

Ethiopia: Africa Confidential interview with Meles Zenawi

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AC interviewed Meles Zenawi

Africa Confidential: You've gone on record as saying that an effect of the financial downturn could be increased political unrest in Africa. That was three months ago. Is that point of view still valid and are there particular areas that you are more concerned about?

Meles Zenawi: Well, soon after I said that, in the context of preparation for the G-20 summit, I got in touch with a number of African leaders and my worst fears were confirmed. The President of **Liberia [Ellen Johnson-Sirleaf]** was in a preparatory meeting for the summit and she said that one of the sources of instability in Liberia has been the very high rate of unemployment among the youth and the fragile peace that they have in Liberia was too fragile for it to withstand massive layoffs among the youth; and that is what she feared would happen as much of the investment that they had been promised had simply disappeared. Later on, the President of Southern Sudan and Vice-President of Sudan [**Salva Kiir Mayardit**] got in touch with me and indicated to me that because oil prices had collapsed and because oil was the primary source of revenue for his government, he may not be able to pay the salaries of his armed men and he felt that that was a rather dangerous thing to do. And, thirdly, in the DRC [**Congo-Kinshasa**], I heard reports that in the mining areas of the country, which are the most economically vibrant areas of the DRC, something like 300,000 people had been laid off since the recession began. That is 300,000 mostly young people who are no longer employed and that is a very dangerous thing in an environment of a very fragile peace. So I think that while, initially, that appeared to be a sort of pessimistic assessment of what could happen, since then it appears that that prognosis was not all that pessimistic.

AC: Do you think that enough is being done by the international community? You had a trillion dollar summit but only 20 billion goes to Africa. Is that going to be enough?

Meles: Well, the hope was that something like US\$50 billion would be allocated to the least developed countries and naturally the bulk of that would go to Africa, because that is where the least developed countries are. In the past, there was much more promise than delivery of those promises and the hope was that this time it would be different. The early indications are that some of the promises are beginning to be delivered, particularly the monies that were supposed to be delivered through the IMF seem to be firm promises.

There was a recent meeting between the IMF and the World Bank and our ministers tried to follow up on the promises of the G-20 and it appears that something like roughly \$20 billion, \$17-18 billion of money, was going to be made available very soon from the IMF. It was through special drawing rights and through increased lending procedures. The rest we had hoped would come through the African Development Bank and the World Bank. I understand that they are making progress in terms of delivering but because of the complications related to their funding arrangements, they have not been as swift as the IMF so far. But on balance, I am very happily surprised that substantial money was promised and delivery has been better than I had expected to be the case.

AC: What can African countries do themselves to counter the effects of the economic slowdown?

Meles: Well, in the end no amount of money that comes in from abroad is going to do the task for us. We have to devise our own strategies of not only overcoming the current economic difficulties but also engaging in a process of economic transformation so that we would be able to withstand any future shocks of a similar kind. That means that we have to have a proper development strategy that works for Africa. As you may have noticed, the Prime Minister of the UK [**Gordon Brown**], in a meeting in New York prior to the G-20 summit, declared that the so-called Washington consensus was over and we needed a new development consensus. Now, I doubt whether any African would quibble with that, indeed, many would question whether there was such a consensus, in the sense that it was more of an imposition than a consensus. Therefore, it is now up to us as Africans to come up with alternative strategies of development; it is up to our development partners in the G-20 and the G-8 to follow the lead of the Prime Minister of the UK and to recognise that the policy orthodoxy that has been imposed over the past three decades in Africa has not delivered and it is time to look for other alternatives. If this was combined with a permissive global environment and ownership of Africans of their development strategy, then I think we could reverse the current trend.

AC: Inflation has been a particular problem in Ethiopia. What steps are being taken to bring it down?

Meles: Inflationary pressure is partly a result of the global inflationary pressure that was felt mostly in Africa in 2008. It also has domestic reasons, as our inflation was much higher than the African average. It has to do with what economists call overheating of the economy, so we need to cool it down without cutting back on development. It's a very tricky exercise to try to manage. We have tried to intervene using various instruments, policy instruments, and we have succeeded in stabilising inflation and it has been coming down continuously. We hope that over the next 5 or 6 months, it will come down to single digits. We have intervened in various areas, we have reduced our budget deficit to zero. We have tried to control the growth of money supply in the economy, we have tried to dampen the inflationary expectations among the various economic actors and so on. But I think, given the benign global environment, from the point of view of inflation and the steps that we have taken domestically, I think that we can deal with this issue.

AC: Is a shortage of foreign exchange still a problem?

Meles: Yes, this is a key and binding constraint as far as growth in Ethiopia is concerned and doesn't have an easy solution. There are structural reasons for the problem, so we'll have to learn to live in an environment of foreign exchange constraint, while at the same time trying to mitigate its impact.

AC: We are coming up to an election next year. Are you worried that economic problems are going to create difficulties in this respect?

Meles: Well, the trends are first that the fast economic growth that we have achieved in the past five years has been sustained in spite of the global crisis, and that is key. The expectation is, and the most recent trends bear this expectation out, that inflation will come down to single digits before the election. We may have some foreign exchange constraints but those constraints are already beginning to ease. So in balance, we hope and expect that it will be a permissive economic environment for a peaceful and successful election.

AC: How much of a problem do you anticipate from groups like *Ginbot 7*?

Meles: At this stage, the expectation is that they will be a significant irritant but not necessarily more than that.

AC: There have been reports of military figures involved. Does that indicate that it was an attempted coup rather than a terrorist effort?

Meles: The issue was that, as part of a government reform programme across the various departments of government, including the defence sector, people who for one reason or another were thought to be unfit for the purpose that we have in mind, either because of physical disability or lack of commitment or so on, were asked to leave the army, or demoted within the army. Understandably, those people are unhappy with what happened to them and the only surprise in this is that their unhappiness was expressed in a form that took them to extremes of trying to kill actors in the reform programme in the defence sector and other government officials. So, while it would have been expected for them to be disgruntled and to express their dissatisfaction in some fashion, it came as a surprise that they decided to express it in such a destructive manner. Nonetheless, this was a very small group and they knew what was possible and not possible, so they didn't even try to organise a coup. What they tried to organise was a series of assassinations to destabilise the government. Now, the fact that our security services were on top of it more or less from the very beginning – and it was the choice of our security services, the timing of the detention was made by our security services, based on fears that some lives, either on the part of the perpetrators or potential victims, were at risk, otherwise they could have waited and followed the development, as they did over the past few months. On both counts, I think, there is no change in the situation, indeed, from the point of view of terrorism, we have been dealing with real professionals in the past, like Al Shabaab and Al Ittihad, these are serious people with the necessary professionalism in that sense. This group is not as serious a challenge as the *Shabaabs* and the *Ittihad*s are. So I don't think it changes the game, it just adds some unwelcome spice

to it.

AC: What is the EPRDF [the ruling Ethiopian People's Revolutionary Democratic Front] doing to prepare for the elections? Are there any new strategies?

Meles: We have developed a draft strategy which was discussed by the committee of the leadership. The expectation is that the larger body of the leadership would discuss it sometime in August, possibly endorse it with modifications, which would then make it possible for us to start preparing for the elections in perhaps September or October. The draft strategy is available and, as I said, we hope that by September or October we will start seriously to prepare for the elections.

AC: It's been 18 years, which is a long time to be in power. Would you say that this length of time is due to the successes of the EPRDF or to the weakness of the opposition?

Meles: That is a very difficult question, the fact that the EPRDF has been in power [for this long] is both a reflection of its strength and the weakness of the opposition. The fact that the same group of leaders, including myself, have been in leadership positions of the EPRDF is also both a reflection of its strength and weaknesses. So you have two different questions: why the EPRDF has been in power for so long, that is not necessarily something bad. I know, for example, that the social democracy in **Sweden** [Swedish Social Democratic Party] have been in power for 80-90 % of the time since the thirties. The Labour Party has been in power since the end of the Second World War. Now, what is perhaps more of a concern is that within the same party, the same people have been in positions of leadership throughout the period. This needs to be tackled and I am sure that the EPRDF is aware of it and is trying to address it.

AC: Who in particular are you referring to?

Meles: The old leadership which was leading the EPRDF during the armed struggle and up to now, myself included. That, to some extent is a sign of strength and it is also a sign of weakness that needs to be addressed and, as I said, the EPRDF is aware of it and is trying to address it. It is not just about X, Y or Z, it is about the whole group of leadership which has been in very senior leadership positions for a bit too long for the health of the party.

AC: Are you expecting a collective transition?

Meles: Yes, I think that the next crucial step needs to be taken.

AC: It's been more than a year since the Boundary Commission closed itself down and we had virtual demarcation and **Eritrea** moved into the Temporary Security Zone. What's been happening since then?

Meles: With regard to Eritrea, everything has been frozen, no movement forward, fortunately no movement backward. The word that comes to mind is 'frozen'.

AC: Does this stalemate cause any problems for Ethiopia?

Meles: Well, we would have preferred to have a more healthy relationship with Eritrea. We believe that there is every reason to move for such a relationship. But, if we must have what we have now, we can live with it, more or less indefinitely.

AC: Are there any practical steps that are planned to break the deadlock?

Meles: We tried our best. The problem is that the other side says that there is no dialogue until A, B, C happens. Our argument is that dialogue is always useful, there is no harm to dialogue and that therefore we should engage each other in dialogue, so that we have a lasting solution to the problem. And it's not just about the boundary. The boundary was a symptom of an underlying sickness and you do not cure a sickness by treating its symptoms only. You need to address both the symptoms and the underlying causes. So we are in need of dialogue. Had they been prepared to engage us in dialogue, then that would still be one step forward. The problem now is that they are not engaging us in dialogue and we are stuck where we are.

AC: Are there any prospects for third-party mediation?

Meles: I doubt whether it's a problem for a third party. I think it is the frame of mind in Asmara. They have not yet made their mind to engage us in constructive dialogue. It is more of a frame of mind than a specific problem over a specific issue. More or less the same thing has happened with regards to **Djibouti**. They had a problem over their border with Djibouti. The rest of the world believes that the Eritreans have trespassed, the Eritreans don't agree. The rest of the world thinks that since they have trespassed, they need to remove their troops; the Eritreans don't agree. The rest of the world thinks that dialogue is the way forward, the Eritreans don't agree. So there is nothing unique in their refusal to engage in dialogue with us. That is the same approach that they are following in Djibouti and elsewhere. So I think that that needs to change and it can only change from inside. But as soon as it does change, then I am sure that the window will be opened.

AC: Do you see any prospect of this change?

Meles: One can never say never. People think that the leadership there is headstrong and all the rest. That may well be true but I also believe that that leadership is not suicidal and he is able to read the writing on the wall when such writing is visible. And so the possibilities of changing direction are not zero. But one can never be sure.

AC: What do you think of the return of Sheikh **Hassan Dahir 'Aweys'** to Mogadishu? Do you think that Eritrean involvement could be damaging to a fragile situation in **Somalia**?

Meles: I think that it is a reflection of desperation and a desire to destabilise a fragile government. For me, it

is a sign of desperation for two reasons. Firstly, I think that Dahir Aweys and his team are beginning to feel that they are losing the game in Mogadishu among the Islamists. There are moderate elements of the Islamic movement that are more and more disassociating themselves from his hard-line group and they appear to be eager to stem the tide in that sense. Secondly, the presence of Dahir Aweys in Asmara did nothing to improve the standing of Eritrea in the international community and it appears that they wanted to be relieved of his presence in Asmara as soon as possible. So that, I think, is indicative of desperation as part of the equation. At the same time, I think that Dahir Aweys and his team might think that all is not lost in Somalia and if they strike in time and strike hard, they could stabilise the situation. So it is both expectation and frustration that has pushed them to go to Mogadishu. Potentially, they could destabilise the government, both from Asmara and from Mogadishu. But I believe that some of the fundamental political changes that have occurred over the past three years in terms of division between the Islamic movement as a whole and more moderates drifting their position. I think that is unlikely to change because of Dahir Aweys's position in Mogadishu.

AC: Do you think there is any chance that his presence is an attempt to reunite the ARS? [Alliance for the Re-liberation of Somalia].

Meles: Well that cannot be ruled out though I think it is unlikely.

AC: Do you think that the Brussels meeting was a step in the right direction for Somalia?

Meles: I am not privy to the details but from what I heard from the media, substantial amounts of money have been promised and a substantial part of it is to finance Amisom [African Union Mission in Somalia]. I don't know how much of it is going to be given to the Somali government. There have been two problems with regard to this in the past. Firstly, there was not enough money to support the government, lots of promises but very little delivery. Secondly, whatever money was being delivered was being delivered by third-party organisations: NGOs, international organisations. This continued to exacerbate the weakness of the government because whatever assistance was coming was not being channelled through government institutions and was weakening them. So I hope, whatever the decision was in Brussels, it will address those problems and the money involved is substantial enough to make a difference. The key issue will be whether the promises are kept and, assuming that they are, whether they will be put through proper channels.

AC: In your opinion, is Sheikh **Sharif Sheikh Ahmed** [Somalia's new President] able to succeed? Do you look forward to a positive outcome in Somalia?

Meles: I look forward to a positive outcome but not because of particular like or dislike for any particular individual. I think that the trends in Somalia are moving in the right direction. I think that the current president is part of that positive trend and I think that he needs and deserves support. But I believe that this is not about individuals but about general trends within the society in Somalia.