# The Need for a Third Alternative: The Amputated Debate on Land Tenure in Ethiopia

### Abstract:

The debate between private or state property rages again in Ethiopia. Private land is said to allow security of tenure and the most productive use of the land. State property is advocated for its ability to protect traditional rights of the peasants to land, and to curb migration and urban poverty.

The Constitution guarantees state property, to protect peasants' access to land. But in practice it is misused to keep peasants hostage to the local authorities. Ethiopian history shows that both state land and private property rights can be misused to evict and disown small peasants.

A 3 % annual growth in the rural population means excessive subdivision of farms. Units have already been subdivided to an average less than one hectare per family. With over 80 % of its population in rural areas, Ethiopia needs non-agricultural job alternatives. However, migration needs to be encouraged after, not before job creation. The priority must be to allow people to feed themselves – not to achieve efficiency. Emergency food aid is accused of keeping peasants in place on unviably small units. Yet, peasant families could still feed themselves, if they could secure their own supplies for the year before being forced to sell food.

A third alternative is needed which keeps the decision on land use and distribution in the peasant community, checked by a variety of individual rights to land use and access. As long as these rights are not allowed to be made tradable quota, they will foster self confidence in the peasant community for having secure control over their land. This is the best protection against infringements from state and private interests.

# The Need for a Third Alternative: The Amputated Debate on Land Tenure in Ethiopia

A heated debate rages in Ethiopia on land tenure. It is one of the most protracted debates on political issues in the country. On the one side are the ardent defenders of state property of land, with the government and the ruling EPRDF coalition as its frontrunners. On the other side are the neo-liberals who claim that state property, as all forms of common property, are in conflict with free market policies. They demand private property of land as the only modern and adequate solution to the land question.

The Constitution says, in its article 40 on the Right to Property: "The right to ownership of rural and urban land, as well s of all natural resources, is exclusively vested in the State and in the Public. Land is a common property of the Nations, Nationalities and Peoples of Ethiopia and shall not be subject to sale or to other means of exchange" (Art. 40.3). And in paragraph 4, it is guaranteed that "Ethiopian peasants have the right to obtain land without payment and the protection against eviction from their possession. The implementation of this provision shall be specified by law."

This provision clearly protects the peasants' inalienable right to land for tilling and making a living. However, practice in rural areas in Ethiopia tells a different story. Local officials, who are always representatives of the ruling party coalition EPRDF, assume the right to decide on the distribution of land, including the authority to withdraw land from peasants who violate their orders. They claim authority to do so, based on the provision of "government property" over all land.

## The argument for private property

Those who argue for private property have basically two closely related arguments: They claim that a free market economy can not work to the advantage of all, as long as an important sector of the economy, agriculture, is excluded from free exchange and a market- optimal and rational allocation of the productive resources. They thus blame the protection of traditional land rights for the slow progress of the Ethiopian economy, criticising it for being outdated and preserving backward production methods. Secondly, they claim that land needs investments for becoming more productive. Hence, they claim, only if land gets into the hands of those who have the money, the initiative and the capability to invest, can it be developed to yield an optimal harvest.

If land were made private property, progressive peasants could use it as a collateral for a loan to invest in higher productivity. Such investment would repay the loan and give the peasant a better income – and the nation the needed increases in food production. On the other hand, a peasant who is not able to make use of modern methods of agriculture, would loose interest and sell his land to those who have the capability to develop it. This would give the country a chance to come out of its "hopelessly antiquated" methods of cultivation, and allow it to develop agriculture more in line with modern patterns in other countries. A market in agricultural land could develop, which would tend to allocate the scarce resource land to those who make most efficient use of it, to the benefit of all.

## The argument for state property

The defenders of state property claim to defend the peasants' traditions of common property in land. They argue that capital is in short supply and very expensive (as it is dependent on the capacity to earn foreign currency), while labour is abundant in Ethiopia (where about 85 per cent of the population depend on agriculture on steadily decreasing plots). Under such conditions, efficiency must mean to get as much as possible nutrition out of the limited arable land. Wherever labour can replace capital, it can help to feed more people. Under such conditions small-scale family farming is more productive than "modern" mechanised farming.

Their most important argument is, moreover, that privatisation would force many peasants to give up their cultivation and sell their land, only to find a state of destitution in urban centres. They claim that the resulting poverty and destitution would exceed all levels hitherto experienced, and would swamp the towns, foremost Addis Ababa, with an army of unemployed people, beggars and thieves. Urban unemployment, criminality and a boundless expansion of squatters around the towns, with all the associated problems of hygiene, epidemics and human misery would be an unavoidable effect of such policies.

Those who want private property would routinely counter-argue that most peasants would never sell their land. They are far too attached to their land to sell – they would rather starve than quit their land. – So what is the point with a right to sell, if it is not used? The answer is a de Sotho- argument: progressive peasants could use a registered right as collateral, getting a loan for the capital necessary to develop the land and earn a better living.

But the defenders of state- or common property have experience on their side: whenever land became valuable, Ethiopian peasants experienced a pressure to sell. And those who would refuse to sell were quickly brought into debts. Land-hungry traders and moneylenders found ways to make peasants dependent on debt. When, under Haile Selassie, in the early 1960es, the particular flavour of the wild coffee in Kaffa Province became known and a demand for coffee from the region rose, coffee land in Kaffa became valuable. Firstly, the nobility bought land from the state. The first one to buy was the governor of Kaffa, at that time Ras Mesfin Seleshi, who became the richest man in Ethiopia. When the state had sold all its coffee land, a second method became rampant: to "find coffee land". In customary land allocations, land was seldom measured, but rather given by estimated size and without clearly defined borders. Now, if a moneyed investor wanting to buy coffee land from the governor, was informed that there was no more land to sell, he would point out one of the less powerful owners and demand his land measured. Usually what was found was several times the size for which the owner paid taxes. So he was allowed to keep what was measured to be the size he paid tax for, the rest was state owned, and the "finder" had the first chance to buy it.

When also this source was exhausted, a new method became rampant: to buy from small owners. Actually, not all land in Kaffa had become valuable. The well-flavoured wild coffee grew only in the shade of big trees. And much of the land with shade trees was in the hands of small farmers. They knew its value and refused to sell. But traders offered them a loan, usually by buying their unripe coffee on the tree. When the harvest came the trader did not return to collect his coffee. So the farmer harvested it. Being short of money anyway, he sold it – and usually the money could not be put aside. When finally the trader came, the farmer was given a new loan – against a handsome interest rate: Customarily such loans were to be paid back after a year by twice the amount. The same procedure was repeated the year after – and then the peasant had no choice but to sell the land (Pausewang 1983: 59).

In Arsi Province, a Swedish rural development programme in 1967set up an infrastructure, market facilities, services and training for farmers which managed to increase yields considerably. The area became a grain basket for Ethiopia. But by 1970 statistics showed that in line with the increase of yields, the population was decreasing. Research reports documented that farmers were evicted in large numbers and had to leave the area. Nobody knows where they went (Pausewang 1983: 81).

Thus the defenders of common property claim that private property will necessarily create opportunities for land-thirsty capitalists to buy land by hook or by crook – disowning the small peasants. Land is already getting increasingly short, and a policy of private property will make it much more attractive for investors to buy small farmers land, than to invest in clearing, irrigating or in other ways make non-utilised land productive. Theoretically there should be land reserves available for development without evicting peasants. But they are usually situated in less fertile and less hospitable areas, less attractive also to the urban investors. We see in other African countries that investors prefer land that has been developed by peasants, rather than "virgin land" – a pattern that would repeat itself in Ethiopia.

## **Peasant experience**

The Ethiopian debate makes no distinction between state ownership and common property. Neither the authorities nor the antagonists in the controversy on land tenure see any reason to question whether common property is the same as state property. In practice, the agents of the state on local level use land as a means to control peasants. They feel no sense of guilt or wrongdoing if they hold a pesant's land as a ransom, and threaten anyone who dares to refuse their orders with the loss of his land. In the elections, we were often hearing complaints about *kebele* chairmen warning a peasant: "The Constitution says the land is the property of the state. We don't give you our land if you betray us. If you don't vote for us, go to your party and see if they can give you land..." (Aalen 2002:230ff).

In other cases, peasants were told that they would loose the land if they did not buy fertiliser on credit to apply it. Not even the argument that a particular field would not respond to fertiliser, or that it was needed as an area for grazing and for transport, would free them from such pressure. As a result, one sees every year after harvest a large number of peasants being held in local prisons because they could not pay their debts for fertilisers. The deal is made to the advantage of the former parastatal company distributing fertilisers, now "privatised" and bought by the TPLF, the senior partner in the EPRDF party coalition. State agents strictly refuse to consider any reduction, arguing that any lenience would induce peasants to believe that debts to the state need not be repaid. In practice, thus, the police is used to enforce payment, including a handsome interest rate, for a privatised party-owned company (Pausewang 2002) For the peasant, it means dependency. Peasants have no choice but to comply with whatever the local authorities demand.

The redistribution of land in Amhara region in 1997 was another proof of misuse of state ownership. Here, under the pretext of rectifying inequalities in land distribution which were caused by demographic changes, but first of all, according to the authorities, to corrupt practices of the former officials of the peasant organisations, political scores were settled. In practice, the redistribution restructured the social fabric of the villages to the advantage of the EPRDF and its control over peasants (Ege 2002, 1997). To what degree this measure was triggered by an uprising in Amhara region which was quelled with brutal police and military intervention in 1995, has never been researched. The purge was started when some armed

groups, purportedly of the All Amhara People's Organisation (AAPO), captured a prison in Debre Berhan and released all the prisoners, including criminals sentenced to long terms in jail. It practically wiped out the local network of AAPO all over southern Amhara region, and killed an unknown number of their cadres and members. It is not likely to be a coincidence that Amhara was the only region where such a land redistribution was attempted after the change of regime in 1991.

Peasants have learnt in practice that the state can take the land from them at any time. This has been so under the former regimes, and it continues to be so, irrespective of the protection expressed in the Constitution. They have never known it differently. Power decides, and for them, power is still in the hands of the government and its local representatives, and not controlled by the people. For them, as long as the state administers it, there is no difference between land in common property or in state ownership.

# The legacy of history

This interpretation that identifies common property with state ownership, and gives the state a right to intervene in land distribution, has its roots in Ethiopian history. And it appears unquestioned and accepted also by the highest representatives of the state. In 1998, I had an eyeopening experience, during a meeting in the Ministry of Agriculture in Addis Ababa. In the course of the debate, one official said: "After all, the Land Reform law of 1975 says that all rural land is the property of the state". I protested and said: "No, the Proclamation of 1975 clearly says: All rural land is the property of the Ethiopian people". The minister smiled at me and said: "But that is the same..." In practice, indeed, it had become the same. But it was not before 1985 that the *shengo*, the new parliament, officially changed the text of the proclamation to read that the state owned the land.

The historical roots of this concept go longer back in history. In Ethiopian tradition, as everywhere in Africa, land was not a commodity nor subject to ownership at all. In an agrarian society, everybody needed access to plough land for survival, just as water, air to breathe, food, sunshine. The old Abyssinian empire knew a communal system of land distribution called *rist*. The community divided the land, which was believed to be settled for the first time by the village's ancestor, as far as possible equitably among its members. This did not mean equality: household needs change constantly with household size, and a large household with many working hands and many children needs more land to feed its members. As much as necessary, every five or seven years, a redistribution was called, in which the elders assessed the needs of each household. Usually not much land would be redistributed: Those who had more than they needed had to give some land to those who did not have enough. Everybody who could prove descent from the legendary forefather could claim a share in his land, and claims were accepted on both male and female descent. Every member had a right to a living, usually through land to feed a family. But even old people or cripples would be provided with the necessities by the community. Someone would plough their land, or even they might be provided with food from the community.

Over this system rested a political administration in the hands of a local nobility, called *gult*. The local rulers were the village administrators and responsible for safety and for certain social functions. They could not intervene in the distribution of *rist* land, at least not in theory, though the elders would certainly hesitate to reduce their land holdings. The *gult* lords collected the tithe from the peasants, and had a right to get a share of the peasants' produce for their own households. They were the Emperor's representatives on village level, even

though sometimes they rebelled or intrigued to replace an emperor with the nobleman of their preference. Nobility was not inherited, but was a function of power, and, at least in theory, subject to approval from the emperor.

The state did occasionally intervene in land distribution, in particular to punish peasants for their participation in revolts and uprisings. In general, however, the interest of the state and of the nobility was rather an uninterrupted peasant production: they depended on it. They did not till the soil themselves- peasant production was the source of their wealth.

## The conquest of the South

When Menilek of Shoa conquered the South, in the second half of 18<sup>th</sup> century, the system of *gult* was transferred to the newly conquered provinces, but with one very decisive difference. In the old empire the nobility was part of the community, and had its obligations and privileges. In the South, Menilek paid his generals and soldiers by giving them a part of the conquered land. Their local power was thus built on the power of weapons, not on any community obligations. The common name for this new class of new landed aristocracy was "*neftegna*" which means a man with a gun. Like the nobility in the North, they were not interested in tilling land, but in productive peasants. But unlike their colleagues longer north, they had no qualms about pressing the peasants for more contributions, forced labour or other interventions whenever it fitted their needs.

The peasants in the conquered areas were left on their land, but put under a lord and made to deliver tributes. In practice, their situation became progressively more difficult, as the new nobility found it opportune to raise their tributes or to demand more labour services. The use of language is up to today witness of these differences. In the North, "rist" means an inherited right to community membership and, hence, to access to land. In the South, rist means an inheritable right. The nobility tried to make its privileges inheritable, at the expense of the peasants and the state. Peasants in the North understood themselves as "gabar", that is, a contributor, one who as a member of the community with full rights, also takes serious his obligation to be co-responsible for all members. In the South, a gabar became to mean a dependent peasant, a serf, a tenant, a slave.

When Haile Selassie centralised the Empire, he drew the nobility to the central administration. He created a bureaucracy and a standing army, and needed the nobility to lead these new institutions. They left their villages, but they kept their privileges there, at the expense of the peasants who had to organise their former functions anew, to finance local police and administrative apparatus, and to contribute to raised taxes for the central state. The centralisation meant a formidable concentration of resources to the centre.

When Haile Selassie in addition introduced "freehold" as a kind of private ownership of land, and a new law after his return in 1931 recognised tax payment as a proof of ownership, the nobility was quick in realising its chance. The noblemen collected the tax from their peasants as before, paying it to the state in their name. Thus they in fact disowned the peasants without these even knowing about it. Only when a landlord decided to bring his land into a "shared venture" with a foreign investor, or sold it for development purposes, were the peasants told to leave their fathers' land. If they protested, they learned that no court would accept their inherited rights, but instead gave the landlords an ownership title (Pausewang 1983: 77).

A Swedish development project intended to start a cattle breeding farm in Arsi in 1965. They got a large tract of land from Haile Selassie. All the 27 land owners had been compensated, they were told. But when they arrived they found several hundred peasants, who had not even been informed that their land had been designated for a new cattle farm. The Swedes made a socio-anthropological study and found out that the *neftegna* had been compensated, but hot the peasants. The Swedes ended up paying another compensation to the peasants. But these had to leave anyway, and nobody knows where they went (Pausewang 1983:81).

Peasant experience at the time was simply that the State could intervene whenever it so wished, and any resource on which the state lay claim, was the property of the State. And this was, in a way, also reflected in the government. In 1976, the Parliament – at the time dominated by the landed nobility, due to a passus in the electoral law favouring them - called the Minister of Finance, Yilma Deressa, for questioning. He was accused of having kept incomplete budgets and inventories. Yilma Deressa mocked at the parliamentarians, saying: How can we make a complete inventory of all the state assets? Shall we make a list of all the forests, the trees, the lakes and rivers, the elephants and lions and zebra... And Haile Selassie accepted his explanations and confirmed him in his position.

#### The land reform of 1975 and its derailment

The exploitation and oppression of peasants, especially in the South, became so extreme that peasant unrest flared up here and there, and the land question became the most burning issue in public concern. Since 1966 a new law limited the combined contributions of peasants to 75 per cent of their produce; but this limit was in practice often surpassed.

"Meret le arrashu", or "Land to the tiller" was the central slogan around which the Ethiopian student movement grew into a revolutionary political force (Balsvik 1990). When public discontent ignited during the 1973-74 famine, the new ruling groups understood quickly that an answer to the land question was essential to win confidence. An expert group was assigned to draft a land reform law. Things changed quickly in 1974. When their draft recommended to limit the size of individual holdings to 40 hectares and to put a ceiling on peasant contributions, the military had established its control and needed a boost of confidence. Knowing that nobody could expect to win confidence in the prevailing political situation without solving the land issue to the satisfaction of the peasants, the "Derg" (the military committee) scrapped the draft. A group of radical young graduated students in the Ministry of Land Reform under the leadership of Zegeye Asfaw got the order to prepare a new draft. Enacted on March 5, 1975, the land reform proclamation nationalised all land, making it "the property of the Ethiopian people", and disowning the nobility without compensation. It gave local peasant associations, to be created in each village, the responsibility to redistribute the land and to oversee the right of all rural residents to access to farm land, as far as possible on the basis of equal shares. This law, and its implementation, took the brunt out of rural unrest and gave the Derg a strong support among peasants, at least in non-Amhara-Tigre areas mainly in Southern Ethiopia (Pausewang 1983). In the North, in Amhara- and Tigre- inhabited areas, some few local noblemen managed to rally some peasants and raise local resistance, but they were eventually defeated. Only when the Derg later tightened the grip on the peasants and their resources, did it gradually loose again the support of the peasants in the South.

During the first year after the land reform the government helped peasants to build grain stores, not to be forced to sell their grain right after harvest when prices were lowest. But soon they realised that peasants, freed from their tributes, were eating – and drinking – more,

and less grain was sold to feed the towns. Grain prices rose dramatically, and the military had to confiscate grain from the very same stores – the first of a series of measures to antagonise the peasants. Others were to follow. Peasant associations – also called rural kebele – were becoming too independent and demanding on the government. A new law required that chairmen of peasant associations should be able to read and write. This excluded the old peasants who had the confidence of their peers, to the advantage of youngsters who had gone to school but knew little about agriculture. They had no confidence among the peasants and could for their authority only rely on the officials and on orders from above. Thus the Derg re-established a strict regime of control over the peasants. A system of obligatory grain quota to be delivered at fixed low prices to a state Grain Board was introduced to secure the supply of the towns. Pressure to form collectives, later a programme of forced "villagisation", were introduced. The government levied new taxes, and burdened the peasants increasingly with new "voluntary contributions" for the literacy campaign, for the war effort, for national unity or any other pretext. Environmental protection schemes became immensely unpopular as they were enforced on the peasants on a one-size-fits-all scheme. By 1985, the combined levies and burdens on peasants had reached or bypassed the tributes they paid under Haile Selassie. Towards the end of the Derg, forced recruitment of young men to the army added a new burden on villages in a growing pace. Added to these political conditions came a population growth of close to 3 per cent, which means a duplication of population within each generation, and more mouths to feed on the same limited land resources. The frustration of peasants grew, and discouraged the army which ceased to fight and disintegrated, allowing the victory of the resistance movements

# The rural policies of the EPRDF government.

The new government established in 1991 by the Tigre People's Liberation Front (TPLF), with its coalition of dependent ethnic parties EPRDF, maintained in practice the state control over the peasants and over the land. The ambiguity of the formulation in the constitution making land a property vested in "the state and in the Public" is not accidental. It gives the state an opening for administering property issues on behalf of the people. And it confirms and consolidates the identification of a common resource regime with state ownership. In the same way, EPRDF has preserved the peasant associations created by the land reform of 1975 as autonomous representations of peasant interest and self administration, but converted by the Derg in 1977 into tools of state control over peasants. The new regime calls them kebele and placates them as organs of self administration. But it replaced the cadres of the Derg government's "Workers Party of Ethiopia" with its own party cadres. Recruited locally in a hurry in 1991, these are mostly school dropouts – usually the best and only educated people locally available – with a short course in party indoctrination and administrative rules. They are no less than the Derg's local cadres dependent on their party for all their social position, their incomes, their jobs. They will not bite the hand that feeds them. They are the strict executors of the will of their superiors.

The TPLF claims it represents the interests of the peasants whom it freed from the oppression under the Derg. It has some historical reasons for this claim, as it indeed freed them from the compulsory grain quota deliveries and contributions to a myriad of patriotic purposes, from the collectivisation and the immensely unpopular villagisation, from the hated environmental protection schemes and the detested forced recruitment of the Derg army. TPLF asserts also to protect the traditional land rights of peasants, with public ownership and access to land guaranteed in the Constitution.

This is, not only on local level, taken to mean that peasants owe the party its loyalty. In the rural *kebele* leaders demand their solidarity, and consider any form of protest, opposition or indeed of different opinion as a sign of rebellion. Their personal interest is so closely related to the wellbeing of the party that they do not see any reason to restrict their control over peasants. And they interpret it their task to educate the peasants to accept the policies of the party as their own interest. If any peasant dares to oppose against it, it is their job to "teach him a lesson" so he would understand his own best. And they feel no bad consciousness for using all the tools of authority at their hands, including the police and the prisons, in their pedagogical effort to teach peasants. But discontent among peasants is growing, witness the local repression in Oromia and the local clashes in Southern region during the elections.

#### Peasants need a third alternative

Peasants experience at present state property as a threat. It allows the state to keep peasants hostages to the local authorities. Peasants experience that local leaders on behalf of the state can any time revoke their access to land, punish them for any displeasure by taking from them their land. For a peasant who is dependent on land for his livelihood and that of his family, this is the most serious threat he could face. And in Ethiopia, where 80 to 85 per cent of the population depend on agriculture as the only way of subsistence, it is particularly severe a threat. There is just no other alternative for the peasant than continuing to till the land.

The peculiar thing is that nobody ever bothers to ask the peasants themselves about their interests and what property regime they would prefer. There are actually a few research reports that mention small local surveys showing that peasants prefer private property. But there are others showing a majority for community forms of tenure. In some case, it is possible to show that the answer depends on who is asked: If only the established farmers who have secure access to land are asked, the preference for private property is expectable. If peasants in urban fringe areas are asked, their expectation of gains from sales of building plots may well colour their response. If all rural dwellers are asked, there are more supporters of community property and redistribution to be expected. But also bad experience with state ownership of land may induce peasants to prefer private property rights instead.

If state property is misused the way it is happening at present in Ethiopia, it may be experienced by peasants as worse than anything. And peasants make no difference between common property and state ownership. Rightly so: as long as the state can intervene freely, claiming to administer the common good, the result is the same for the peasant.

There is indeed a need for a third alternative for the peasant. But it is not communal ownership, as long as it is not protected from interference of the state. So it is, in the final analysis, the power of the state to interfere which makes even a nominally communal property regime vulnerable to abuse, and dangerous for the peasant.

If state property or common property is misused by state agents, it is worse for the peasant than a private property regime. What the peasant would need is a land use regime in the hands of the local community – with the restriction that land is to be used for agricultural production by individuals. The state should not be allowed to interfere with community land. Nor should community leaders be entitled to dispose of the land in other ways, and deprive the peasants of their right to land.

Is a revival of the land reform law of 1975 possible? Would it give the peasants the necessary protection? Experience shows that the fathers of that law did not anticipate and could not prevent the interference of the state. In sum, the multiple individual rights of peasants to the use of the land have to be protected together with the control of the community over its use.

A De Sotho-like registration of individual user rights might appear as a solution. However, thus registered rights should not be made a collateral, because who can mortgage a piece of land or a right, can also forfeit and loose it. And whoever can seduce a farmer to take up a loan, can speculate in bringing him (or her) into untenable debt. Sales rights open the farm gate to misuse by fraudulent investors.

At the end, the only effective protection is practiced local democracy. Only when peasants have the moral conviction and the guaranteed strength to protect their rights themselves, and collectively, can they prevent both private investors, cheaters, and the state from intervening and appropriating their land. The only viable defence would be the absolute and unquestioned sovereignty of the peasants themselves over their land resources.

The third alternative which the peasants in Ethiopia need, is a living local democracy, paired with a community responsibility for land distribution with individual or family-owned rights to the use of agricultural land.

## The urban-rural population equation in Ethiopia

However, there is yet another problem which adds urgency to a solution to the land debate in Ethiopia: the Malthusian trap is working to the disadvantage of peasants and the Ethiopian people at large. With a doubling of population for each generation, Ethiopia has little time to loose. In the long run, Ethiopia can not continue to subdivide already far too small plots to feed an ever growing rural population. There is a need fro creating alternative employment to reduce the percentage of people dependent on agriculture as only employment opportunity.

It is often claimed that the most important issue is to utilise the available land most efficiently, to produce the food needed for a growing people. However, the definitions of efficient use may differ under Ethiopian conditions. But common definitions of efficiency usually assume that whatever earns more money is more efficient. This could easily become a trap for Ethiopia. Big investments in machinery and infrastructure would have to be repaid, in most cases in foreign currency. Mechanised farms might easily end up producing tomatoes or carnations to be flown to the markets in Frankfurt or Paris – not growing food for the people who have no money to buy it.

For Ethiopia today, the challenge is to increase efficiency in terms of food production per area, rather than per working hour. As long as there is no other employment opportunity for the majority of people, it is much more rational and "efficient" to engage more labour to produce more food, than to use "modern" technology and earn more money and save labour.

An example may illustrate the dilemma: A rural investor employs and feeds thirty families, who plough the land with oxen and harvest for him. If he decides to buy a tractor, he could possibly produce marginally more food by ploughing at the optimal times and using the resources better. He would need only one tractor driver or two, and a few workers, the other families would loose their work. In spite of having to repay the tractor loan, buy fuel, pay for maintenance, he might still make a handsome profit from the deal. But the eighteen or so

families are left to find another source of livelihood. For the leader of a cooperative with the same resource situation, this possibility of making production more efficient does not exist: he would have to repay the tractor loan and feed all thirty families without increasing output.

Ethiopia needs alternative employment, there is no question. But it would be a dangerous illusion to expect that more employment would be generated as a by-product if only agriculture were more efficiently organised. What is needed, indeed, is more investment in education, in health, in all factors that enhance people's possibilities to earn a living outside of agriculture, and preferably by earning foreign currency. And it demands investments in productive industries that can earn incomes and foreign currency outside of agriculture, and in addition to it. This has to create the conditions under which it is possible to reduce the urban population, or at least to stabilise it. With the given population growth, this is in itself a gigantic task. It would be made absolutely impossible if the exodus from the rural areas were enforced by privatisation of land.

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