

# ISSUE BRIEF

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## Ethiopia Post-Meles: Washington Should Encourage Reforms

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On August 21, Ethiopian Prime Minister Meles Zenawi passed away. Having come to power in 1991 following the overthrow of the communist Mengistu regime, Meles became a regional leader and a controversial partner to the United States. Meles's autocratic tendencies and tight-fisted economic policies made him a divisive leader.

With his departure, the U.S. has an unprecedented opportunity to encourage democracy and economic reform and bolster the security partnership between the two nations.

**U.S. Interests.** The U.S. has an interest in preventing the establishment of safe havens for terrorism that can serve as a base for organized transnational terrorist campaigns against the U.S., its allies, and their interests. Ethiopia's southern neighbor Somalia has turned into a hub

for terrorists who have attacked U.S. partners in the region and expressed a willingness to strike the U.S. In response, the U.S. has developed a network of partners in the region to counter such threats; among them is Ethiopia.

Ethiopia has cooperated with the U.S. in the fight against terrorism. With the encouragement of the U.S., on Christmas Eve 2006, Ethiopia launched a military invasion into Somalia, decimating the Islamic Courts. Since withdrawing from Mogadishu in 2009, Ethiopia has limited its military operations. However, Ethiopia's geographic proximity to Somalia requires a certain level of engagement.

In 2011, the U.S. began flying unarmed drone aircraft from a newly operational base in the southern city of Arba Minch. The Ethiopian military also conducts cross-border operations and refugee assistance to displaced Somalis.

**Democratic Void.** As an authoritarian leader, Meles and his Ethiopian People's Revolutionary Democratic Front (EPRDF) oppressed political liberties by curtailing democracy and the rule of law. The general elections in 2005 and 2010 were particularly

controversial—and bloody, as hundreds were killed in post-election protests.

Economically, Ethiopia has improved but still falls short of its potential. After ousting Mengistu, Meles embarked on a path toward limited economic reform. Since 2004, Ethiopia has grown an average of 11 percent each year, admittedly from a very low base, on the strength of modest increases in foreign direct investment. While such advancements are encouraging, significant challenges remain.

During his rule, Meles opposed private ownership of land and refused to privatize the telecommunications industry. International banks were also barred from competing in the Ethiopia market. Other barriers include high tariff and non-tariff policies, which constrain the freedom to trade.<sup>1</sup> The government also restricts access to financing, thus preventing entrepreneurial growth.

**Troubled Part of the World.** Ethiopia is geographically situated in a tough neighborhood. To the west lies Sudan, which is locked in a decades-long conflict that resulted in the South's secession in July 2011. Under the Bush Administration,

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the U.S. was a major broker of the Comprehensive Peace Agreement that ended the civil war in 2005 and remains committed to peace and stability in the region.

Unlike many international governments (including the U.S.), Meles was able to balance relations between Khartoum and Juba and provided a forum in Addis Ababa for the two countries to negotiate outstanding issues. He also deployed troops to the disputed border region of Abyei under the United Nations Interim Security Force for Abyei. Perceived as unbiased actors, Ethiopian troops provide a trustworthy presence between the North and the South.

Ethiopia's relations with its northern neighbor, Eritrea, are particularly poor. Upon coming to power, Meles recognized Eritrea's right to self-determination, and in 1993, Eritrea seceded from Ethiopia. The two countries went to war in 1998 when Eritrea seized disputed territory. After two years and approximately 100,000 dead on both sides, Ethiopia claimed victory.

Relations have continued to be rocky. In March, Ethiopia struck rebel bases inside Eritrea in retaliation for violating Ethiopia's territorial integrity. While approximately 50 percent of Eritrea's population is Christian, Isaias Afewerki's regime uses Islamic terrorists as a proxy force against Ethiopia. Some policymakers in Washington, including Representative Ed Royce (R-CA), have supported the listing of Eritrea as a state sponsor of terror—but to no avail.<sup>2</sup> Eritrea could use Meles's

death as an opportunity to expand its influence in the region.

Somalia presents a unique challenge for Ethiopia. Ethiopia's south-eastern Ogaden region, formerly part of Somalia, fuels concerns of Somali irredentism. In 1977, Somalia, under the leadership of Siad Barre, attempted to exploit the Ethiopian Revolution by unsuccessfully seizing the Ogaden. In 2007, the Ethiopian military brutally cracked down on the Ogaden National Liberation Front, a rebel group which it regards as a terrorist organization.

**Moving Forward: U.S.—Ethiopia Relations.** In accordance with the Ethiopian constitution, following Meles's death, Deputy Prime Minister Hailemariam Desalegn will be sworn in as prime minister pending an emergency session of parliament. A committee will then determine whether Hailemariam will remain in office until the 2015 election. Competition for the post is likely to be fierce, and a number of actors are vying for leadership.

As the government in Addis Ababa determines its next steps forward, the Obama Administration should do the following:

- **Encourage a swift transition that is conducted in a free and transparent manner.** Ethiopian politics is often conducted behind closed doors. The secrecy surrounding Meles's health is a prime example. As a steward for the Ethiopian people, the government owes its citizens timely and accurate information about how their interests are being addressed. The

Ethiopian government should also share information regarding the transition with the United States so Washington can better coordinate bilateral relations.

- **Encourage the creation of civil society.** The creation of a vibrant civil society must happen organically. Opposition groups have made progress in recent years, and the ability of the Muslim groups to protest openly suggests a shift in the government's intolerance to opposition. Furthermore, the EPRDF's stronghold on power has built up resentment, which, if violently suppressed, might be more difficult to contain than in the past. The U.S. should convince the EPRDF that the country would benefit from an inclusive society whereby the interests of all Ethiopians are considered.
- **Demand that the government respect human rights and individual liberties.** Meles's passing provides an opportunity for the U.S. to take a firmer hand with Ethiopia's next leader. Ethiopia has benefited from significant U.S. aid since Meles came to power. The U.S. should stress that repetitions of the 2005 and 2010 election aftermath will not be tolerated and there will be repercussions if similar actions occur in the future.
- **Support economic freedom.** The U.S. should encourage Ethiopia to reduce its tariffs and

1. See Terry Miller, Kim R. Holmes, and Edwin J. Feulner, *2012 Index of Economic Freedom* (Washington, DC: The Heritage Foundation and Dow Jones & Company, Inc., 2012), p. 187, <http://www.heritage.org/index/country/ethiopia>.

2. See Representative Ed Royce (R-CA), letter to Secretary of State Hillary Clinton, July 20, 2010, [http://royce.house.gov/uploadedfiles/royce\\_ltr\\_to\\_clinton.7.20.10.eritrea.state\\_sponsor.pdf](http://royce.house.gov/uploadedfiles/royce_ltr_to_clinton.7.20.10.eritrea.state_sponsor.pdf) (accessed August 21, 2012).

reform financial regulation to provide aspiring entrepreneurs with greater access to investment capital. Other needed reforms include allowing private land ownership, opening up banking competition, and privatizing the telecommunications industry.

- **Continue counterterrorism cooperation.** Ethiopia is a major security player in the region. However, Meles's death may trigger apprehension on behalf of

the military to be as involved as it has in the past. However, with Meles gone, terrorist groups could see a weakened Ethiopia as an opportune target. The U.S. should encourage the military to maintain its current levels of cooperation and look for opportunities to bolster mutual security interests.

**An Opportunity for Improvement.** As Ethiopia embarks on the selection of a new leader, security relations in the region should

continue to be a priority for the U.S. Both countries should also bear in mind the many opportunities for improvement that should not be ignored.

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