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REVOLUTIONARY SOCIALIST DEVELOPMENT IN ETHIOPIA

CHRISTOPHER CLAPHAM

DESPITE the high level of recent interest in revolutionary socialist development strategies in Africa, and indeed in the third world generally, the case of Ethiopia has been very largely neglected. This neglect may be due partly to lack of information; Ethiopia has not been an easy country to work in and has not sought to attract Western Marxist scholars. Much of the Western interest in Ethiopia, too, has been pre-empted by the immediate crisis of famine and by issues of international alignment and regional conflict. But to a large extent, I suspect that this neglect is due to a persistent reluctance on the part of Western Marxists to regard Ethiopia as a case of 'genuine' revolutionary socialist development. It has certainly failed to attract the sympathetic response which any radical African regime normally triggers from academics on the Western left, who may well reckon that both the level of internal repression which Ethiopia has suffered since the 1974 revolution (much of it directed against groups which themselves claim to be socialist) and the evident economic failure indicated by famine make it easiest to 'write off' Ethiopia as not being a socialist experiment at all.

Despite this, I would argue that Ethiopia *must* be seen as a classic revolutionary socialist state, that the Ethiopian government has committed itself to a Marxist-Leninist development strategy and political structure, both of which have been pursued with consistency and determination, and that the outcome provides a striking example of what Barry Munslow has recently referred to as the 'problems in the transition to socialism' in Africa.[1] This article seeks to outline, in a necessarily generalized and provisional way, the main lines of revolutionary development policy and the outcomes to which it has led.

Socialism in Ethiopia

In another recent book on revolutionary socialist development in the third world, Gordon White has outlined certain basic structural characteristics of the societies, which may be termed socialist:

> First, they have broken—in most cases decisively—the autonomous power of private capital over politics, production and distribution,

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1. B. Munslow, (ed.), *Africa: Problems in the Transition to Socialism* (London, Zed, 1986).

> abrogated the dominance of the law of value in its capitalist form, and embarked upon a development path which does not rely on the dynamic of private ownership and entrepreneurship. Second, they have brought about (or are bringing about) certain fundamental transformations—in the economic, political and social realms—which reflect the long-standing aspirations of revolutionary socialist movements everywhere, and the basic principles of the founding fathers of 'scientific socialism': most notably, the nationalisation of industry, socialisation of agriculture, abolition or limitation of markets, and the establishment of a comprehensive planning structure and a politico-ideological system bent on the transition to an ultimate communist society.[2]

The significance of this catalogue is that *all* of the elements in it have been realised, or are well on the way to being realised, in Ethiopia; and that revolutionary Ethiopia must be seen, not just as doubtfully or marginally socialist, but as a paradigm case of what revolutionary socialist development may be expected to achieve, at any rate in one of the poorest and least developed of African states.

Many of the measures which set Ethiopia firmly on this path were taken within a year of the establishment of the new regime in September 1974. All major industrial, financial and commercial institutions, encompassing some two hundred companies, were nationalized without compensation in January and February 1975, and the very limited role of private capital in the economy was defined in the comprehensively entitled Government Ownership and Control of the Means of Production Proclamation of March 1975. The wholesale nationalization of foreign capital was made easier by the fact that there was not much of it anyhow, and in particular there was virtually no mineral extraction. Multinational investment was largely restricted to commerce, plantation agriculture (notably sugar and cotton), and a little industry. Though limited compensation was later agreed for some of the nationalized assets, and the government made some attempts to attract new private investment, none has yet been forthcoming.

Foreign capital has thus been more decisively restricted than in Angola, which continues to rely on multinationals for mineral extraction, or even Mozambique with its export of labour to South Africa.

Much more important, though, was the nationalization of all rural land in April 1975. Large plantations and commercial farms, which then accounted only for some one per cent of cultivated land, were directly taken over as state farms, again without compensation. By far the greater part of the cultivated area was evenly distributed between the peasants who farmed it, and all rents, dues and share-cropping arrangements were abolished.

2. G. White, R. Murray & C. White, (eds.), *Revolutionary Socialist Development in the Third World* (Brighton, Wheatsheaf, 1983), p. 1.

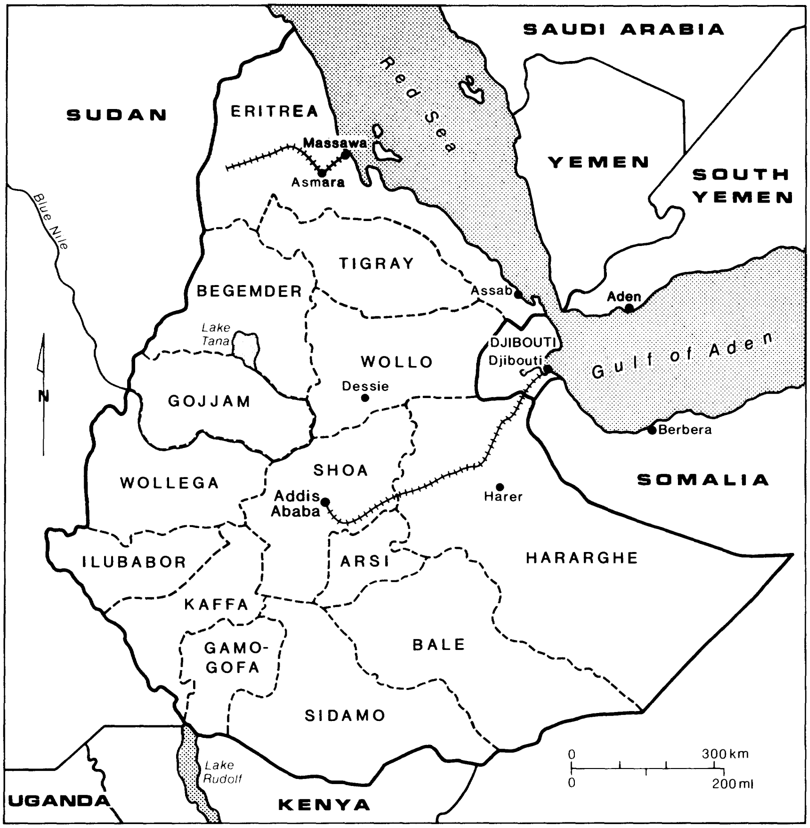
Because the land itself was nationalized, however, cultivators were allowed only use rights over individual plots, with regular redistributions to ensure equality and prevent the emergence of a kulak class. Finally, in July 1975, all urban land was likewise nationalized, along with 'extra' houses, allowing houseowners to retain only a single residence for their own use. This destroyed the rentier class in the towns, just as rural land reform had destroyed the landlord class in the countryside. The government both reduced rents and appropriated them for itself, largely through the new urban dwellers' associations or *kebelles*; these associations, grouping together communities of a few thousand people each, nominally permitted town dwellers to administer themselves, but swiftly developed into indispensable agencies for urban political control, responsible for neighbourhood policing, food rationing, military conscription and a variety of social services, in addition to their original function of collecting rents.

The remaining items on White's list were realized after the regime had survived its early traumas, and stabilized under the leadership of Mengistu Haile-Mariam from 1978 onwards. The creation of a state distribution system got under way from 1978, although no attempt has been made to abolish private petty trade and in critical areas such as grain marketing this coexists with the state system. Annual production campaigns from 1978 onwards preceded the introduction of comprehensive planning in 1984. The long and difficult process of establishing a Leninist political party likewise culminated in the formation of the Workers' Party of Ethiopia in 1984, while the socialization of agriculture is still under way.

A periodisation of the Revolutionary Regime

Before going on to discuss a number of aspects of development policy in greater detail, it may be helpful to outline the main periods in the revolutionary experience so far.

The first or mobilization period, from 1974 through to 1978, was one of intense conflict and violence, involving not only the overthrow of the old regime, but also the struggle for power among groups of would-be successors and the defeat of the Somali invasion of 1977/78. During this period, the government's overriding concern was for physical survival and political control, and the economy (especially in the towns) was badly disrupted. The urban cost of living rose at a rate of nearly 20 per cent a year, while salaries were unchanged and urban living standards dropped sharply. Particularly important was the disruption of rural-urban food marketing, caused by land reform as well as by civil war, which led to periods of near starvation in Addis Ababa and which had to be met by food imports. In the countryside, food production increased for a couple of years after land reform and former tenants (who were the great beneficiaries of a land reform abolishing share-cropping arrangements which had often removed half of



ETHIOPIA

the tenants' crops for sale in the towns) for the most part simply ate the extra food themselves. The one real bonus of the period was a boom in international coffee prices which helped to insulate the regime at a critical moment from the pressures of the international economy.

This initial disruption is part of the common experience of revolutionary regimes. It means that almost every revolutionary regime has to start rebuilding the economy from a level appreciably lower than that attained under the previous government, while the process of creating new institutions inevitably causes further disruption in itself. Although it is obviously unfair to judge any revolutionary development strategy on the basis of its first few years, it is nonetheless appropriate to set any subsequent gains against the initial losses that revolution itself entails.

The second or campaign period can be dated from Mengistu Haile-Mariam's Revolution Day speech in September 1978 to the foundation of the Workers' Party of Ethiopia (WPE) exactly six years later. By this time, the government effectively controlled almost the entire national territory, except for the insurgent areas of Eritrea and Tigray, and it was possible to set in train a process of economic reconstruction. The ethos of the period is aplty summed up in a contemporary masthead slogan from *The Ethiopian Herald,* 'We Will Liquidate the Evil Legacies of the Past and Place Nature under Our Control'. The emphasis was on purposive government-directed action; Mengistu's initial speech was notable for its outspoken attack on the 'petty bourgeois' inclinations of the peasantry and for its commitment to the collectivisation of agriculture. This in turn reflects the consolidation of the Soviet alliance, the large number of cadres (amounting to several thousand) being trained in the Soviet Union and other socialist states, and a readiness to look to Soviet models in the economy as well as in political organisation.

Despite the establishment of a Central Planning Supreme Council in October 1978, development was pursued not through any comprehensive plan but through the successive annual National Revolutionary Production and Cultural Development Campaigns, launched from late 1978 onwards. 'Production task forces' were recruited from the Addis Ababa lumpen-proletariat and, after a brief training period, armed with tractors and sent off to the countryside. Superambitious targets were set, but without any ordering of available resources to meet them. The area under state farms was sharply increased, largely by bringing marginal and sparsely inhabited lands into permanent cultivation, resulting in an increase in the state farm acreage to about 3·3 per cent of the national total. Once and for all increases in industrial production were achieved by reviving existing underutilized capacity, much of which had lain idle for the previous five years, but new investment was slight and heavily concentrated in a few projects. This campaign, aided by good weather, produced a 5 per cent per annum increase in GDP over its first two years, but the rate of increase then fell off very sharply, as industrial capacity was taken up and agriculture moved into a disastrous downward spiral. International coffee prices slowly declined and the balance of payments deficit steadily increased, from 309 million birr[3] in 1979 to 977 million birr in 1983, by which time published exports covered only 46 per cent of imports.

The third or plan period dates from September 1984 and the deliberate establishment of an integrated set of Soviet-style institutions. The two most evident of these are the WPE itself and the Office of the National Committee for Central Planning (ONCCP, replacing the previous Supreme Council), which launched the Ten Year Indicative Plan to coincide with the celebrations of the tenth anniversary of the revolution in September 1984.

3. The birr is maintained at an official exchange rate against the US dollar of $1 = 2·07 birr.

Along with these went a structure of Working People's Control Committees and, especially from 1985, much more intensive measures to secure the collectivisation of agriculture.

The Ten Year Plan was broken down into plan periods of two, three and five years, and accompanied by machinery to draw up detailed annual targets; a team of seven Soviet Gosplan advisers were attached to the ONCCP. One might well question, even so, whether this should really qualify as socialist planning, since the plan itself is made up of poorly related sectoral plans, while the plan target of 6·5 per cent per annum growth over the ten years, though scaled down in drafting from an initial 10 per cent, is way beyond any possibility of achievement. On top of that, the launching of the plan precisely coincided with the great famine of 1984, as a result of which national efforts from October 1984 onwards were directed to the emergency. The launching of the second (three year) plan period in September 1986 may prove a more appropriate date for the start of comprehensive planning.

The Plan is nonetheless an important document, not only in showing how the Ethiopian government thinks of economic strategy, but equally as a guide to what the government actually does, insofar as it has the capacity to implement it. Here it must be borne in mind that the domestic control capacity of the Ethiopian regime is very impressive indeed. The concentration in Western coverage of Ethiopia on the famine and on the wars in Tigray and Eritrea (both of them regions of marginal economic importance—save for the critically important Assab port, which falls outside the war zone) have given the impression of a government like those of Mozambique or Angola, which is scarcely able to control its own territory, let alone implement far-reaching measures of economic transformation. This is very far from the case. In most of the surplus producing areas, both for grain (notably Shoa, Gojjam and Arsi) and for coffee (notably Kaffa, Sidamo and Gamo Gofa) government control is effectively unchallenged, as likewise it is in the towns. The regime has means at its disposal to implement policy, especially through the peasants' associations in the countryside and the *kebelles* in the towns, both now firmly under the direction of the WPE; these go well beyond anything available to the pre-revolutionary government. The villagisation campaign discussed below is the most striking evidence of this capacity. The Plan may thus provide a valid starting point for discussion of the three key areas of economic policy: the role of the international economy, the urban and industrial strategy, and, especially, agricultural policy.

The external economy

The Plan makes it clear that, despite a very large (indeed unattainable) projected increase in domestic savings from 3·4 to 15 per cent of GDP over the ten year period, much of the capital requirement would have to come from abroad. It envisages an increase (again over the ten years from 1983/84 to 1993/94) from 220·0 to 714·4 million birr in official grants, from 516·0 to 1609·5 million birr in net loans, and from nothing to 800 million birr in joint venture private investment.[4] Soviet sources have made it clear that by far the greater part of this sum would have to come from the capitalist economies.[5] Not only is this amount, on any plausible scenario, entirely unattainable, but it would even, if realized, land Ethiopia in insuperable debt problems and even then could not be expected to generate the level of growth that the Plan calls for.[6] As a means of directing the overall development of the economy, the Plan is thus flawed at its base, and the importance of its foreign exchange provisions lies largely in indicating that no dramatic change is called for in Ethiopia's international economic alignment.

Ethiopia is a classic African underdeveloped economy, save that it has no mineral sector and hence no powerful multinationals. It depends almost entirely on agriculture for its exports, and a single crop, coffee, normally accounts for over 60 per cent of published exports by value. Trade has continued to be directed largely towards the Western capitalist economies, 69·4 per cent of exports in 1983 going to, and 62·1 per cent of imports coming from, Western Europe, North America, and Japan.[7] Ethiopia belongs to the Lomé Convention with the European Community and the currency is officially pegged to the US dollar. Although it has observer status with the CMEA, and has established bilateral economic commissions with the CMEA itself and with most of its individual member states, the level of trade is slight, with the sole but major exception of oil, which Ethiopia imports from the Soviet Union under a special arrangement although its details have not been made public. This accounts for by far the greater part of the 27·9 per cent of its imports which Ethiopia received from the socialist states in 1983; 6·8 per cent of exports in the same year went to the socialist states. On two occasions early in the revolution, in 1977/78 and again in 1979/80, Ethiopia exported coffee under barter arrangements to East Germany and the Soviet Union; but these produced familiar problems, both over the goods received in exchange, and over the resale of the produce on Western markets, and the experiment has not been repeated. The 1977/78 deal with East Germany, coming at a time of exceptionally high world market coffee prices, was especially disadvantageous.

4. Ethiopia, Office of the National Committee for Central Planning, *Ten years Perspective Plan 1984/85—1993/94* (Addis Ababa, August 1984), hereafter *Ten Year Plan,* p. 53.
5. See V. Vigand, 'Problems of Ethiopia's Socio-Economic Development: difficulties and Prospects', (Addis Ababa: Eighth International Conference on Ethiopian Studies, November 1984), p. 15; and F. Halliday and M. Molyneux, 'The Soviet Union and the Ethiopian Revolution', *Third World Affairs 1986,* pp. 180–192.
6. See ILO, Jobs and Skills Programme for Africa, *Socialism from the Grass Roots: accumulation, employment and equity in Ethiopia* (Addis Ababa, September 1982), hereafter *Socialism from the Grass Roots,* pp. 10–13.
7. National Bank of Ethiopia, *Quarterly Bulletin,* **10,** 1, Addis Ababa (1984).

However, there is no evidence that socialist development strategy has been harmed by Ethiopia's incorporation into the global economy, and in some respects one might even argue that it has been helped by it. Despite Ethiopia's heavy export dependence on a single crop, coffee has proved a fortunate crop to export since the mid-1970s. The index value of Ethiopia's coffee exports, from a base level of 100 for 1962–64, had risen only to 156 by 1973–75, but shot up to 654 in 1977, falling back to an average of 433 for 1978–80, and 342 for 1981–83.[8] Prices have risen again in the mid-1980s. As a result, Ethiopia's terms of trade have followed a fluctuating but generally favourable trend since the outbreak of the revolution and were especially favourable during the critical early years, when the problems of economic disruption were greatest. The dramatic increase already noted in Ethiopia's current account deficit has been due to a failure of export production, not to disadvantageous movements in world markets.

Nor, rather more surprisingly, has Ethiopia suffered from any reduction in official development aid as a result of its shift both to an avowedly socialist development strategy and to the Soviet Union away from the United States in international alignment. The one exception is the withdrawal of US development assistance (though not humanitarian aid for famine relief) in 1979 under the Hickenlooper amendment, which requires termination of aid to states which expropriate US private assets without compensation; since nationalized US assets in Ethiopia amounted only at their owners' valuation to $30 million and an agreed settlement of claims could probably have been reached for about half of this sum (or substantially less than the aid that could have been released by paying it), it is clear enough that the ending of American aid resulted from a stand on principle by the Ethiopian government rather than from any 'punitive' reaction to the revolution from Washington.[9] Even so, this US assistance was more than compensated for by receipts from other sources. According to Ethiopian government figures, the average annual inflow of foreign assistance increased from 76·7 million birr in 1970–74 to 247·3 million birr in 1975–81.[10] Some of this increase came from the socialist states, but most of it came from the European Community and the World Bank.[11] The percentage of overseas development assistance from all sources going to Ethiopia improved from 0·7 in 1970/71 to 1·0 in 1982/83, while over the same period aid receipts increased from 2·4 to 5·9 per cent of Ethiopia' gross national product.[12] Ethiopia is not a favoured recipient of development aid, ranking only forty-

8. Ethiopia, Ministry of Coffee and Tea Development, *Coffee Statistics Handbook 1961/62 to 1982/83* (Addis Ababa, 1984), Tables E1 & E2.
9. See D. A. Korn, *Ethiopia, the United States and the Soviet Union* (London, Croom Helm, 1986), p. 51–53.
10. *Ten Year Plan*, p. 317.
11. Halliday and Molyneux, 'The Soviet Union & the Ethiopian Revolution', p. 187.
12. Cited with permission from P. Mosley, *Overseas Aid: its defence and reform* (Brighton: Harvester, 1987).

fifth among less developed countries in aid as a percentage of GNP, but the position has improved since the revolution. There has, however, been no new foreign private investment, despite a proclamation to encourage it. In the absence of attractive mineral resources, multinationals have stayed away, and even mineral prospecting has been carried out only by socialist states, including North Korea.

When the figures for development aid are combined with the very high level of military assistance which Ethiopia has received from the socialist states since 1977 and the increase in humanitarian aid for famine relief, largely from the West, it becomes clear that the Ethiopian government has been able to manage the international environment, on the whole, very much to its own advantage. While in many other cases, as in Mozambique or Nicaragua, fledgling revolutionary regimes have had to struggle against the hostility of conservative powers, this scarcely applies to Ethiopia. The major challenges that the regime has faced, from the Somalis in 1977/78 and the separatist movements in Eritrea and Tigray, have come paradoxically from other groups which themselves have claimed to be socialist.

Urban and industrial policy

Between the outbreak of the revolution and 1980, urban living standards declined by over half for highly paid workers and nearly a third for low paid workers;[13] and with a further sharp rise in food prices since then, this decline has certainly continued. Salary scales have remained unchanged since the early 1970s, despite inflation; and although civilian government employment increased from 109,322 to 167,860 between 1977/78 and 1982/83,[14] at an average annual rate of some 9·5 per cent (while military manpower rose from about 45,000 to 300,000), unemployment among school leavers has become a major problem. This is not reflected, as it would be in many parts of Africa, in any noticeable increase in crime; Addis Ababa remains generally safe and well-policed, and the increase in control capacity produced by the *kebelle* system helps to maintain public security. Unemployment, which is much higher for women than for men, may however contribute to prostitution, and a government survey in 1982 identified 37,115 full-time prostitutes, about half of them in Addis Ababa.[15] Another major problem area is housing, the destruction of the landlord class in 1975 having contributed to a decline both in the relative quantity, and in the already abysmal quality, of the housing stock. The government institutions responsible for urban housing (the *kebelle* for cheaper houses, a special agency for more

13. *Socialism from the Grass Roots,* p. 238.
14. Ephrem Asebe and Ashenafi Belayneh, 'Analysis of Employment and Wage Structure of Employees Administered under Central Personnel Administration', (unpublished paper, Addis Ababa, May 1984).
15. *Socialism from the Grass Roots,* pp. 327–8.

expensive ones) have come nowhere near building the number of houses needed to sustain the natural increase in population, let alone improve the existing stock, and the search for accommodation is a major problem for every new resident from young married couples to senior international civil servants.

A decline in living standards has, of course, marked a great many African cities since the early 1970s and cannot simply be ascribed to the effects of revolution in Ethiopia. At most, one can only conclude that this decline has not been reversed by that revolutionary mobilization of previously unproductive resources which is often taken to be one of the main assets of a socialist development strategy. Certainly the population has been organized as never before, through the *kebelles* and the women's and youth associations, and efforts have been made to mitigate urban poverty through a reasonably effective system of food rationing in the major towns, which provides a striking tribute to the effectiveness of revolutionary organization, even though it rests on the underpayment of rural food producers. But the hierarchial organizations characteristic of the new regime are much better suited to distribution and control than they are to the encouragement of production.

The government's industrial policy has been badly affected by the classic problem of socialist gigantism: the tendency, inherent in planning from the top down through large state corporations, to put a high proportion of investment into a small number of large projects. Just over half of the total industrial investment envisaged in the Plan over a ten year period is committed to thirteen factories.[16] The same problems apply to the projects already implemented, including notably the textile mill built in Kombolcha near Dessie in Wollo, and the Mugher cement factory. The textile mill, at a cost of 180 million birr (two-thirds of which has been provided by the Ethiopian government, the rest mostly by Czech and East German aid), employs 3460 people, an investment of over 50,000 birr for each job.[17] No comparable figures are available for the cement factory, but the capital/employment ratio appears to be even higher. Other investments in large oilseed mills at Mojo and Bahr Dar threaten to destroy one of the main sources of small scale industrial employment. While investment strategies of this kind are by no means restricted to socialist states, they tend to be especially characteristic of them. Another area of major industrial investment since the revolution has been in alcoholic beverages, with new breweries and a distillery in Addis Ababa and Harer and a malting plant at Asela. I recall with some shock being informed by a state farm manager in Arsi, at the height of the famine in November 1984, that his bumper crop of barley was all destined for making beer.

16. *Ten Year Plan*, p. 104.
17. *Socialism from the Grass Roots*, pp. 148–9.

Agriculture

The whole area of Ethiopian agricultural policy is so vast and so vital that it can only be very sketchily covered in a survey such as this. The central point, however, is that by far the greater part of Ethiopian agriculture, amounting to over 98 per cent at the time of the revolution, consists in family smallholder (or peasant) production. Landlords did not, with small exceptions, run their own commercial farms, but simply taxed smallholder production, even for export crops such as coffee. It is, therefore, what happens to the smallholder sector that really matters.

State farms, which in 1985 accounted for some three per cent of the total cultivated acreage (a slight decline from the peak in the early 1980s), are important in helping to generate a surplus for urban consumption and they also absorb a very high proportion of agricultural investment, but they are otherwise insignificant compared with the peasant sector. In crude production terms, they have not (unlike some African state farms) been a total disaster, but, with a very high level of capital input, including tractors, fertilizers, and improved seeds, they have still managed to produce only about the same amount of grain per hectare as peasants with no modern inputs at all.[18]

The basic problems of the peasant sector—small plots, overcultivation, and an almost total lack of modern inputs—have been exacerbated by land reform itself and add up to a process of what Dessalegn has aptly called 'agrarian involution': a tendency to withdraw from the market and to retreat into subsistence production, which itself becomes less and less adequate.[19] What the land reform actually did was to guarantee all peasant households a roughly equal share of the land available within their own peasant association area, which normally covered no more than a few hundred hectares or a few hundred families. They could not farm land outside this area and they could farm inside it only so long as they remained resident within it. At the same time, the hire of agricultural labour was prohibited, except on state farms—where it is sometimes involuntary and always very poorly paid.

The effect was curiously conservative. Peasants were confined to their own home localities and movement was inhibited, either to the towns or to other rural areas. The rate of rural-urban migration dropped sharply at the revolution and even Addis Ababa has since grown at little more than the natural rate of increase of some 3·0 per cent a year. Equally important, the process by which over at least a century landless peasants have moved southwards from the overpopulated areas of Tigray and Wollo was brought to a halt. There were no landless peasants any longer, but the *amount* of land which each household farmed was steadily reduced, with its inevitable

18. This conclusion, reached by a number of studies, is confirmed by Mengistu Haile-Mariam, *Central Report, Second COPWE Congress* (Addis Ababa, January 1983), pp. 41–2.
19. Dessalegn Rahmato, *Agrarian Reform in Ethiopia* (Uppsala, Scandinavian Institute of African Studies, 1984), pp. 61–2.

culmination in land degradation and ultimately famine. Several studies show a steady decline in the average size of plots. Though impressive large-scale programmes of terracing and afforestation were launched, peasants had no incentive to invest in the capital value of their land, since they enjoyed only a short-term use of it and were liable to be deprived of any particular plot as the result of reallocations which take place every two or three years.

In the normal grain surplus producing areas, the equivalent result was to reduce the amount available for urban consumption. Initially, this result followed simply from the destruction of the old mechanisms for suplus extraction, but, even after the establishment of the Agricultural Marketing Corporation in 1976 and the imposition of grain quotas on peasants' associations from 1978/79 onwards, the pricing system was a heavy disincentive. Official prices failed to keep pace either with market prices or with the cost of inputs such as fertilizer. A recent study of an area of commercialized peasant farming in Gojjam shows fertilizer use to have dropped by 44 per cent between 1975/76 and 1982/83, due both to price movements and to restrictions on credit to individual farmers.[20] Already by 1981/82, a study in Arsi showed AMC purchase prices as lower than local market prices by 53 per cent for maize, 52 per cent for teff (the favoured Ethiopian grain), 29 per cent for wheat, and 19 per cent for barley.[21] With the progressively more serious food shortages of the following three years, the discrepancies have increased, while the decay of the domestic marketing system as a result of famine, transport shortages and government pricing policies is indicated by large and growing differences between food prices even in adjacent regions.[22]

The effects on the export sector were similar. One of the main ways in which the government financed the rapid increase in state employment which followed the revolution was by extracting a greatly increased share of the export value of coffee. The share of export value paid to producers fell from about 67 per cent before the revolution to 33 per cent afterwards;[23] and since this was likewise heavily disincentive, production fell or, at best, kept level, so that export quotas could only be achieved by a draconian squeeze on domestic consumption. The clearest indication of the effect of this squeeze is provided by the pricing structure. In January 1986, coffee could be bought (illegally) in the producing areas at between two and three birr a kilo; the f.o.b. export price fell between seven and eight birr; and the Addis Ababa

20. Mengistu Woube, *Próblems of Land Reform Implementation in Rural Ethiopia* (Uppsala, Uppsala University, 1986), pp. 104–5.
21. Alemayehu Lirenso, 'Grain Marketing in Post-1974 Ethiopia: problems and prospects', (Addis Ababa, Eighth International Conference on Ethiopian Studies, November 1984).
22. See A. Saith, 'The Distributional Dimensions of Revolutionary Transition: Ethiopia', *Journal of Development Studies*, **22** (1985), pp. 153–5.
23. Teshome Mulat, 'The Share of Coffee Producers in the Value of Coffee Exports', *Ethiopian Journal of Development Research*, **3** (1979), pp. 51–68.

black market price was fifteen birr. It is a tribute to the efficiency of the Ethiopian state that price discrepancies of this level could be maintained and did not collapse from the effects of smuggling and bribery. But, equally, the socialist distribution system could be maintained only by a high level of physical control, the most evident indication of which was the appearance (or reappearance, since they were likewise a feature of Ethiopia before 1935) of internal customs posts on the main roads. One public bus on which I travelled from a coffee producing area to Addis Ababa in early 1986, for example, was stopped and searched on six occasions.

The effects of land reform and pricing policies in forcing peasants out of the market are such that the government does have a real problem on its hands; and many of its most controversial policies arise from the need to use government action to achieve ends which were previously achieved through the market, or by the simple pressure of population on resources. The resettlement of famine victims in the south and west is a response to the population pressure exacerbated by land reform, just as villagization derives from the need to extract a larger food surplus for the towns. Many of the potential solutions to these problems, moreover, present themselves in terms which, to the Ethiopian government, offer a choice between a capitalist policy on the one hand, and a socialist one on the other. The capitalist solutions would call for government purchase prices for grain and coffee to rise towards the open market price, and might well call also for security of tenure in land and an easing of restrictions on the private hire of labour, with potentially serious repercussions both for government revenues and for urban food prices, as well as for rural class formation. These are measures which even the Soviet advisers attached to the ONCCP have been prepared to consider. In a memo to the government in September 1985, they recommended 'creating a financial mechanism inducing the peasantry to increase production and enhance its marketability on the basis of adopting a flexible policy of state prices for farm produce'. Still more daringly, they suggested 'giving due consideration to the possibility of establishing, in some zones of the country, private commercial farms specialized in growing exportable produce'.[24] By mid-1986, there were some indications that the first of these proposals was at least receiving serious consideration.

The socialist solution was collectivization through what are known in Ethiopia as agricultural producers' cooperatives. These are modelled as closely as local circumstances permit on eastern European lines, with three forms of cooperative corresponding to increasing levels of collectivization. The government has consistently pressed peasants to form cooperatives since September 1978 and has provided incentives to do so, ranging from a reduction in tax levels to greatly enhanced provision of credit, though

24. V. V. Sokolov *et al.*, 'Considerations on the Economic Policy of Ethiopia for the Next Few Years', (unpublished memorandum, Addis Ababa, September 1985).

against these must be set the problem that it is much harder for cooperatives than for individual producers to evade the attentions of the Agricultural Marketing Corporation. Both quantitatively and qualitatively, this campaign has proved a failure. Quantitatively, only about 4·5 per cent of arable land was under cooperatives by June 1984, and, while this certainly indicates that the campaign was indeed very largely voluntary, it also shows the impossibility of achieving collectivization by such means. As one peasant was reported to me as putting it, 'I is better than we'. Qualitatively, all the available studies show that the cooperatives produce appreciably less per hectare than either individual peasants or state farms, despite receiving by far the greater part of the investment opportunities available to peasant agriculture.[25] Though some studies have called for cooperativization as a means of increasing rural capital formation,[26] there is nothing in the experience as it has operated so far to suggest that this would result.

The Plan, however, provides for a dramatic increase in land under cooperatives, from 1·3 per cent of the total cultivated area in 1983/84 to 48·5 per cent ten years later;[27] land under state farms was due to increase much more modestly, from 3·2 to 6·2 per cent, leaving a drop from 95·5 to 45·3 in the percentage under peasant smallholders. The Plan is likely to be at its most effective when it provides for clear targets, such as this, which can be achieved through administrative action; and the villagization campaign which got under way from April–May 1985 onwards is probably best seen in this light. This involved the concentration of previously scattered homesteads into centralized villages, in a way which certainly aids state control of peasant production and is generally regarded as a prelude to cooperativization, even though peasants continued for the moment to farm their individual plots. This programme started in Hararghe in early 1985 and spread to most of southern Ethiopia following the end of the rains in October 1985; in his Revolution Day speech of September 1986, Mengistu Haile-Mariam announced that just over four and a half million people had so far been villagized,[28] and, if the campaign continues unaltered, it may be expected to result in the eventual villagization of something over twenty million people. Though comparisons are readily made with the Tanzanian villagization programme, it should be noted that Ethiopian peasant populations are generally much more densely settled than in Tanzania, so that villagization does not in most areas entail any change in the lands actually cultivated. Its consequences are most likely to be felt in the initial disrup-

25. See *Socialism from the Grass Roots,* p. 44; and B. Mulgetta and C. White, *Major Issues in Agrarian Transformation* (Rome, FAO, 1984).
26. See K. Griffin and R. Hay, 'Problems of Agricultural Development in Socialist Ethiopia: an overview and a suggested strategy', *Journal of Peasant Studies,* **13** (1985), pp. 37–66.
27. *Ten Year Plan,* p. 64.
28. Mengistu Haile-Mariam, Revolution Day address, in *The Ethiopian Herald,* Addis Ababa, 13 September 1986.

tion of farming involved in building the villages themselves, in the greater distance from house to fields, and in its incalculable effects on farmers' attitudes and morale. Should it culminate, as seems likely, in large scale cooperativization, the new cooperatives will presumably match those that already fail to meet peasant levels of production, save that any benefits to be gained from voluntariness will be lost, while the comparatively generous credit and other facilities which can be made available to a small number of cooperatives will have to be much more thinly spread among a large number.

Conclusion

There can be no doubt at all that, since the revolution, living standards in both city and countryside have declined dramatically. Some of this decline must be ascribed to problems common both to Ethiopia and to third world states as a whole, which no government could have escaped; part, however, must equally be ascribed to the effects of revolution itself. Even without taking into account the effects of civil war (which has not directly affected most of the economically important parts of Ethiopia, save that military requirements have called for the extraction of both human and financial resources from the productive economy), the revolutionary regime's pursuit of a classic Marxist strategy of development, sincerely and fairly efficiently (if at the same time somewhat rigidly) implemented, can only have exacerbated the already chronic problems which the Ethiopian economy has faced. Nor can any future breakthough plausibly be expected, without substantial changes in government policy, both in industry and especially in agriculture.

Single case studies are of course fraught with problems of overgeneralization. Ethiopia's difficulties differ in many respects from those of, say, Angola and Mozambique; they are in some ways greater, in others less. But when the Ethiopian case is added to the sombre record of Africa's other socialist states, it may not be too soon to ask what socialism *means* in the context of states which are poor, dependent, and riven by domestic as well as international conflict; and of whether there is *any* development strategy which may reasonably be categorized as 'socialist' and which at the same time offers at least a plausible prospect of improving, over the long term, the lives of the people affected by it.