኙ ከሆነ በዚህ መጠይቅ ላይ መሳተፍ ይችላሉ።

የጥናቱ ዓላማ በኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍ እንደ የባለቤትነት ሞዴል፣ የመሰረተ ልማት ግንባታና ፕራይቬታይዜሽን ያሉ እንኳር እንኳር ጉዳዮችን መፈተሽ ነው። በጥናቱ ለመሳተፍ ከመረጡ የሚከተሉት ይዘት ያላቸውን ጥያቄዎች እንዲመልሱ ይጠየቃሉ፣ የኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍ ያለበት ሁኔታ፣ የቴሌኮሙኒኬሽን ዘርፍ ሙሉ በሙሉ በመንግስት ቁጥጥር ስር መሆኑ ያለው ጥቅምና ጉዳት፣ የውጪ አበዳሪዎችና ኢንቬስተሮች በቴሌኮሙኒኬሽን ዘርፉ ላይ ያላቸው ሚና፣ መጠይቁን ለማጠናቀቅ እስከ አስራ አምስት ደቂቃ ድረስ ሊወስድ ይችላል። በጥናቱ ከመሳተፍ የሚገኝ ቀጥተኛ ጥቅም ለርስዎ ባይኖርም በኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍ ያሉትን መሰረታዊ ተግዳሮቶች ለመለየት ግን ይረዳል። እዚህ ጥናት ላይ በመሳተፍዎ የሚያዎጡት ምንም ወጪ የለም።

በዚህ ጥናት ላይ ያለዎት ተሳትፎ ሙሉ በሙሉ በፈቃደኝነት ላይ የተመሰረተ ነው። በጥናቱ ላይ ከመሳተፍዎ ጋር በተያያዘ ምንም የሚያሰጋ ነገር የለም። ይሁን እንጂ ለመመለስ የማይፈልጉት ጥያቄ ካጋጠምዎት መጠይቁን እዋሙ ባሉበት በማንኛውም ጊዜ አቋርጠው መውጣት ይችላሉ። ለዚህ መጠይቅ የሚሰጧቸው መለሶች ጥብቅ በሆነ ምስጢራዊ የመረጃ አሰባሰብ የሚያዙ ናቸው። ስምዎን ወይም በተናጥል የሚለያዎን መረጃ በፍጹም አይጠየቁም። የሚሰጡት መረጃ ወይም አስተያየት በጥናታዊ ጽሁፉ ውስጥ የሚካተተው በጥቅስና ስም አልባ በሆነ አቀራረብ ነው። የጥናቱን ዋና ግኝቶችና ማጠቃለያ ሃሳቦች ለማግኘት የሚፈልጉ ከሆነ በመጠይቁ መጨረሻ ላይ የኢሜይል አድራሻዎን እንዲያስቀምጡ ይጠየቃሉ። ይህ ምርጫ በፈቃደኝነት ላይ የተመሰረተ ነው።

መረጃ የሚሰበስበው "Qualtrics" (www.qualtrics.com) በተባለ እጅግ አስተማማኝ ሶፍትወር ነው ። መረጃዎቹን መጠቀም የሚችለው የጥናቱ ባለቤት ብቻ ሲሆን መረጃዎቹን የያዙ ፋይሎቹ ሁሉ በምስጢራዊ ሁኔታና በይለፍ ቃል ይጠበቃሉ፣ መጠይቁ ከተጠናቀቀ በኋላ ውጤቹ ምንጊዜም ተቆልፎ በሚቆይ ቢሮዬ ውስጥ ባለ ኮምፒዩተር ይገባሉ። እዚህ መጠይቅ ላይ ከመሳተፍ ጋር ተያይዞ ሊከተል የሚችል ምንም አደጋ የለም። መንግስት ከኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍ ጋር በተያያዘ ስላለው ፖሊሲ ማብራሪያ የሚጠይቅ ክፍት ጥያቄ በዚህ መጠይቅ ላይ አይኖርም። ለተጨማሪ ጥንቃቄ መጠይቁን ዋልተው በሚጨርሱበት ጊዜ የድረ ገጽ ማሰሻ መሳሪያዎን መዝጋትዎን አይርሱ።

መጠይቁን ከማጠናቀቅዎ በፊት የኢሜይል አድራሻዎን የማስገባት አማራጭ አለዎት። የጥናቱን ዋና ዋና ግኝቶች ለማግኘት ለማግኘት የሚፈልጉ ከሆነ ብቻ የኢሜይል አድራሻዎን ያስገቡ። የኢሜይል አድራሻዎ የሚያዘው ከሌሎች አድራሻዎች ጋር በጥቅል ሲሆን በይለፍ ቃል በሚጠበቅ ፋይል የጥናቱ ባለቤት የግል ኮምፒዩተር ውስጥ ይቀመጣል። የጥናቱ ባለቤት የኢሜይል አድራሻዎን የጥናቱን ዋና ዋና ግኝቶች ለመላክ ብቻ አንድ ጊዜ ይጠቀማል። ጥናቱ በአጥኚው አማካሪ ኮሚቴ ከጸደቀና የጥናቱ ዋና ዋና ግኝቶች ከተላኩ በኋላ የኢሜይል አድራሻዎን የያዘው ፋይል እንዲጠፋ ይደረጋል፣ ከአጥኚው የኢሜይል አካውንትም ይሰረዛል። ከዚህ ጥናት ጋር ሊያያዝ የሚችል አደጋ ቢኖር የመረጃ ጥበቃ ጉዳይ ነው። አጥኚው ፍጹም የሆነ የመረጃ ጥበቃን ሊያረጋግጥ የማይችልባቸው እንደ የቫይረስ ጥቃት የመሳሰሉ ሁኔታዎች ሊያጋጥሙ ይችሉ ይሆናል። ምንም እንኳን ይህ የሚከሰትበት አጋጣሚ በጣም ጠባብ ቢሆንም የተከሰተ እንደሆነ ግን አርስዎ ላይ የሚያስከትለው ምንም ጉዳት የለም።

በድጋሚ ለማስታወስ ያህል በዚህ ጥናት ላይ ያለዎት ተሳትፎ ሙሉ በሙሉ በፈቃደኝነት ላይ የተመሰረተ ነው። በጥናቱ ላይ ከመሳተፍዎ ጋር በተያያዘ ምንም የሚያሰጋ ነገር የለም። ይሁን እንጂ ለመመለስ የማይፈልጉት ጥያቄ ካጋጠምዎት መጠይቁን እዋሙ ባሉበት በማንኛውም ጊዜ አቋርጠው መውጣት ይችላሉ። በዚህ ጥናት ላይ ማናቸውም ጥያቄ ካለዎት

ጥያቄዎን በ tworkneh@uoregon.edu በመላክ ሊያቀርቡ ይችላሉ። አስፈላጊ ከሆነም የጥናቱ ዋና አማካሪ የሆኑትን መምህር ሌዝሊ ስቲቨስ (Leslie Steeves) በ lsteeves@uoregon.edu ሊያገኟቸው ይችላሉ። በጥናቱ ተሳታፊነት ላይ ስላለዎት መብት ጥያቄ ካለዎት በሚከተለው አድራሻ ጥያቄዎን ማቅረብ ይችላሉ። Research Compliance Services, University of Oregon ስልክ +1(541)346-2510 ኢሜይል ResearchCompliance@uoregon.edu

ይህን የስምምነት ቅጽ ገልብጠው ወይም ቀድተው ሊያስቀምጡ ይችላሉ።

የስምምነት ማረጋገጫ

ይህን ጥናት ላይ ለመሳተፍ የተዘጋጀ የስምምነት ቅጽ አንብቤ በጥናቱ ላይ እንድሳተፍ ተጋብዣለሁ። ለጥያቄዎቼም መልስ አግኝቻለሁ። እዚህ ጥናት ላይ ለመሳተፍ መስማማቴን እገልጻለሁ። የዚህን ቅጽ ቅጇም ተቀብያለሁ።

_____   _____

ዲጂታል ፊርማ (የስምና የአባት ስም የመጀመሪያ ፊደሎች)   ቀን

የስሜንና የአባቴዎን ስም የመጀመሪያ ፊደሎች በማስቀመጥ እንዲሁም ቅጹን አስገባ የሚለውን ትዕዛዝ ጠቅ በማድረግ አዚህ ጥናት ላይ ለመሳተፍ መስማማቴን አረጋግጣለሁ።

APPENDIX D

ONLINE QUESTIONNAIRE (ENGLISH)

1. Gender
   ☐Male
   ☐Female

2. Age
   ☐18-24 years old
   ☐25-34 years old
   ☐35-44 years old
   ☐45-54 years old
   ☐55-64 years old
   ☐65-74 years old
   ☐75 years or older

3. Place of residence
   ☐In Addis Ababa, Ethiopia
   ☐In one of the regional capitals, Ethiopia
   ☐A town in Ethiopia
   ☐Suburban Ethiopia
   ☐Rural Ethiopia
   ☐Outside of Ethiopia

4. Monthly income
   ☐Less than 1000 ETB
   ☐1000-2000 ETB
   ☐2000-3000 ETB
   ☐3000-5000 ETB
   ☐5000-10000 ETB
   ☐More than 10,000 ETB

5. Education level

☐No schooling completed

☐Nursery school to 8th grade

☐Some high school, no diploma

☐High school graduate, diploma or the equivalent

☐Some college credit, no degree

☐Trade/technical/vocational training

☐Bachelor's degree (BA, BSc, BEd)

☐Master's degree (MA, MSc, MPhil)

☐Professional degree (MD, JD)

☐Doctorate degree (PhD)

6. Employment status

☐Student

☐Employed

☐Self-employed

☐Out of work and looking for work

☐Out of work but not currently looking for work

☐Retired

☐Other

7. Marital Status

☐Single

☐Married

8. Do you use a mobile phone service?

☐Yes

☐No

If your answer to question #8 is "yes," please answer questions 8a-8e

8a. How many active mobile phones do you own?

☐None

☐One

☐Two

☐Three

☐More than three

8b. Generally speaking, how important would you say the mobile phone is in your life?

☐Very important

☐Somewhat important

☐Not vey important

☐Not at all important

8c. Approximately, how much of your monthly income do you spend on top-up cards for your mobile phone services?

☐Nothing

☐Less than 5%

☐Between 6%-10%

☐Between 11%-20%

☐Between 21%-40%

☐More than 40%

8d. How would you describe the role of mobile phones in your professional life?

☐The nature of my work completely depends on my mobile phone

☐The nature of my work sometimes requires me using my mobile phone

☐The nature of my work doesn't require me using my mobile phone

8e. What kind of mobile phone do you own?

☐I have a basic mobile phone that has calling and texting capabilities

☐I have a mobile phone that has calling, texting and camera capabilities but has limited or no Internet functionalities

☐I have a smartphone that has calling, texting, camera and Internet functionalities that include the capability to download and use different applications.

9. Do you use the Internet?

☐Yes

☐No

If your answer to question #9 is "yes," please answer questions 9a-9e

9a. Generally speaking, how important would you say the Internet is in your life?

☐Very important

☐Somewhat important

☐Not vey important

☐Not at all important

9b. Approximately, how much of your monthly income do you spend on your Internet subscription?

☐Nothing

☐Less than 5%

☐Between 6%-10%

☐Between 11%-20%

☐Between 21%-40%

☐More than 40%

Qc. How would you describe the role of Internet in your professional life?

☐The nature of my work completely depends on the Internet

☐The nature of my work sometimes requires me using the Internet

☐The nature of my work doesn't require me using the Internet

9d. At which of the following places do you use the Internet regularly? Please check all that apply.

	Always	Most of the time	Sometimes	Occasionally	Never
Home	☐	☐	☐	☐	☐
Work	☐	☐	☐	☐	☐
On the go (mobile device)	☐	☐	☐	☐	☐
School	☐	☐	☐	☐	☐
Other location	☐	☐	☐	☐	☐

9e. On average how often do you use the Internet?

☐1

☐2

☐3

☐4

☐5

☐6

☐7

9f. How comfortable are you using the Internet?

☐Very comfortable

☐Somewhat comfortable

☐Somewhat uncomfortable

☐Very uncomfortable

9g. How often, if at all, do you use social media (e.g. facebook, twitter, LinkedIn etc.)?

☐1

☐2

☐3

☐4

☐5

☐6

☐7

9h. For what purposes do you use the Internet?

	Always	Usually	About half the time	Occasionally	Never
Work related	☐	☐	☐	☐	☐
Education	☐	☐	☐	☐	☐
Entertainment	☐	☐	☐	☐	☐
Information gathering	☐	☐	☐	☐	☐
Social networking	☐	☐	☐	☐	☐
Activism	☐	☐	☐	☐	☐
Advertisement/Pro motion	☐	☐	☐	☐	☐

10. How satisfied are you with the service you get from Ethio-Telecom?

☐I am very satisfied

☐I am somehow satisfied

☐I am somehow not satisfied

☐I am not satisfied

11. The following are some of the major state-owned organizations or institutions. How much are you satisfied with the service they provide? Please rank them from 1-4 (To rank them in order of your preference, click on the name of the organization/institution and drag it up or down).
    Ethio-Telecom
    Ethiopian Electric Power Corporation
    Water and Sewage Authority
    Ethiopian Radio and Television Agency

12. Which one of the following statements do you agree with?

☐ The Internet solves more problems than it creates

☐ The Internet creates more problems than it solves

13. Which of the following Ethiopian development priorities (reflected in the Growth and Transformation Plan and Millennium Development Goals) do you believe the Internet has a role in achieving?

	Definitely	Probably	Probably not	Definitely not	Not sure
Economic growth and poverty reduction	☐	☐	☐	☐	☐
Quality education and training	☐	☐	☐	☐	☐
Infrastructure development	☐	☐	☐	☐	☐
Gender equality	☐	☐	☐	☐	☐
Health and HIV/AIDS prevention	☐	☐	☐	☐	☐
Environmental protection and sustainability	☐	☐	☐	☐	☐
Good governance and corruption eradication	☐	☐	☐	☐	☐
Protection of civil and human rights	☐	☐	☐	☐	☐
Universal equity and social justice	☐	☐	☐	☐	☐
Participatory democracy and civic engagement	☐	☐	☐	☐	☐

14. What is the biggest concern facing the Internet today?

☐ User privacy

☐ Spam and other unwanted traffic

☐ Copyright and intellectual property issues

☐ Government control and interference

☐ Lack of Internet access

☐ Usability by multiple languages

☐Nothing/none

15. Do you know of a website that you cannot access from within Ethiopia?
    ☐Yes
    ☐No
    ☐I am not sure

16. There should be no restriction on accessing lawful content/services via the Internet.
    ☐Agree
    ☐Agree somehow
    ☐Disagree

17. Having a choice of telecom service providers is important.
    ☐Agree
    ☐Agree somehow
    ☐Disagree

18. The ability to share and access information privately using the Internet is important to me.
    ☐Agree
    ☐Agree somehow
    ☐Disagree

19. National filtering in my country is beneficial to society.
    ☐Agree
    ☐Agree somehow
    ☐Disagree

20. In your opinion, is national filtering for adults acceptable in the following categories? (Check all that apply)

	Yes	No	Maybe
Sexual content	☐	☐	☐
Religious content	☐	☐	☐
Political content	☐	☐	☐
Downloading of copyrighted media	☐	☐	☐
Social networking	☐	☐	☐
Dating sites	☐	☐	☐
Hacking content	☐	☐	☐
Circumvention/proxy/anonymity tools	☐	☐	☐

21. I believe people or organizations monitor the activities I perform over the Internet.

☐Agree

☐Agree somehow

☐Disagree

22. How capable do you think each of the following people or organizations are of monitoring your online activities?

	Definitely	Probably	Probably not	Definitely not	Not sure
Government	☐	☐	☐	☐	☐
Internet Service Provider (ISP)	☐	☐	☐	☐	☐
Websites visited or search engines	☐	☐	☐	☐	☐
Family/spouse	☐	☐	☐	☐	☐
Employer/company	☐	☐	☐	☐	☐
Internet café	☐	☐	☐	☐	☐
Advertisers	☐	☐	☐	☐	☐

23. What do you think are the risks of posting material critical of the government in Ethiopia?

	Definitely	Probably	Probably not	Definitely not	Not sure
Detention, arrest, or criminal investigation	☐	☐	☐	☐	
Monetary fine	☐	☐	☐	☐	
Violence directed at self or family	☐	☐	☐	☐	
Public reporting of internet activity	☐	☐	☐	☐	
Loss of employment or demotion	☐	☐	☐	☐	

24. Have you ever exercised self-censorship in posting content because of the risks involved?

☐Yes

☐No

☐Not sure

25. Do you or have you ever used circumvention tools in order to access blocked content?

☐Yes

☐No

☐Not sure

26. How does it make you feel if you were to know the government monitors your online and phone activities?

☐I'd be happy

☐I don't care

☐ Worried

27. Generally speaking, how much interest would you say you have in what's going on in government and public affairs?

☐A great deal

☐A fair amount

☐No interest

28. People like me don't have any say about what the government does.
    ☐Agree

    ☐Agree somehow

    ☐Disagree

29. How much of the time do you think you can trust the government to do what is right?
    ☐Just about always

    ☐Most of the time

    ☐Only some of the time

    ☐Almost never

30. Which comes closer to your view regarding the telecom sector in Ethiopia? (Please check all that apply)

    ☐The state needs to continue its monopolistic control of the telecom sector.

    ☐The telecom sector should be liberalized.

    ☐The more the number of telecom service providers, the better the quality and the cheaper the price of services.

    ☐State control of the telecom sector is crucial for the development goals of the country.

    ☐The government needs to continue its ownership of the telecom sector in order to defend national security threats.

    ☐State control of the telecom sector brings about monitoring and surveillance of citizens by the government.

31. Broadly speaking, how do you identify your position toward the economic and development policies of the Ethiopian governing body?

    ☐Supportive

    ☐Partially supportive

    ☐Critical

    ☐Independent

    ☐Unconcerned

Q32. Broadly speaking, how do you identify your position toward the political direction and behavior of the Ethiopian governing body?

☐ Supportive

☐ Partially supportive

☐ Critical

☐ Independent

☐ Unconcerned

The survey ends here. Again, thank you for your cooperation. If you would like to get the findings and the concluding remarks of the study, please write your email address below.

[   ]

APPENDIX E

ONLINE QUESTIONNAIRE (AMHARIC)

1. ጾታ
   ☐ ወንድ
   ☐ ሴት

2. ዕድሜ
   ☐ 18-24
   ☐ 25-34
   ☐ 35-44
   ☐ 45-54
   ☐ 55-64
   ☐ 65-74
   ☐ 75 ወይም ከዚያ በላይ

3. መኖሪያ ቦታ (መኖሪያ ቦታ ማለት አሁን ያሉበት ስፍራን የሚያመላክት ነው። ይሁን እንጂ አሁን ባሉበት ስፍራ ስድስት ወር ወይም ከዚያ በላይ ያልቆዩ እንደሆነ በሬት የነበራበትን ቦታ እንደ መኖሪያ ቦታ ሊወስዱ ይችላሉ)
   ☐ አዲስ አበባ
   ☐ ድሬዳዋ፣ መቀሌ፣ አዳማ፣ ጎንደር ወይም ሃዋሳ
   ☐ ባህር ዳር፣ ጅማ፣ ደሴ፣ ጅጅጋ፣ ሻሸመኔ፣ ቢሾፍቱ ወይም ሐረር
   ☐ ወላይታ ሶዶ፣ አርባ ምንጭ፣ ሆሳዕና፣ ነቀምት፣ አሰላ፣ ዲላ ወይም ደብረ ብርሃን
   ☐ ከላይ ከተጠቀሱት ከተማዎች ውጪ

4. ወርሃዊ ገቢ
   ☐ ከ1000 ብር በታች
   ☐ በ1000 እና 2000 ብር መካከል
   ☐ በ2000 እና 3000 ብር መካከል
   ☐ በ3000 እና 5000 ብር መካከል
   ☐ በ5000 እና 10000 ብር መካከል
   ☐ ከ10000 ብር በላይ

5. የትምህርት ደረጃ
   ☐ መደበኛ ትምህርት አልተከታተልኩም
   ☐ ስምንተኛ ክፍልን ጨርሻለሁ
   ☐ ሁለተኛ ደረጃ ትምህርት ቤት ገብቻለሁ ግን አላጠቀቁም
   ☐ ሁለተኛ ደረጃ ትምህርት ቤት አጠናቀያለሁ
   ☐ የከፍተኛ ትምህርት ተቋም ገብቻለሁ (ወይም ገብቼ ነበር) ግን አላጠናቀቁም
   ☐ የሙያ ወይም ቴክኒካል ስልጠና ወስጄ ተመርቄያለሁ
   ☐ ከከፍተኛ ትምህርት ተቋም የባችለር ዲግሪ ምሩቅ ነኝ (BA, BSc, BEd)
   ☐ ከከፍተኛ ትምህርት ተቋም የማስተርስ ዲግሪ ምሩቅ ነኝ (MA, MSc, MPhil)
   ☐ ከከፍተኛ ትምህርት ተቋም የፕሮፌሽናል ዲግሪ ምሩቅ ነኝ (JD, MD)
   ☐ ከከፍተኛ ትምህርት ተቋም የዶክትሬት ዲግሪ ምሩቅ ነኝ (PhD)

6. የሥራ ሁኔታ
   - ☐ ተማሪ
   - ☐ ተቀጣሪ
   - ☐ የግል ሥራ
   - ☐ ሥራ ፈላጊ
   - ☐ ሥራ የለኝም፤ ለጊዜው የመስራት ሃሳብ የለኝም
   - ☐ ጡረተኛ
   - ☐ ሌላ

7. የጋብቻ ሁኔታ
   - ☐ አላገባሁም
   - ☐ ባለትዳር ነኝ

8. የተንቀሳቃሽ ስልክ አገልግሎት ተጠቃሚ ነዎት?
   - ☐ አዎ ነኝ
   - ☐ አይደለሁም

ለጥያቄ 8 መልስዎ "አዎ ነኝ" ከሆነ እባክዎ ከ8ሀ እስከ 8ሠ ያሉትን ጥያቄዎች ይመልሱ።

8ሀ. ምን ያህል አገልግሎት እየሰጡ ያሉ የተንቀሳቃሽ ስልክ መስመሮች አለዎት?
   - ☐ አንድ
   - ☐ ሁለት
   - ☐ ሦስት
   - ☐ ከሦስት በላይ

8ለ. በጠቅላላው ሲገመግሙት የተንቀሳቃሽ ስልክ አገልግሎት በሕይወትዎ ውስጥ ምን ያህል አስፈላጊ ነው?
   - ☐ በጣም አስፈላጊ ነው
   - ☐ በመጠኑ ያስፈልጋል
   - ☐ ያን ያህል አስፈላጊ አይደለም
   - ☐ ጨርሶ አስፈላጊ አይደለም

8ሐ. ለተንቀሳቃሽ ስልክ አገልግሎት የሚያወጡት ወርሃዊ ክፍያ ከጠቅላላ የወር ገቢዎ በግምት ምን ያህሉን ይሆናል?
   - ☐ ምንም ክፍያ የለብኝም
   - ☐ ከ5% በታች
   - ☐ ከ6 እስከ 10% አካባቢ
   - ☐ ከ11 እስከ 20% አካባቢ
   - ☐ ከ21 እስከ 40% አካባቢ
   - ☐ ከ40% በላይ

8ሠ. የተንቀሳቃሽ ስልክ አገልግሎት በሰራዎ ላይ ምን አይነት ሚና ይጫወታል?
   - ☐ የስራዬ ባህሪይ በተንቀሳቃሽ ስልክ አገልግሎት ላይ ሙሉ በሙሉ የተመረኮዘ ነው
   - ☐ የስራዬ ባህሪይ አንዳንድ ጊዜ የተንቀሳቃሽ ስልክ አገልግሎትን ይፈልጋል
   - ☐ የስራዬ ባህሪይ የተንቀሳቃሽ ስልክ አገልግሎትን አይፈልግም

8ሠ. በዎነኘነት የሚጠቀሙበት ተንቀሳቃሽ ስልክ ምን ምን አይነት አገልግሎት ይሰጣል?

☐ ጥሪ ማድረግና መቀበል፣ አጫጭር የጽሁፍ መልዕክቶችን መለዋወጥ

☐ ጥሪ ማድረግና መቀበል፣ አጫጭር የጽሁፍ መልዕክቶችን መለዋወጥ፣ ፎቶግራፍ ማንሳትና ቪዲዮ መቅረጽ

☐ ጥሪ ማድረግና መቀበል፣ አጫጭር የጽሁፍ መልዕክቶችን መለዋወጥ፣ ፎቶግራፍ ማንሳትና ቪዲዮ መቅረጽ፣ ኢንተርኔት ላይ የተመረኮዙ አገልግሎቶችን መስጠት፣ መተግበሪያዎችን (applications) ማውረድና መጠቀም

9. የኢንተርኔት አገልግሎት ተጠቃሚ ነዎት?

☐ አዎ ነኝ

☐ አይደለሁም

ለጥያቄ 9 መልስዎ "አዎ ነኝ" ከሆነ እባክዎ ከ9ሀ እስከ 9ሸ ያሉትን ጥያቄዎች ይመልሱ።

9ሀ. በጠቅላላው ሲገመገሙት የኢንተርኔት አገልግሎት በሕይወትዎ ውስጥ ምን ያህል አስፈላጊ ነው?

☐ በጣም አስፈላጊ ነው

☐ በመጠኑ ያስፈልጋል

☐ ያን ያህል አስፈላጊ አይደለም

☐ ጨርሶ አስፈላጊ አይደለም

9ለ. ለኢንተርኔት አገልግሎት የሚያወጡት ወርሃዊ ክፍያ ከጠቅላላ የወር ገቢዎ በግምት ምን ያህሉን ይሀናል?

☐ ምንም ክፍያ የለብኝም

☐ ከ5% በታች

☐ ከ6 እስከ 10% አካባቢ

☐ ከ11 እስከ 20% አካባቢ

☐ ከ21 እስከ 40% አካባቢ

☐ ከ40% በላይ

9ሐ. የኢንተርኔት አገልግሎት በሥራዎ ላይ ምን ዓይነት ሚና ይጫወታል?

☐ የሥራዬ ባህሪይ በኢንተርኔት አገልግሎት ላይ ሙሉ በሙሉ የተመረኮዘ ነው

☐ የሥራዬ ባህሪይ አንዳንድ ጊዜ የኢንተርኔት አገልግሎትን ይፈልጋል

☐ የሥራዬ ባህሪይ የኢንተርኔት አገልግሎትን አይፈልግም

9መ. በሚከተሉት ቦታዎች ላይ ኢንተርኔትን ምን ያህል ይጠቀማሉ?

	ሁልጊዜ	በአብዛኛው	በከፊል	አንዳንድ ጊዜ	ፈጽሞ አልጠቀምም
መኖሪያ ቤት	☐	☐	☐	☐	☐
ትምህርት ቤት	☐	☐	☐	☐	☐
ሥራ ቦታ	☐	☐	☐	☐	☐
ኢንተርኔት ካፌ	☐	☐	☐	☐	☐
መንገድ ላይ (ለምሳሌ በተንቀሳቃሽ ስልክ ወይም በታብሌት)	☐	☐	☐	☐	☐
ሌላ ቦታ	☐	☐	☐	☐	☐

9ሠ. በሳምንት ውስጥ ምን ያህል ቀን(ቀናት) የኢንተርኔት አገልግሎትን ይጠቀማሉ?

☐ 1
☐ 2
☐ 3
☐ 4
☐ 5
☐ 6
☐ 7

9ረ. በጠቅላላው የኢንተርኔት አጠቃቀም ከህሎትዎን እንዴት ይገመግሙታል?

☐ ቀልጣፋ ነኝ
☐ ደህና ነኝ
☐ እምብዛም ነኝ
☐ እቸገራለሁ

9ሰ. ማሕበረሰባዊ ሚድያ ድረ ገፆችን (ፌስቡክ፣ ትዊተር፣ ሊንክዲን ወዘተ) በሳምንት ውስጥ ምን ያህል ቀን (ቀናት) ይጠቀማሉ?

☐ 1
☐ 2
☐ 3
☐ 4
☐ 5
☐ 6
☐ 7

9ሸ. ኢንተርኔትን ለምን ዓላማ ይጠቀሙበታል?

	ሁልጊዜ	በአብዛኛው	በከፊል	እንዳንድ ጊዜ	ፈጽሞ አልጠቀምም
ለስራ ጉዳይ	☐	☐	☐	☐	☐
ለትምህርት	☐	☐	☐	☐	☐
ለመዝናናት	☐	☐	☐	☐	☐
መረጃ ለመሰብሰብ	☐	☐	☐	☐	☐
ማህበራዊ ግንኙነቶችን ለመፍጠር	☐	☐	☐	☐	☐
ለለውጥ እንቅስቃሴ	☐	☐	☐	☐	☐
ለማስታወቂያ	☐	☐	☐	☐	☐

10. ከኢትዮ - ቴሌኮም በሚያገኙት አገልግሎት ምን ያህል ደስተኛ ነዎት?

☐ በጣም ደስተኛ ነኝ
☐ በመጠኑ ደስተኛ ነኝ
☐ እምብዛም ደስተኛ አይደለሁም
☐ ፈጽሞ ደስተኛ አይደለሁም

11. ከሚከተሉት የመንግስት ድርጅቶች ወይም ተቋማት በሚያገኙት አገልግሎት ምን ያህል ደስተኛ ነዎት? እባክዎ ደረጃ አውጥተው ከ1 አስከ 4 ይደርድሯቸው፡፡ (በቀደም ተከተል ለመደርደር የፈለጉት አማራጭ ላይ ጠቅ አድርገው ሳይለቁ ወደላይ ወይም ወደታች ያንቀሳቅሱ)

ኢትዮ - ቴሌኮም

የኢትዮጵያ ኤሌክትሪክ ኃይል ኮርፖሬሽን

ውኃና ፍሳሽ አገልግሎት

የኢትዮጵያ ራዲዮና ቴሌቪዥን ድርጅት

12. ከሚከተሉት ሁለት ዓረፍት ነገሮች በየትኛው ይስማማሉ?
   ☐ ኢንተርኔት ከሚፈታው የሚፈጥረው ችግር ይልቃል፡፡
   ☐ ኢንተርኔት ከሚፈጥረው የሚፈታው ችግር ይልቃል፡፡

13. የሚከተሉትን ዓላማአቀፍ ተቀባይነት ያላቸውን የለውጥና የልማት አቅጣጫዎች በኢትዮጵያ ለማሳካት ኢንተርኔት ሚና አለው ብለው ያምኑሉ?

	በሚገባ	በመጠኑ	ብዙም አይደለም	በፍጹም	እርግጠኛ አይደለሁም
የኢኮኖሚ ልማትና ድህነት ቅነሳን ማረጋገጥ	☐	☐	☐	☐	☐
ጥራት ያለው ትምህርትና ሥልጠናን ማዳረስ	☐	☐	☐	☐	☐
የመሠረተ ልማት ግንባታን ማፋጠን	☐	☐	☐	☐	☐
የጾታ እኩልነትን ማረጋገጥ	☐	☐	☐	☐	☐
የጤና አገልግሎትን ማዳረስና ኤች አይ ቪን መከላከል	☐	☐	☐	☐	☐
ዘለቄታዊ የአካባቢ ጥበቃን ማረጋገጥ	☐	☐	☐	☐	☐
ሙስናን መከላከልና መልካም አስተዳደርን ማስፈን	☐	☐	☐	☐	☐
የዜጎችን ሰብዓዊ መብቶች ማክበርና ማስከበር	☐	☐	☐	☐	☐
ፍትህ እና እኩልነት እንዲሰፍኑ ማድረግ	☐	☐	☐	☐	☐
ጠንካራና አሳታፊ የዲሞክራሲ ስርዓትን መገንባት	☐	☐	☐	☐	☐

14. በአሁኑ ጊዜ በኢንተርኔት ላይ የተደቀነው ትልቁ ፈተና ምንድነው ብለው ያስባሉ?
- [ ] የተጠቃሚዎች ብሕትውነት (privacy) ጉዳይ
- [ ] በአላስፈላጊ መረጃ (spam) መጫናነቅ
- [ ] የቅጇ መብት (copyright) የአዕምሮ ንብረት (intellectual property) ላይ የተቃጣ ስርቆት
- [ ] የመንግስት ቁጥጥርና ጣልቃ ገብነት
- [ ] አጥጋቢ ያልሆነ የኢንተርኔት አገልግሎት ተደራሽነት
- [ ] በተለያዩ ቋንቋዎች እንደልብ መጠቀም አለመቻል
- [ ] ምንም ፈተና የለም

15. ኢትዮጵያ ውስጥ በመንግስት በመታገዱ የተነሳ መከፈት ያልቻላት ድረ ገጽ ገጥሟት ያውቃል?
- [ ] አዎ ገጥሞኛል
- [ ] አልገጠመኝም
- [ ] እርግጠኛ አይደለሁም

16. ኢንተርኔትን በመጠቀም የሚገኙ ህጋዊ መረጃዎች ወይም አገልግሎቶች ላይ ምንም አይነት ገደብ ሊጣል አይገባም።
- [ ] እስማማለሁ
- [ ] በከፊል እስማማለሁ
- [ ] አልስማማም

17. ከአንድ በላይ የቴሌኮም አገልግሎት ሰጪ ኩባንያ(ዎች) ሊኖሩ ይገባል።
- [ ] እስማማለሁ
- [ ] በከፊል እስማማለሁ
- [ ] አልስማማም

18. ያለማንም ጣልቃ ገብነት ኢንተርኔትን ተጠቅሞ መረጃን ማግኘትና መጋራት የዜጎች መብት ነው።
- [ ] እስማማለሁ
- [ ] በከፊል እስማማለሁ
- [ ] አልስማማም

19. የሚመለከተው የመንግስት አካል ኢንተርኔትን አጣርቶ ቢያቀርብ ለማህበረሰቡ ጠቃሚ ነው።
- [ ] እስማማለሁ
- [ ] በከፊል እስማማለሁ
- [ ] አልስማማም

20. በእርስዎ አመለካከት ለአዋቂዎች በሚከተሉት ዘርፎች ህጋዊ የኢንተርኔት ማጣራትን ማድረግ ተገቢ ነው?

	አዎ	አይደለም	ምናልባት
ወሲብ ነክ ጉዳዮች	[ ]	[ ]	[ ]
ኃይማኖታዊ ጉዳዮች	[ ]	[ ]	[ ]
ፖለቲካዊ ጉዳዮች	[ ]	[ ]	[ ]
የቅጇ መብታቸው የተጠበቁ ንብረቶች	[ ]	[ ]	[ ]
ማህበረሰባዊ ግንኙነት ድረ ገጾች	[ ]	[ ]	[ ]

21. በኢንተርኔት ላይ የማደርጋቸው እንቅስቃሴዎች በግለሰቦች ወይም በሌሎች አካላት ክትትል ይደረግባቸዋል ብዬ አስባለሁ።
   - ☐ እስማማለሁ
   - ☐ በከፊል እስማማለሁ
   - ☐ አልስማማም
   - ☐ እርግጠኛ አይደለሁም

22. የሚከተሉት ግለሰቦች ወይም ተቋማት ተጠቃሚዎች በኢንተርኔት ላይ የሚያደርጉትን እንቅስቃሴ ለመከታተል ምን ያህል አቅም አላቸው ብለው ያስባሉ?

	በሚገባ	በመጠኑ	ብዙም አይደለም	በፍጹም	እርግጠኛ አይደለሁም
መንግስት	☐	☐	☐	☐	☐
የድረ ገጽ ባለቤቶች (administrators)	☐	☐	☐	☐	☐
ቀጣሪ ግለሰብ ወይም መስሪያ ቤት	☐	☐	☐	☐	☐
ኢንተርኔት ካፌ	☐	☐	☐	☐	☐

23. ኢትዮጵያ ውስጥ መንግስትን የሚተቹ ጽሁፎች ኢንተርኔት ላይ መለጠፍ ምን ያህል አደገኛ ነው ብለው ያስባሉ?

	በሚገባ	በመጠኑ	ብዙም አይደለም	በፍጹም	እርግጠኛ አይደለሁም
እስር ቤት መቆየት፣ መታሰር ወይም በወንጀለኝነት ተይዞ ለምርመራ መቅረብ	☐	☐	☐	☐	☐
የገንዘብ ቅጣት	☐	☐	☐	☐	☐
በራስ ወይም በቤተሰብ ላይ የተቃጣ አካላዊ ጥቃት	☐	☐	☐	☐	☐
የቃል ዛቻና ማስፈራሪያ	☐	☐	☐	☐	☐
ከስራ መባረር ወይም ከደረጃ መቀነስ	☐	☐	☐	☐	☐

24. ሊከተል የሚችል ማንኛውንም መዘዝ በመፍራት ኢንተርኔት ላይ ሊለጥፉ ያሰቡትን ጉዳይ ላለመለጠፍ ወስነው ያውቃሉ?
   - ☐ አዎ አውቃለሁ
   - ☐ አላውቅም
   - ☐ እርግጠኛ አይደለሁም

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25. የተከለከለ ወይም የታገደ ድረ ገጽን ለመክፈት የሚያስችሉ መሳሪያዎችን ወይም ድረ ገጾችን ተጠቅመው ያውቃሉ?
- ☐ አዎ አውቃለሁ
- ☐ አላውቅም
- ☐ እርግጠኛ አይደለሁም

26. መንግስት የኢንተርኔት ወይም የስልክ እንቅስቃሴዎችን ቢከታተል ምን ይሰማዎታል?
- ☐ ደስ ይለኛል
- ☐ ግድ የለኝም
- ☐ ስጋት ውስጥ ይጥለኛል

27. በጠቅላላ ሲያስቡት ወቅታዊ የመንግስትና የሕዝብ ጉዳዮችን ምን ያህል ይከታተላሉ?
- ☐ እከታተላለሁ
- ☐ በመጠኑ እከታተላለሁ
- ☐ አልከታተልም

28. እንደኔ ያሉ ግለሰቦች መንግስት በሚያሳፉቸው ውሳኔዎች ላይ የመሳተፍ ዕድል የላቸውም።
- ☐ እስማማለሁ
- ☐ በከፊል እስማማለሁ
- ☐ አልስማማም

29. መንግስት በሚያሳልፋቸው ውሳ�ች እና በሚያከናውናቸው ድርጊቶች ትክክለኛውን ነገር እንደሚያደርግ ምን ያህል ይተማመኑበታል?
- ☐ ሁልጊዜ
- ☐ ብዙ ጊዜ
- ☐ አልፎ አልፎ
- ☐ መቼም አልተማመንበትም

30. የኢትዮጵያ ቴሌኮሙኒኬሽን ዘርፍን በተመለከተ ከሚከተሉት አስተያየቶች የትኛቹ ለእርሶዖ አመለካከት ይቀርባሉ? (የሚስማሙበት ላይ ሁሉ ምልክት ያድርጉ)

- ☐ መንግስት የቴሌኮም ዘርፉን ከነጻ ገበያ ውድድር ውጪ መቆጣጠሩን መቀጠል አለበት።
- ☐ የቴሌኮም ዘርፉ ከመንግስት ቁጥጥር ወጥቶ ነጻ ገበያ ውድ ድር ውስጥ መግባት አለበት።
- ☐ በርካታ የቴሌኮም አገልግሎት ሰጪ ድርጅቶች ባሉ ቁጥር የአገልግሎት ጥራት ይጨምራል፤ ክፍያም ይቀንሳል።
- ☐ የቴሌኮም ዘርፉ በመንግስት ቁጥጥር ስር መሆን ለሀገሪቱ የልማት ግቦች ወሳኝ ነው።
- ☐ መንግስት የቴሌኮም ዘርፉን ከነጻ ገበያ ውድድር ውጪ መቆጣጠሩን መቀጠል ሃገራዊ የደህንነት አደጋዎችን ለመከላከል ይረዳል።
- ☐ የቴሌኮም ዘርፉ በመንግስት ቁጥጥር ስር መሆን መንግስት ዜጎች ላይ ክትትልና ስለላ እንዲያደርግ በር ይከፍታል።

31. ሥልጣን ላይ ያለው የኢትዮጵያ መንግሥት የኢኮኖሚና ልማት ፖሊሲ እንዴት ያዩታል?
- ☐ ደግፈዋለሁ
- ☐ በከፊል ደግፈዋለሁ
- ☐ እቃወመዋለሁ
- ☐ ገለልተኛ ነኝ
- ☐ ግድ የለኝም

32. ሥልጣን ላይ ያለውን የኢትዮጵያ መንግሥት የፖለቲካ አቋጣጫና ባሕሪይ እንዴት ያዩታል?

☐ ደግፈዋለሁ
☐ በከፊል ደግፈዋለሁ
☐ እቃወመዋለሁ
☐ ገለልተኛ ነኝ
☐ ግድ የለኝም

መጠይቁ እዚህ ላይ ያበቃል። ስለትብብርዎ በድጋሚ አመሰግናለሁ። የጥናቱን ዋና ግኝቶችና ማጠቃለያ ሀሳቦች ለማግኘት የሚፈልጉ ከሆነ እባክዎ ከዚህ በታች የኢሜይል አድራሻዎን ያስፍሩ።

APPENDIX F

ONLINE SURVEY INVITATION MESSAGE

Dear Prospective Research Participant,

My name is Téwodros Workneh, and I am a doctoral student at the Department of Journalism & Communication, University of Oregon. I would like to indly invite you to participate in my research that explores public opinion about the ownership model of the Ethiopian telecommunication sector and its relationship with customer satisfaction, governance and democracy, development, surveillance and privacy issues. You may participate if you are an Ethiopian national of 18-years-old and above getting landline, mobile or Internet services from Ethio-Telecom.

Since your answers are to remain anonymous, PLEASE DO NOT PUT YOUR NAME ON THIS SURVEY.

Your input can help me identify challenges in the delivery of services in the Ethiopian telecommunication sector. I estimate that it will take you approximately 15 minutes to complete the survey. Please answer the questions to your comfort level. Simply click on the link below, or cut and paste the entire URL into your browser to access the survey:

https://oregon.qualtrics.com/SE/?SID=SV_aiadzZGJsahL0Ox

Before you start the survey, you will be prompted to read and sign a consent form. Only then can you proceed to fill the survey.

I would appreciate your response by November 15, 2013.

If you would like a summary of my findings, you will be able to enter your email address at the end of the survey. If you have any questions or if you experience technical difficulties accessing or submitting the survey please contact, please email me at tworkneh@uoregon.edu.

Sincerely,

Tewodros W. Workneh
Doctoral Candidate, School of Journalism and Communication
Allen 210, 1275 University of Oregon
Eugene, OR 97403-1275
Email: tworkneh@uoregon.edu

APPENDIX G

INTERVIEW COSENT LETTER

Dear (Name of Interviewee):

My name is Téwodros Workneh, and I am a doctoral student at the Department of Journalism & Communication, University of Oregon. I would like to invite you to participate in my research study that explores public opinion about the ownership model of the Ethiopian telecommunication sector and its relationship with customer satisfaction, governance and democracy, development, surveillance and privacy issues. You're eligible to participate in this study because of you represent an organization that directly or indirectly involves in policy making about the telecom sector in Ethiopia.
The purpose of this study is to explore salient issues like ownership model, infrastructure development and privatization discourses in the Ethiopian telecommunications sector presently.
If you choose to participate, you will be answering questions with themes of: the state of the Ethiopian telecom sector today; challenges and prospects of the state-monopoly model of the sector; and the role of external funders/investors in the Ethiopian telecommunication sector. The interview will be conducted through phone and will take about 30 minutes to complete.

Participating in this study may not benefit you directly, but it will help us learn identify challenges in the delivery of services in the Ethiopian telecommunication sector. You may skip any questions you don't want to answer and you may end the interview at any time. There are no payments associated with participating in this study. There is no cost to you to participate in this research study.

This is completely voluntary and you may say no if you do not want this information used in the study. If you agree and we start talking and you decide you no longer want to do this, we can stop at any time. If it is okay with you, I might want to use direct quotes from you. If you agree, you will be identified by name in the presentations and reports that are going to involve this study. If you do not, the information you provided will be reported and presented anonymously. If you choose to participate, I will also ask you permission to record our conversation so that I can report your responses as accurately as possible.

There are no anticipated risks associated with this study. There are no direct benefits to you either. If you agree to be recorded, the data you provided will be stored on my computer. The file will be password-protected, and will only be accessible me. Interview records will be destroyed once the dissertation is complete and approved, approximately 12 months from the time of the interview. As in everything digital, the risk associated with breach of confidentiality in this research is that of data security. The researcher cannot guarantee total data security in the unlikely event of data damage, interception

and/or corruption or virus attack. In the unlikely scenario of breach of confidentiality, no harm is anticipated on you.

Your participation in this study is completely voluntary and there are no foreseeable risks associated with it. However, if you feel uncomfortable answering any questions, you can withdraw from the interview at any point. It is very important for me to learn your opinions. If you have any questions about this study, please contact me at tworkneh@uoregon.edu or through my phone 541.514.2231. If you have any questions about your rights as a research subject, you may contact: Research Compliance Services, University of Oregon at (541) 346-2510 or ResearchCompliance@uoregon.edu. A copy of this consent form will be sent to you through email or fax upon request.

Statement of Consent:

Do you give consent to talk with me? Yes_____ No_____

If "Yes":

Do you give consent to be identified by name? Yes_____ No_____

Do you give consent for our conversation to be recorded? Yes_____ No_____

The nature and purpose of this research have been sufficiently explained and I agree to participate in this study. I understand that I am free to withdraw at any time without incurring any penalty.

Signature: _____ Date: _____

Name (print): _____

If you choose to participate please send the signed informed consent to tworkneh@uoregon.edu or fax through +1(541) 346-0682

APPENDIX H

INTERVIEW GUIDE

Debretsion Gebremichael, Minister of Communication and Information Technology and Deputy Prime Minister of FDRE

1. What is the rationale behind the Ethiopian government's insistence on maintaining state monopoly of the telecommunications sector?
2. In the past, state officials have repeatedly expressed the telecommunications sector won't be liberalized in the near future. What are the conditions that need to be realized in order for liberalization to be considered?
3. What are the factors that are taken into consideration for awarding multi-billion dollar projects to Chinese multinational corporations to undertake Ethio-Telecom's infrastructure development program? What are the processes through which the government monitors and assesses the success of the projects?

Jan Mikkelsen, IMF Resident Representative in Addis Ababa, Ethiopia

1. How would you assess the relationship between IMF and the Ethiopian government in the past few years?
2. What are the differences between IMF and the Ethiopian government regarding the economic and development policies and programs of EPRDF?
3. How does the IMF assess the increasing presence of China in the Ethiopian economy, particularly the telecommunications sector?
4. What is IMF's position on the liberalization debate of the Ethiopian telecommunications sector?

David Shinn, former U.S. Ambassador to Ethiopia and Adjunct Professor of International Affairs at The George Washington University's Elliott School of International Affairs

1. What are the premises on which Chinese-Ethiopian relations are founded on? How sustainable is this relation?
2. To what extent does the growing Ethio-Chinese relation affect Ethiopia's international standing with the United States?
3. Why does the Ethiopian government single out the Chinese government and Chinese multinationals to be more reliable partners in executing its economic and development goals?

Josefita Pardo de León, Legal Affairs Officer, Accessions Division, World Trade Organization (WTO)

1. The Ethiopian government is optimistic about Ethiopia's accession to the WTO while maintaining its grip on state owned enterprises like the telecom sector. This has been particularly the case after the WTO lowered the bar for the world's least developed countries to join the organization by agreeing new membership standards. Is this optimism shared by the WTO? What are some of the concerns reflected, if any, by member states or other stakeholders on Ethiopia's (imminent) joining of WTO?
2. Some question the decision of the Ethiopian government to join the WTO at this time. They argue the country is not yet fully competitive in the global market and that joining WTO will cause more setbacks than advantages. Are their fears legitimate? Why or why not?
3. To what extent has the Ethiopian telecom sector been a center of discussion between the Ethiopian government and WTO in the former's accession application process?
4. To what extent is it in WTO's interest that the Ethiopian government withdraws from public enterprises that are state monopolies, particularly the telecom sector? Why or why not?
5. What are the concerns expressed by the Ethiopian government in not liberalizing the telecom sector? Does the WTO share these concerns? Why or why not?
6. Is there a condition agreed by the Ethiopian government and the WTO in opening up the telecom sector in the future? If so, what are these conditions?
7. In an ideal condition, how would the WTO like to see the Ethiopian telecom sector structured in terms of ownership, investment and competition?

Mereid Bekele, IP Next Generation Network (NGN) Project Consultant at Ethio-Telecom

1. To what extent are you satisfied with the work undertaken by ZTE that aimed at expanding the Ethiopian telecommunications infrastructure?
2. To what extent are you confident about the monitoring and assessment capacities of Ethio-Telecom regarding the work completed by ZTE?
3. Ethio-Telecom is widely criticized for its poor quality services. In your view, what are some of the major problems that cause these problems?
4. To what extent does the state-monopoly model of the Ethiopian telecommunication sector impact, positively or negatively, the service delivery capacity of Ethio-Telecom?

Woldeloul Kassa, Data and Network Design Consultant at Ethio-Telecom

1. To what extent are you satisfied with the work undertaken by ZTE that aimed at expanding the Ethiopian telecommunications infrastructure?

2. To what extent are you confident about the monitoring and assessment capacities of Ethio-Telecom regarding the work completed by ZTE?
3. Ethio-Telecom is widely criticized for its poor quality services. In your view, what are some of the major problems that cause these problems?
4. To what extent does the state-monopoly model of the Ethiopian telecommunication sector impact, positively or negatively, the service delivery capacity of Ethio-Telecom?

Me'aza Fanta, Technical Trainer, ZTE

1. Can you describe the peculiar features, if any, of Chinese multinationals in engaging with their Ethiopian clients?
2. In your opinion, what are the benefits and costs of working with Chinese multinationals in the telecommunications sector?
3. To what extent do you agree/disagree with the opinion that Chinese multinationals suffer a reputation problem in the Ethiopian market?

APPENDIX I

WORLD BANK OPEN DATA ACCESS E-MAIL GUIDE

Case Number AI1337 : Update on your Access to Information Request
World Bank Access to Info wbaccess@worldbank.org

Thu, Oct 20, 2011 at 7:38 AM

Reply-To: World Bank Access to Info wbaccess@worldbank.org

To: tworkneh@uoregon.edu

Please don't remove the case number from the subject line when you respond

In response to your request under AI1337, the World Bank is pleased to inform you that the documents you are interested in are available in the World Bank's Documents and Reports database. You can either browse this database or search by using the Advanced Search which allows you to narrow your search based on specific criteria. If you browse this database by selecting country "Ethiopia", you will be able to access all documents including project reports, economic reports, departmental working papers etc. that concern Ethiopia. If you would like to see, for example, the latest Economic Reports on Ethiopia, you would select it from the country list (you can select more than one item from the drop down list by holding down the control key (CTRL) as you make your selections). Then select Economic Report as the document type. If you are only interested in reports for certain years, you can specify that in the date field. You may also enter information such as the author's name or select a topic in addition to the document type. You can choose to sort the search results list according to criteria such as date or report type. Once you have made your selections, click on the Search button to see the results. I have performed several quick searchers based on the information you provided in your request and included the links to the results below.
Documents and Reports database
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TRANSLATED EXCERPTS USED IN THE ANALYSIS

Excerpt in original (Amharic)	English translation	Page number in dissertation
ኒዮ-ሊበራሊዝም ከመጀመሪያው ጀምሮ የኢኮኖሚ ቀውስ ከማባባስ፣ የአፍሪካን የኢኮኖሚ ጥገኝነት ከማጠናከር፣ እንዲሁም የነበረውን የአፍሪካ የኢንዱስትሪ ልማትና ኢኮኖሚያዊ መዋቅራዊ ለውጥ ተስፋ ከማመንመን አልፎ እድገትና ልማትን ሊያረጋግጥ አልቻለም።	From its very beginning, neolibealism hardly delivered growth and development but rather exacerbated economic crisis, reinforced Africa's economic dependency, and diminished Africa's hopes of industrial development and structural transformation.	232
ኒዮ - ሊበራሊዝም የኪራይ ሰብሳቢነት የፖለቲካ ኢኮኖሚ የበላይነት መሰረታዊ ምንጭ ምን እንደሆነ በትክክል ማስቀመጥ ስለማይችል መፍትሄውንም በትክክል ማስቀመጥ የሚቻለው አልነበረም። ኒዮ - ሊበራሊዝም መፍትሄ ብሎ ያስቀመጠው ግዙፍ መንግስትን ወደ ትናንሽና ቀጫጫ መንግስት መቀየር የመንግስትን ድርሻ በዋናነት በህግ አስከባሪነት ደረጃ መገደብ የሚል ነው። ይህ መፍትሄ በመሰረቱ ያተዛባና የማያስኬድ ነው።	Because it is inconcievable for neolibealism to correctly identify the fundamental source of the preeminence of rent seeking political economy, it is impossible for it to correcly propose a remedy. What neo-liberalism has proposed as a remedy is to shrink big government to small government and limiting the role of government to principally be that of a law-enforcing body. This proposition is fundamentally flawed and stalemated.	233
ኒዮ - ሊበራሊዝም በአፍሪካ የቀጠቀጣቸው ዴሞክራሲዎች በውጪ ሞግዚቶች ሳንባ የሚተነፍሱ ናቸው። ፓርቲዎቹ መመሪያቸውን የሚቀበሉት ከውጪ ሞግዚቶች ነው፣ እምቢ ካሉ እርዳታው ይቆምና እንርሱም ይከስማሉ። ይህም በተጨባጭ በዚህ አገሮች የሚንቀሳቀሱት ስፍር ቁጥር የሌላቸው መያዶች የኪራይ ሰብሳቢነት መረቦችን አባዝተው ፖለቲካውን በውጪ ዜፈን ያስጨፍሩታል።	The democarcies that neo-liberalism carved out in Africa respirate with foreign caretaker lungs. The parties receive their orders from foreign caretakers; if they refuse assistance will stop and they are doomed to wither. The countless NGOs in these countries multiply rent seeking nets and make the politics waltz with foreign tunes.	233

ኔዎ - ሊበራሊዝም የአፍሪካን ዴሞክራሲ በአጠቃላይ የውጭ ሞግዚታዊ አሰራር ስር አስገብቶ በይዘቱ ኢ - ዴሞክራሲያዊና የቀጣይ ዕድገት ዕድል የሌለው እንዲሆን ሲያደርገው፣ የልማታዊ መንግስታቱ ሂደት ግን በአገር ውስጥ አቅሞች እድገትና ለውጥ ላይ የተመሰረተ ስለነበር ያልተገደበ የዕድገት ዕድል ያለው ሊሆንና የዳበረ ዴሞክራሲ ለመፍጠርም አስችሏል። እናም ኔዎ - ሊበራሊዝም ዴሞክራሲ በድሃ አገሮችም ሊፈጠር ይችላል ማለት ካልሆነ በስተቀር በተጨባጭ የዴሞክራሲ ሥርዓትን ግንባታ ይዘቱ ጸረ ዴሞክራሲ ሆነው ከጀመሩት መንግስታትም ጋር በፍጹም ሊወዳደር የማይችል የጥፋትና የገዘግ መንገድ አቅጣጫ ሆኖ ይታያል።	While neo-liberalism makes African democracy quintessentially non-democratic and one without an opportunity to sustainable growth by subsuming it into an entire external caretaker arrangemet, developmental states create an infinite opportunity for opportunities of development and advanced democracy through internal development and transformation capacities. As a result, neo-liberalism, beyond merely declaring democracy can be created in poor countries, projects a catastrophic, deadlocked path of democratic system building that falls miserbly short even when compared to states that started as anti-democratic.	234
ከመጀመሪያው ጀምሮ ድርጅታችን ለፖለቲካዊ ህልውናው በህዝቡ ድጋፍ ላይ እንጂ በውጪ ድጋፍ ላይ ሳይተማመን ኔዎ - ሊበራሊዝም ከሚያዘው አቅጣጫ በእጅጉ የተለየ የራሱን አቅጣጫ ይዞ ተጉዟል። በአሁኑ ወቅት ልማታዊና ዴሞክራሲያዊ መስመሩን በተሳካ ሁኔታ ተግባራዊ ማድረግም ጀምሯል። የተለየ መንገድ በመቀየሱ በየጊዜው እርዳታና ብድር ሲቀነስበትም ሆነ በአጣቃላይ ለአፍሪካውያን በነፍስ ወከፍ ከሚሰጠው አማካይ እርዳታ ከግማሽ በታች የሆነ እርዳታ እየተሰጠው ባለበትም ቢሆን በቀየሰው አቅጣጫ ጸንቶ በስኬታማነት ለመጓዝ ችሏል። አክራሪ ኔዎ - ሊበራሎች ከሁሉም አቅጣጫ ሲዘምቱበት ይህንኑ የከፋ ዘመቻ ተቋቁሞ ቀጥሏል።	From the begining our party has relied on the support of the people and never on external assistance, thus following a fundamentally different direction from that of neo-liberalism. Today it is carrying out its developmental and democratic objectives successfuly. Even when its adherance to a different course resulted in cuts in assistance and loans or when it receives aid that is less than half what other African countries get individually on average, it is marching suceessfully determined with the course it paved. Inspite of the relentless campaign of radical neo-liberals from all directions, it [EPRDF] has prevailed resisting such offensive.	235
የግል ባለሃብቱ በማንኛውም ስራ ሲሰማራ መነሻው ኢንቨስት ከሚያደርጋት ከያንዳንዲ ብር የላቀ ትርፍ ማግኘት ነው፣ መሆንም ይኖርበታል። ይህን	When a private investor engage in any kind of sector motive is get profit from every dollar it spends;	249

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ለማድረግ የሚቀለው ደግሞ በዋና ዋና ከተሞች ላይና የተሻለ ገቢ ያላቸው ተጠቃሚዎችን ማዕከል ያደረገ አገልግሎት በመስጠት ነው። ይህ ከአገልግሎቱ ለልማታችን የላቀ አስተዋጽኦ ማግኘት ይቻል ዘንድ ሁሉም ኢትዮጵያዊ፣ በትንንሽ ከተማዎችና ገጠሮች ያለው ኢትዮጵያዊም ጭምር ከአገልግሎቱ ተጠቃሚ እንዲሆን ከማድረግ ከማድረግ አላማ ጋር አብሮ ሊሄድ የሚችል አይሆንም። በመሆኑም ነው በብዙ አገሮች የቴሌኮምዩኒኬሽን አገልግሎት በመንግስት ቁጥጥር ስር ሆኖ ለሁሉም ዜጋ እንዲዳረስ የሚደረገውና እዚህ ደረጃ ላይ ከደረሰ በኋላ የግል ባለሃብቶች እንዲገባበት የሚደረገው። መንግስት ይህን አላማ ይዞ የኣአትራፊነት መርህን ሳይጻረር ብዙ ትርፍ ለሚገኝባቸው ትልልቅ ከተሞችና የተሻለ ገቢዎች ላላቸው ሰዎች አገልግሎትን እየሰጠ ከዚህ በሚገኘው ትርፍ አገልግሎቱን በአገሪቱ በሞላ ለማዳረስ ይችላል። የግል ባለሃብቶቹ ይህንን ዓላማ ሊያራምዱ አይችሉም።

and it should. In order to do this, the easy way is to provide a service that is surrounded by major cities and customers that have a relatively higher income. This arrangement cannot deliver a telecom service that plays a superior role in our development agenda by reaching out to all Ethiopians including those in small cities and rural areas. This is why telecommunincations services in many countries are kept under state control with the aim of achiving universal access, during which the private sector can be involved. The state can uphold this objective without being counterproductive to the principle of profitability by operating in big cities and providing services to customers with a higher income so as to use the profit it collects here in order to expand its services all over the country. Private investors cannot advance this cause

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