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FACING MULTIPLE CRISES

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ETHIOPIA

Facing multiple crises

By Jan Záhořík

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Economic, Security, and Social Challenges

On 1st of January 2024, Ethiopia has become a member of the BRICS community which can be seen by many as another shift from the dominance of the USA in the global politics towards a multipolar world. Together with Ethiopia, Egypt, Saudi Arabia, Iran and the United Arab Emirates joined the club making the South-South cooperation stronger and more visible. ¹

“Robberies of all kinds have become a daily norm and rumours of kidnappings are widespread.”

Inflation is a relatively normal thing in Ethiopia’s economy and growth of food prices has been usually associated with a number of factors including drought, governmental monetary policy, population growth, etc. ² Current inflation can also be seen as a result of the war in Tigray, and subsequent conflict in Amhara and Oromo regions, combined with sanctions during the Tigray war, and multiple other aspects (such as high governmental spending on the military).

¹ See e.g. <https://efe.com/en/latest-news/2024-01-01/ethiopia-officially-joins-brics-group-of-emerging-economies/>

² See e.g. Berhanu Kuma, Girma Gata (2023): Factors affecting food price inflation in Ethiopia: An autoregressive distributed lag approach. *Journal of Agriculture and Food Research* 12 (2023) 100548.

National Bank of Ethiopia released a statement in June 2023 that Ethiopia's inflation has gone under 30 percent (29,3%) for the first time in two years ³ but the situation remains catastrophic for many families.

The inflation creates tensions in the society so that an ordinary observer especially in Addis Ababa can see how the security situation has changed in last few years. Robberies of all kinds have become a daily norm and rumours of kidnappings are widespread. These are things that Ethiopia has never been known for and it shows what kind of impact the war in Tigray had on security situation in the whole country, particularly in its militarization of all kind of state and



Countryside in Southern Nations, Nationalities, and Peoples' Region

³ https://nbe.gov.et/nbe_news/press-release-monetary-policy-statement/

non-state actors, which complicate already fragile social contract in the country.

We talk primarily about the Fano militias in the Amhara region as well as OLF-Shene in many parts of Oromia. **An ongoing conflict in both regions have created a situation in which it is almost impossible to travel freely inside the country and the only safe means of transportation remains the plane** (multiple domestic flights connecting Addis Ababa with a large number of towns all across the country).

“A year ago, I was charged 200 birrs for a bajaj (a three wheel small taxi used in the Ethiopian countryside) to get from the Jimma airport to the hotel I stayed in. A year later the same journey was offered for 500, after bargaining for 400. And the same goes with prices of food both on the local markets as well as in restaurants.”

Ethiopian Electric Power, a big company in the country, has had an experience with the kidnappings as six of its employees were kidnapped in October 2023 and a total amount of 60 million birrs (roughly 1 million USD) demanded as ransom. As some analyses show, kidnapping may be a result of multiple factors depending on the agenda of the kidnapper. There might be several strategies, in each of those the financial factors (of course) plays a role but there may also be a tendency to create instability and chaos in a particular region.

Although the Oromo Liberation Army (OLA) kept denying any involvement in the kidnappings, there is a popular belief in the affected

areas that some of the cases of kidnappings are done by OLA.⁴ Especially in the current unstable situation in Ethiopia, we may expect more of such incidents to happen.



The Sidama Region

Ethiopia has also a shortage of foreign currency, namely the US dollar. The difference between an official rate and an unofficial rate is massive, practically double as of January 2024. It is therefore no surprise that the government repeatedly continues

⁴ See e.g. <https://enactafrica.org/enact-observer/ethiopia-kidnappings-terrorism-transnational-organised-crime-or-banditry>

(though unsuccessfully) with the crackdown on the black market areas in last years.⁵

In the meantime, prices of practically all commodities continue to rise. Just an example, a year ago, I was charged 200 birrs for a bajaj (a three wheel small taxi used in the Ethiopian countryside) to get from the Jimma airport to the hotel I stayed in. A year later the same journey was offered for 500, after bargaining for 400. And the same goes with prices of food both on the local markets as well as in restaurants. And the predictions are not positive either.



Semera, Afar Region

⁵ <https://www.thereporterethiopia.com/27154/>

The report of the World Food Program⁶ shows that the Tigray region has not yet fully recovered from the conflict in 2020-2022 and the household capacity to produce and purchase food remains low.

Similar problems, related to conflict, drought as well as El Niño effect have caused serious troubles in southern and southeastern parts of the country, plus in the Amhara region as well. Parts of Afar, Amhara, Tigray, Somali and Oromia regions have experienced enormous pressures on local societies due to the conflict, drought and low production. This necessarily leads to rural-urban migration and creates other problems with accommodating displaced persons into an urban environment, sanitation, health issues, etc.

Population pressure, food insecurity, and regional inequalities play a role in rural-urban migration. **Such migration can, on the other hand, result in benefits for the household primarily via remittances.** It has been documented that households receiving remittances do better in long-term perspective, also willing to invest in long-lasting goods than households without this migration background.⁷ However, it does not change the crucial question regarding the future industrialization of the country.

The membership in BRICS can be seen for Ethiopia as a good sign, but the challenges and all kinds of threats (internal violence, poverty, conflicts, kidnappings, criminality, urban-rural inequalities) make it a little bit complicated for Ethiopia to regain the aureole of a progressively developing regional hegemon with the ambition to become a regional power. These challenges and threats require a deeper look.

⁶ <https://fews.net/east-africa/ethiopia/food-security-outlook/october-2023>

⁷ See gza et al., Determinants of rural-urban migration and its impact on migrant-sending households' livelihood security in Gurage zone, Ethiopia *Cogent Social Sciences* (2023), 9: 2190253

The Issue of Somaliland and the 'Periphery'

Recently, the Horn of Africa politics has been enriched by the Memorandum signed between Ethiopia's Prime Minister Abiy Ahmed and the government of the Republic of Somaliland, an entity which is still not internationally recognized.



Semera, Afar Region

The memorandum of understanding has been designed to allow Ethiopia leasing 20km of coastal area in Somaliland in exchange for a share in Ethiopian Airlines, Ethiopia's most prosperous and globally known company, plus it paved the way to the recognition of Somaliland as an independent state.⁸

This decision has sparked some serious debates and concerns both in the region as well as among world powers. The United States quickly reacted saying Somaliland will not be recognized and that the region needs to calm down instead of fuelling controversies.⁹ China followed with a statement supporting the federal government in Mogadishu and respecting the integrity of Somalia. The same reaction came from Turkey, Egypt, the Arab League and other major actors in one way or another involved in the Horn of Africa affairs.¹⁰

“Deterioration of relations between the two countries may lead to more terrorist threats that would affect the whole region, not only Somalia.”

The memorandum comes as a win-win situation for both Abiy Ahmed and Somaliland's president Muse Bihi Abdi. Ethiopia's economic troubles, enormous inflation mixed with years of violence (first the war in Tigray, now the Amhara-Oromo conflict and other disputes) complicate Ethiopia's growth and put the country in a fragile situation. Ethiopia has been trying to secure access to the sea for a long period of time but negotiations with Djibouti to reduce payments for using the Djibouti port led nowhere as Djibouti relies heavily on rents.

⁸ Zacharias Zelalem (2024): Ambiguous Ethiopia port deal fuels uncertainty over Somaliland statehood, in: <https://www.aljazeera.com/features/2024/1/4/ambiguous-ethiopia-port-deal-fuels-uncertainty-over-somaliland-statehood>

⁹ <https://www.barrons.com/news/us-says-no-recognition-for-breakaway-somaliland-after-ethiopia-deal-387a1a84>

¹⁰ See e.g. <https://www.arabnews.com/node/2440711/world>



Semera, Afar Region

Moreover, security concerns in regard to possible recognition of Somaliland by Ethiopia play a significant role in other countries' support of the Somali Federal Government (SFG). The reasons are rather simple, Ethiopia has troops in Somalia that help SFG to fight al-Shabaab. Deterioration of relations between the two countries may lead to more terrorist threats that would affect the whole region, not only Somalia. It is very probable, that al-Shabaab will try to capitalize on the

anti-Ethiopian sentiments in Somalia and increase the attacks on Ethiopian troops there.¹¹



Semera, Afar Region

In Ethiopia, not everybody is happy about the steps taken towards recognition of Somaliland and the whole memorandum between Abiy Ahmed and Muse Bihi Abdi. Looking at the “peripheral” Afar region (neighboring with Djibouti and Eritrea), things seem to get one another dimension. The Afar people live in three

¹¹ <https://www.criticalthreats.org/analysis/salafi-jihadi-movement-update-special-edition-ethiopia-somaliland-port-deal-strains-horn-of-africa-counterterrorism-cooperation-and-alters-red-sea-geopolitics>

countries, Ethiopia, Eritrea, and Djibouti and for centuries they have been using trade networks in the area.



Semera, Afar Region

Geographical isolation helped to form the Afar identity. After the establishment of ethnic federalism, the Afar region became one of nine federal units in Ethiopia. Recently, the region has undergone enormous changes with the foundation of Semera town including Semera

university.¹² **Semera is an important stop on the trade route from Djibouti** (both official as well as clandestine/contraband) and it is this aspect that brings uncertainty to the region when it comes to the memorandum of understanding between Ethiopia and Somaliland.

The Afars have been opposed to this plan, and have been pushing for efforts to use the port of Asab in Eritrea, as it is part of Afar territory. However, Abiy Ahmed opted for Somaliland on the grounds that Eritrea and Ethiopia do not trust each other, and in turn **there are fears that Ethiopia would lose its possible investment in the port of Asab** after the fall of the Isaias Afeworki regime, as no one knows what may happen in Eritrea in the foreseeable future.¹³

“Every week we are surprised by some new and possibly explosive thing, just like this one, but at least for a few days we have forgotten about the Amhara-Oromo conflict.”

During the times of the war in Tigray, **the Afar region was heavily affected by the fight between Tigray People’s Liberation Front (TPLF) and the Ethiopian Defence Forces (EDF)**. In the current state of affairs, particularly in regard to the Amhara-Oromo conflict (to which we will get back in Part III), the Afar society remains neutral.

According to local sources, one of the reasons is that the Afars as a clan-organized society always push for things that primarily benefit the

¹² Markakis, John (2021): The Afar, in: The Nation State. A Wrong Model for the Horn of Africa, ed. by John Markakis, Günther Schlee, and John Young. Max Planck Research Library for the History and Development of Knowledge. Studies 14, pp. 83-106.

¹³ Interview, Semera, 16/01/2024.

Afar as a historical minority, long neglected from the center as part of their survival strategy.¹⁴

Thus, the eventual recognition of Somaliland and increased trade between Ethiopia and Somaliland would throw the Afar region into an even more peripheral position as trade routes with Djibouti would most probably lose their current significance. On the other



Meskel Square, Addis Ababa

hand, **the possible recognition of Somaliland by Ethiopia seems rather less likely to everyone in the Afar region, as Ethiopia has a shortage of hard currency.** As a country it has a significant debt

¹⁴ Interview, Semera, 16/01/2024.

which is a major economic issue last few years, and it needs support from China and rich Gulf states who oppose the independence of Somaliland and support the integrity of Somalia. Given the fact that Djibouti hosts an Afar minority that has been fighting for larger recognition in the small country, an attempt to recognize Somaliland may also fuel more tensions between the Afars and Somali Issa clan. Such thing would make the “periphery” even more vulnerable.

Many people, even in Addis Ababa, Ethiopia’s capital, see the MoU between Ethiopia and Somaliland as a dangerous step which may cause more damage to the country than what the possible benefit would be. As a colleague of mine, an Ethiopian political analyst, said, “every week we are surprised by some new and possibly explosive thing, just like this one, but at least for a few days we have forgotten about the Amhara-Oromo conflict.”¹⁵

¹⁵ Personal communication, Addis Ababa, 18/01/2024.

The Amhara-Oromo conflict and what's next?

The War in Tigray which has affected the whole country has in one way or another metastasized into series of other conflicts and tensions. **The most serious one which is complicating matters in Ethiopia now is the Amhara-Oromo conflict and rivalry.** When the 'Oromo protests' that lasted roughly from 2015 to 2018 were joined by the 'Amhara protests' in order to revolt against the government of the Tigray People's Liberation Front (TPLF) rule under the umbrella of the Ethiopian People's Revolutionary Democratic Front (EPRDF), **it seemed that perhaps for the first time in modern and contemporary history of Ethiopia, the two biggest ethnic groups were 'on the same page' in the fight for the future of Ethiopia.** Few years later, both regions are in turmoil as a result of unresolved multilayered problems inherited from the past, not only from the era of ethnic federalism.

Ethnic federalism gave a space to "ethnic obsession" which emphasized the role of ethnic identity in daily lives and in politics. Parts of the Oromo elites have been using the narrative of historical suffering as their claim to power in Ethiopia. Although Ethiopia has never been colonized by a foreign power (with an exception of the short-lived Italian occupation in 1936-41), the colonial perspective began to be used by many Oromo scholars, particularly in

the diaspora, and plenty of studies and books dealing with “Abyssinian colonialism” and “Oromo resistance” began to appear since the 1980s.¹⁶

“One of the phenomena of current Ethiopia is a tangible mistrust between representatives of all major groups.”

The long-standing resentment of the Oromo against the “Northerners” (basically the Tigray and Amhara people) resulted in the abovementioned Oromo protests and subsequent transformation in 2018 which put Abiy Ahmed into the position of the Prime Minister in Ethiopia. The war in Tigray which started in November 2020 and lasted for about two years saw the Amhara militias fighting side by side the Ethiopian Defence Forces against Tigray. This was already the era of the rise of Amhara nationalism. **The Amhara elites saw themselves sidelined by both the long-lasting rule of the TPLF/EPRDF as well as the Oromo rise to power under Abiy Ahmed. The National Movement of the Amhara (NaMA) and Fano militias have been products of this rise.**

When the war ended, the government announced the plan to integrate all regional special forces into regular defence and police forces, a step vehemently refused by the Amhara people, with the fear of becoming vulnerable and an easy target for the Oromo militants from the Oromo Liberation Army (OLA) and others. Already that time, Ethiopia was on the verge of just another conflict, **this time between the Amhara and Oromo as the Amhara communities**

¹⁶ See e.g. Birru, Lubie. "Abyssinian colonialism as the genesis of the crisis in the Horn: Oromo resistance (1855-1913)." *Northeast African Studies* (1980): 93-98.; Baxter, Paul TW. "Ethiopia's unacknowledged problem: the Oromo." *African Affairs* 77.308 (1978): 283-296.; Jalata, Asafa. "Sociocultural origins of the Oromo national movement in ethiopia." *Journal of Political & Military Sociology* (1993): 267-286.

blamed Abiy Ahmed of not protecting the civilians against attacks committed by the OLA.¹⁷ One of the phenomena of current Ethiopia is a tangible mistrust between representatives of all major groups. Many Amhara members of special forces began to enter Fano militias which only deepened this mistrust.



Addis Ababa

In the meantime, security situation in the country has deteriorated to the point when it becomes almost impossible to travel across the country. Especially in Western Oromia (Wellegga region) and almost all

¹⁷ <https://issafrica.org/pscreport/psc-insights/a-restive-amhara-needs-the-councils-attention>

across Amhara region, there are at least occasional incidents of violence.

Recently, the OLA has announced a total blockade of all roads for Sunday, January 27, 2024, including the closure of banks, and schools, and other institutions throughout Oromia. It's not clear how long this situation may last and how it may affect already tense relations between the major ethnic groups. **Situations like this create doubts whether the central government is capable of executing power over the whole territory of the country** or whether what we see is the existence of a parallel government at least in Oromia.

“They are mostly people going to work on a regular basis, but take up arms when the Amhara identity is threatened.”

According to people who understand the Ethiopian economy, the country is about five to six months away from economic collapse. This, combined with the intractable conflict in the Amhara region, could mean problems on a massive scale. The Fano forces are unlikely to be defeated because the Fano are by no means centrally organized. They are mostly people going to work on a regular basis, but take up arms when the Amhara identity is threatened. At the same time, the current announcement by Oromo clerics that the Oromo Church will separate from the Ethiopian (i.e. Amhara dominated) one has contributed to the split within Ethiopia.¹⁸

The reasons behind the security crises in Ethiopia are multiple. On one hand, it is definitely a heritage of the ethnic federalism which turned ethnicity into a fetish but did very little to set up a real federal system with self-rule and shared-rule. Second, the level of mistrust and animosity between leaders of various groups, parties or ethnic militias

¹⁸ Interview with a political analyst, Addis Ababa, 24th January 2024.



Bahir Dar, Amhara Region, Northern Ethiopia

is significant. Third, **there exist a supremacist agenda among the elites in every group in Ethiopia which can be described as a “winner takes all” policy.** Such approach makes it very difficult to reach a compromise that would end up in what we may call a win-win situation. Last but not least, engagement of neighboring states, particularly Eritrea, is another component of the mosaic.¹⁹

¹⁹ See e.g. <https://blogs.lse.ac.uk/africaatlse/2024/01/04/why-did-peace-talks-fail-in-ethiopia-with-the-oromo-liberation-front/>



Addis Ababa

What's next? That is a question many people in Ethiopia fear to answer. Ethiopia has undergone huge crises in past few years and this one seems to be the most significant as it brings together a toxic and explosive combination of socio-economic difficulties and regional, inter-ethnic and even inter-religious conflicts, turbulences, or disputes.

Solutions are not easy. Without negotiations and peace inside the country, there can hardly be a renewal of Ethiopia's economic growth which once impressed the world. And easier access to the sea will not change anything on that. The Ethiopian people are used to live in modest conditions but lack of resources can be seen everywhere, in education, health care, business, and people start to complain as the inflation is making their lives even more difficult.



History (e.g. the Arab spring) shows us that socio-economic factors are usually the main mobilizing factor and it is a difficult task for the government of Abiy Ahmed to deal with these multilayered issues at the same time without a proper long-term all-inclusive vision.



About the Author

J*an Záhorský is an Africanist/social scientist focusing on the modern and contemporary history and politics of Ethiopia and the Horn of Africa as well as the issues of nationalism, identity, conflicts, inequalities, European-African relations in the Cold War, and recently also the issues of migration and security related issues particularly in the West African Sahel region.*

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*He has lectured at ca. 20 universities in Europe, USA, and Africa. In January 2023, he received **rector's Award for the contribution to internationalization in research at the University of West Bohemia**. In last ten years, he has developed fruitful collaboration with several African universities in Ethiopia, Kenya, Sudan, Nigeria, Senegal, and recently building new collaboration with academic and research institutions in Tanzania, Rwanda, Libya and other countries.*