



Ethiopia

Ethiopia is one of Africa's fastest growing economies, its second most populous country, and its oldest independent state. It is an important regional development and regional security partner for the United States, but also a source of concern regarding democratic governance and human rights. Protests, fueled by repression and a violent crackdown on dissent, shook the country in 2016 and 2017, prompting concerns about its stability. Growing pressure on the government led to a leadership transition that has stirred cautious optimism regarding prospects for change.

Abiy Ahmed, Ethiopia's charismatic prime minister since 2018, has committed to opening the country politically and economically. He won the Nobel Peace Prize in 2019 for his pursuit of peace with neighboring Eritrea—a longtime enemy—as well as for reforms at home and his efforts to resolve other disputes in the region. Prime Minister Abiy faces high expectations and serious challenges, though, and some have criticized his response to rising ethnic violence.

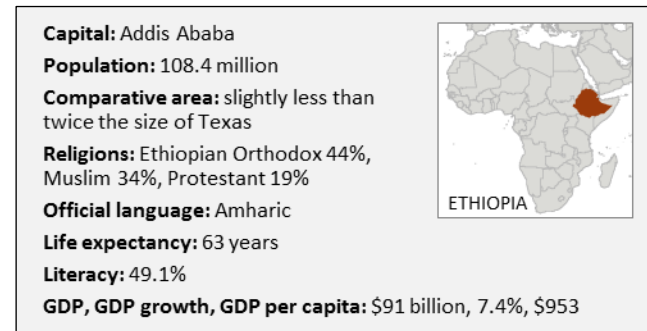
Ethiopia plays a key leadership role in the region. It hosts the African Union (AU) and is the world's largest troop contributor to U.N. peacekeeping operations. It has deployed peacekeepers along the volatile Sudan-South Sudan border and in U.N. missions in Darfur and South Sudan. Ethiopia also plays a critical role in efforts to counter Al Qaeda affiliate Al Shabaab in Somalia. It hosts one of Africa's largest refugee populations: over 735,000 refugees from South Sudan, Somalia, Eritrea, and Sudan.

Background

In the past century, Ethiopia's politics were dominated by three leaders: Emperor Haile Selassie (1930 to 1974), military dictator Mengistu Haile Mariam (1977-1991), and Prime Minister Meles Zenawi. Meles seized power from Mengistu's socialist *Derg* regime in 1991 and ruled until his death in 2012. As leader of both the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) coalition and one of its ethno-regional components, the Tigray Peoples' Liberation Front (TPLF), Meles was a powerful figure in Ethiopian and regional politics, and his policies contributed to rapid economic growth. Critics accused him of stifling dissent and ensuring that his minority Tigray ethnic group dominated the government and senior security posts.

The EPRDF increasingly suppressed dissent after contested elections in 2005, following a brief democratic opening in the early 2000s. The opposition rejected the 2005 results as rigged, and security forces killed roughly 200 people in protests that followed, detaining thousands of opposition members, journalists, and civic activists. Some faced treason charges. The EPRDF won 99.6% of legislative seats in the 2010 elections and 100% in 2015, leveraging repressive laws and electoral regulations to retain its political advantage. Ethiopia ranked among the world's most censored countries until 2018, with opposition activists and journalists jailed on national security charges.

Figure 1. Ethiopia: Key Facts



Source: CRS map. Data (2019) from CIA and IMF databases.

Efforts to suppress dissent intensified from late 2015 into 2016, as protests over the perceived marginalization of Oromo and Amhara communities (the country's first and second largest ethnic groups) escalated. The government responded with force and mass arrests: over 1,000 people were reportedly killed in the unrest and 29,000 were detained under a state of emergency in which restrictions on expression and assembly increased. The protests surged again in late 2017 as ethnic violence also flared in parts of the country, spurring large-scale displacement and increasing pressure on the government.

The unrest shook the foundations of the EPRDF. The coalition, under public pressure and internal strain, pledged reforms. In early 2018, then-Prime Minister Hailemariam Desalegn (Meles' former deputy, who replaced him in 2012) released hundreds of political prisoners, then resigned to pave the way for reforms. The EPRDF's first contested leadership election followed, and Abiy emerged as its first Oromo leader. In April 2018, the legislature elected him prime minister.

Current Political Context

Abiy, 43, is currently Africa's youngest leader. A military veteran with a doctorate in philosophy, he attracted international headlines with fast-paced announcements of political and economic reforms. In his first 100 days, the government released tens of thousands of political prisoners, lifted the state of emergency, removed terrorist designations that had been placed on opposition groups, closed a notorious detention facility, and granted amnesty to jailed dissidents. He invited exiled critics and former insurgents back into the country. He replaced top security chiefs and fired prison officials. The government opened access to over 260 blocked websites, blogs, and broadcasts.

In his inaugural address, Abiy acknowledged critiques of EPRDF governance and "the need to address existing inequities that led to recent unrest," declaring that "democracy cannot be realized in the absence of rights." He shocked many when he admitted, in an address to parliament, that the government had tortured prisoners.

Civil society advocates welcomed the legislature's passage in early 2019 of a key reform measure, the Civil Society Proclamation, which opened space for human rights groups and lifted funding restrictions imposed in 2009.

Abiy's appointments have been unprecedented for Ethiopia in terms of gender, ethnic, and religious diversity. Half of his cabinet are women. He named a prominent women's rights advocate to be chief justice and appointed the country's first female president (a largely ceremonial post).

Abiy has pledged a more level playing field ahead of elections, scheduled for August 2020. He appointed former opposition leader and judge Birtukan Mideksa (who had been living in exile in the United States) to lead the electoral commission. In late 2019, he prompted the merger of the EPRDF's component parties and allied groups into a national Prosperity Party, effectively signaling the end of the EPRDF. The TPLF, once the coalition's dominant party, has broken away. Meanwhile, opposition coalitions are forming as the elections approach.

The 2020 elections could be Ethiopia's most competitive in at least 15 years, but they may also be a flashpoint. Ethnic violence has flared in parts of the country since 2017, displacing as many as three million people. The political opening under Abiy has allowed Ethiopians to vent grievances, but there also has been score-settling and a rise in hate speech. Some call Abiy's response to the ethnic violence insufficient, while others raise concerns that the government may revert to authoritarian tactics to stem unrest. The assassinations of state officials in the Amhara region and the head of Ethiopia's military in mid-2019, as well as more recent tensions in Abiy's own Oromia region, underscore fault lines that could derail Ethiopia's transition.

The Economy

Ethiopia has been among the world's fastest growing economies for over fifteen years. Its per capita income, though, remains among the world's lowest, and unemployment is high. Development indicators—literacy levels, rates of infant mortality, life expectancy—are poor but improving. Ethiopia suffers from recurrent drought. Of the 8.4 million Ethiopians estimated to need aid in 2020, 6.2 million face acute food insecurity.

Agriculture accounts for 70% of employment and a third of GDP. Coffee is the largest export. The EPRDF sought to transform the economy through large-scale infrastructure and electrification projects—with the aim of making Ethiopia a manufacturing hub—and by leasing large swaths of agricultural land to foreign investors. The deals, which have displaced farmers, have been controversial. Environmental and rights activists have also raised concerns over the impact of major hydroelectric projects on local communities.

While Ethiopia's ambitious development agenda has fueled economic growth, it has led to a risk of debt distress. Ethiopia owes roughly half of its external debt to China, which has provided over \$13 billion in financing. As noted above, Abiy has sought to move away from Meles' state-centric approach and liberalize the economy, opening some sectors and state enterprises to foreign investors.

Regional Tensions

Construction of Africa's largest hydroelectric power project, the Grand Ethiopian Renaissance Dam (GERD), is nearing completion. The project, which would significantly expand Ethiopia's domestic power capacity and allow it to export electricity to neighbors, has been a source of serious tension with Egypt. Egypt is concerned the dam will stem the flow of the Nile, a critical source of water. In late 2019, Treasury Secretary Mnuchin invited officials from Ethiopia, Egypt, and Sudan (through which the Blue Nile runs) for talks on the dam, after Egypt's president asked President Trump to engage. The parties reported progress toward a deal on the GERD's filling and operation in early 2020.

Another key concern for Ethiopia has been its relationship with Eritrea, which seceded from Ethiopia in 1993. An unresolved border war between the two countries (1998-2000) led to a standoff between the two governments, which supported proxy forces in the region against each other, including in Somalia. Abiy extended an olive branch in June 2018, announcing that Ethiopia would comply with a peace deal signed in 2000 with Eritrea and cede disputed territories; the countries have since moved to restore ties. See also CRS In Focus IF10466, *Eritrea*.

Instability in neighboring Somalia is a security concern for Ethiopia. It deployed troops there in 2006, with tacit U.S. backing, to oust a network of Islamist militias that had seized control of Somalia's capital. That led to a long campaign against Al Shabaab and other insurgents. Ethiopia joined the U.N.-mandated African Union Mission in Somalia (AMISOM), to which it contributes over 4,000 troops, in 2014. Ethiopian interests in Somalia are linked to domestic considerations regarding its own ethnic Somali population and other factors, including regional influence, economic opportunities, and port access.

U.S. Policy and Foreign Assistance

Ethiopia's stability and prosperity have been key priorities for U.S. engagement, given its size, susceptibility to food insecurity, and position in a volatile but strategic region. Relations have centered on efforts to alleviate humanitarian crises and endemic poverty, and respond to regional instability and terrorist threats. Human rights concerns complicated the relationship prior to the political opening in 2018, leading Congress to condition some types of aid.

U.S. bilateral aid to Ethiopia, most of it for development, health, and food programs, totaled over \$900 million in FY2016, \$750 million in FY2017, and \$600 million in FY2018 appropriations. The Administration's FY2020 budget request of \$204 million reflected, in part, the Administration's proposed changes to global food aid programs, but also proposed cuts to health, education, agriculture, and governance support. Country-specific budget requests do not include emergency humanitarian aid, which is allocated according to need during the fiscal year. Such aid for Ethiopia totaled over \$495 million in FY2019. Ethiopia continues to benefit from the USAID-led Feed the Future and Power Africa initiatives, which fund agricultural development and energy projects.

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