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## The politics of aid in Ethiopia

By **David Loyn**

BBC Developing World correspondent

**Aid thinking moves in policy cycles, and the dogma for now, at least for the big European donors, is to give aid directly to governments.**

It is not given completely blindly, of course, and developing countries have to put in place poverty reduction strategies that add up.

But once they do, they are likely to get direct budget support to allocate funds as they see fit.

The idea has many advantages - ticking a lot of the necessary policy boxes.

It is predictable, harmonised, unconditional and more effective - helping weak economies to plan from a known cash flow, rather than trying to fit in with the plans of dozens of different donors.

And this principle of direct budget support won international backing with the Paris Declaration last year, which the big donor governments signed up to.

So far so good. But what happens when things go wrong?

If aid is really to be unconditional, then what levers do donor governments have left to play with?

### Testing times

The biggest test so far came with the elections in Ethiopia last year.

Relations between the government and representatives of the international community had deteriorated even before the votes were all counted, with the government believing that foreign election observers favoured the opposition's account of what went wrong.

Since then, things have gone from bad to worse, with many of the opposition politicians who did win refusing to take their seats because they claim the election was stolen from them.

After demonstrations in November turned bloody, leading to deaths of protestors and policemen, thousands were rounded up and tight conditions imposed on the press.



Violence during last year's elections set back the aid process

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Prime Minister Meles Zenawi claimed that he was facing a violent version of Ukraine's Orange Revolution, backed by expatriates who wanted to return to the dictatorship which he ousted in 1991.

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But the opposition denies this, saying instead that they only want a fair election and freedom for those still being held in jail, many of whom are facing charges as serious as treason.

### Closed doors

It was all a long way from the anointing of Mr Meles when Tony Blair launched his Commission for Africa side by side with him in Addis Ababa last October.

And now, remarkably for a country where one in six people depend on food aid, the big donors have not even spoken to the government for six months.

**“ We are eager to engage the donor community in dialogue...Development assistance should not be turned on and off ”**

Meles Zenawi, Ethiopian prime minister

The straight-speaking EU representative Tim Clarke wants to talk, but says the door is closed.

'It takes two to tango. A dialogue requires trust and I can understand that on their side they were wounded. Suddenly the doors were closed, or at least half closed, and although we have been pushing for an openness and a dialogue, we haven't seen that happening as fast as we want.'

Mr Meles agrees with the dancing metaphor, but will only take the floor again under certain principles.

"We are eager to engage the donor community in dialogue, but we would want to establish that dialogue on the basis of a number of principles...the first is predictability. Development assistance should not be turned on and off."

In public, the government make light of the loss. But at around \$500m as donors cut funding, it must have hurt, and now the big spenders are by-passing the central government as much as possible, so they can make their point without causing pain to the poor.

### Self-dependency

Instead of direct budget support to the centre, it is going to regional government instead, and Britain in particular is putting more emphasis on a "safety net", giving cash rather than food aid to those who work, to try to cut dependency.

It is a popular scheme. Dancitu Demisie, a widow and mother of five I met digging a drainage channel, showed me the goats she had been able to buy which she would not have if she just had food aid.

"I love to work, to work because I can manage to feed my family, to buy cattle, and to buy clothes for myself and my kids."

Ethiopia was to be a test case for democracy, but instead has turned into a test of how to manage the relationship when things go wrong.

And with "good governance" now the mantra of the moment, there could be more countries going this way in the future.

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