



Ethiopia

Ethiopia is Africa's oldest independent state and its second most populous country. It hosts the headquarters of the African Union (AU) and is the world's largest troop contributor to U.N. peacekeeping operations, with forces deployed in U.N. missions in neighboring Sudan and South Sudan, and in Somalia as part of a multinational effort to counter the Al Qaeda affiliate Al Shabaab. The United States has viewed Ethiopia as an important security partner in a volatile region. The bilateral relationship, which dates back over 100 years, has been strained at times by tensions over human rights and governance concerns.

Anti-government protests, fueled by a violent crackdown on dissent, shook Ethiopia in 2016-2017. Pressure on the government led to a leadership change in 2018 that stirred optimism over the prospects for reforms. The transition underway is fragile, though, and increasingly under strain.

When Prime Minister Abiy Ahmed took office in 2018, he pledged to open Ethiopia politically and economically. He won the Nobel Peace Prize in 2019 for pursuing peace with neighboring Eritrea, initiating reforms at home, and seeking to mediate other regional disputes. Amidst his reforms, however, ethnic conflict has flared. Violent unrest in early July 2020, triggered by the murder of a popular Oromo singer and activist, underscored deep-seated ethnic tensions that threaten Ethiopia's stability. The government blocked the internet for weeks and arrested nearly 5,000 people, including journalists, activists, and several opposition leaders, raising concerns of democratic backsliding. The government has postponed the 2020 elections due to Coronavirus Disease 2019 (COVID-19), adding to tensions and prompting calls for a national dialogue.

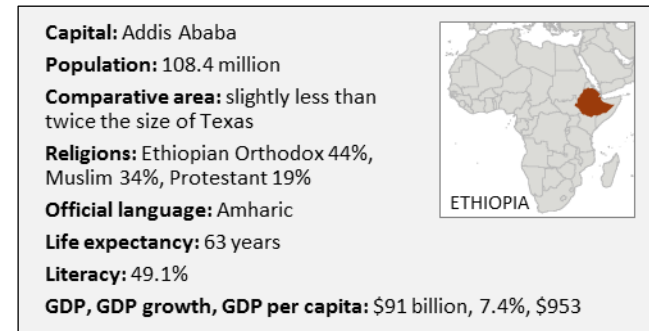
Background

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.

Political space in Ethiopia closed after contested elections in 2005, following a brief democratic opening in the early 2000s. Thousands of civic activists, opposition members, and journalists were arrested in protests over the results. Some were convicted on treason charges. The EPRDF later leveraged repressive laws and electoral regulations to maintain its political advantage, taking 99.6% of seats in

the 2010 elections and 100% in 2015. Ethiopia ranked, until 2018, among the world's most censored countries.

Figure 1. Ethiopia: Key Facts



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

Efforts to suppress dissent intensified in 2016, as protests over the perceived marginalization of the largest and second largest ethnic groups, the Oromo and Amhara, escalated. The government responded with force and mass arrests: 29,000 people were detained under a state of emergency that tightened restrictions on expression and assembly. Over 1,000 people were reportedly killed, many by security forces, in unrest. The protests surged again in late 2017 and ethnic violence intensified, spurring mass displacement.

The unrest shook the foundations of the EPRDF. Under public pressure and internal strain, the coalition pledged reforms. In early 2018, then-Prime Minister Hailemariam Desalegn released hundreds of political prisoners and then resigned, to pave the way for more substantive 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

Prime Minister Abiy, a military intelligence veteran with a doctorate in philosophy, is Africa's youngest leader. In his inaugural address, he acknowledged critiques of EPRDF governance and "the need to address existing inequities that led to recent unrest," stating that "democracy cannot be realized in the absence of rights." He shocked many when he admitted that the government had tortured prisoners.

He attracted international headlines early in his tenure with fast-paced announcements of political and economic reforms. In his first 100 days, the government released tens of thousands of political prisoners, removed terrorist designations on opposition groups, and closed a notorious detention facility. He invited former insurgents and exiled critics to return, replaced top security chiefs, and fired prison officials. The government opened access to over 260 blocked websites, blogs, and broadcasts. Civil society welcomed the early 2019 passage of the Civil Society Proclamation, a key reform measure that opened space for human rights groups and lifted funding restrictions. Abiy's

appointments were unprecedented in terms of gender, ethnic, and religious diversity. Half of his cabinet are women, as are Ethiopia's new president and chief justice.

Abiy pledged a level playing field for the planned 2020 elections and named a former opposition leader to lead the electoral board. New parties emerged, and others formed new coalitions. In late 2019, Abiy prompted the merger of the EPRDF's parties and allies into a new Prosperity Party. The once-dominant TPLF broke away.

The political opening under Abiy has allowed Ethiopians to vent grievances, but there has also been a rise in hate speech and militant ethno-nationalism. Ethnic violence has displaced over three million people since 2017. Some have called Abiy's response insufficient. Others raise concern that he will revert to authoritarian tactics to stem unrest. The assassinations of state officials in the Amhara region and the head of the military in 2019, and more recent tensions in Abiy's own Oromia region and the capital, underscore fault lines that could derail the transition.

In March 2020, officials postponed the August elections, citing COVID-19 concerns. Most parties accepted the decision, but called for consultations. In April, the government declared state of emergency as the pandemic worsened. With parliament's term set to expire at the end of September, some opposition leaders called for a caretaker government to lead Ethiopia through elections. Abiy dismissed the idea, and parliament has extended its term "until international health institutions have deemed the threat from coronavirus to be over," prompting concerns of an indefinite delay. The TPLF has defiantly declared that Tigray state will hold its own vote in August.

Economic and Humanitarian Situation

Ethiopia has enjoyed rapid economic growth but has low per capita income and high unemployment. Development indicators are poor but improving. Agriculture accounts for 70% of employment and a third of GDP.

The EPRDF sought to transform the country's economy by investing in large-scale infrastructure and electrification projects—with the aim of making Ethiopia a manufacturing hub—and by leasing agricultural land to foreign investors. Related land deals displaced farmers and remain controversial. Economic growth followed, but spending raised the risk of debt distress. Abiy has sought to liberalize the economy, opening some sectors and state enterprises to foreign investors. He seeks to reduce Ethiopia's debt to China—which accounts for roughly half its external debt—and has secured the rescheduling of some of its loans.

COVID-19 has hit Ethiopia's economy hard: the IMF revised its GDP growth forecast from over 7% for 2020 and 2021, to 3.2% in 2020 and 4.3% in 2021. The World Bank has approved over \$330 million in financing, while the IMF is providing \$411 million for Ethiopia's pandemic response.

The U.N. estimates that 16.5 million Ethiopians will face acute humanitarian needs in 2020, a 136% increase from its initial estimate. COVID-19 effects, conflict, a desert locust outbreak, flooding, and inflation exacerbate food insecurity. Roughly 8.5 million people face crisis levels of acute food insecurity; over 1.7 million are internally displaced. Ethiopia hosts one of Africa's largest refugee populations:

over 760,000 refugees from South Sudan, Somalia, Eritrea, and Sudan. U.S. humanitarian aid totaled \$495 million in FY2019 and almost \$440 million to date in FY2020.

Regional Tensions

Construction of the Grand Ethiopian Renaissance Dam (GERD), Africa's largest hydroelectric power project, is nearing completion. It would significantly expand domestic power capacity and allow Ethiopia to export electricity. The project has been a source of national pride, but also a point of regional tension. Egypt is concerned that the GERD will limit the Nile's flow, and has sought international support to press Ethiopia into a comprehensive, binding deal on the dam's operation. U.S. Treasury Secretary Mnuchin offered to host talks between Ethiopia, Egypt, and Sudan on the dam in late 2019. The negotiations stalled in February, with Ethiopia raising concern of U.S. bias. The talks have since resumed in the region: they failed to reach a deal before the initial reservoir filling began in July, but the discussions continue, now under AU auspices. See also CRS Insight IN11471, *The Nile Dam Dispute: Issues for Congress*.

Ethiopia's relationship with Eritrea, which seceded from Ethiopia in 1993, has warmed. An unresolved border war between the two countries (1998-2000) led the rivals to support 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.

Instability in Somalia is another security concern for Ethiopia. It deployed troops there in 2006, with tacit U.S. backing, to oust a network of Islamist militias that had taken control of Mogadishu. That led to a long campaign against Al Shabaab and other insurgents. Ethiopia joined the U.N.-mandated AU Mission in Somalia (AMISOM), to which it contributes over 4,000 troops, in 2014. It maintains additional forces in Somalia that are not part of AMISOM. Ethiopian interests in Somalia are linked to considerations regarding its own ethnic Somali population, regional influence, economic opportunities, and possible port access.

U.S. Policy and Foreign Assistance

Ethiopia's stability and development have been priorities for U.S. engagement, given its size, susceptibility to food insecurity, and position in a volatile but strategic region. Joint efforts have sought to alleviate humanitarian crises and endemic poverty, and to counter terrorism and regional instability. Human rights concerns complicated relations under the EPRDF, and Congress conditioned some U.S. aid. Ethiopia's transition has provided an opportunity to deepen ties, including in the context of competition with China. The GERD dispute has become a point of friction, however, raising questions about prospects for an anticipated Millennium Challenge Corporation threshold program and International Development Finance Corporation plans for "multi-billion-dollar" investments in Ethiopia.

U.S. bilateral aid totaled over \$640 million in FY2019, supporting health, development, and food programs. The Administration seeks roughly \$300 million for FY2021, not including emergency humanitarian aid and reflecting proposed changes to global food aid programs and cuts to health, education, agriculture, and governance support.

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