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FOREIGN AFFAIRS AND NATIONAL SECURITY POLICY AND STRATEGY

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Introduction

There can be no doubt that the attainment of speedy economic development, democratization and peace is fundamental to the survival of our country which finds itself in a state of abject poverty and backwardness. That is why the Government gives priority to matters that are key to our survival and well-being. Unless the overall policy direction pursued by the Government takes this basic reality into account, our national existence and security will face grave danger. In this respect it is clear to see that our foreign relations and national security policy and strategy can only have relevance if it contributes to the fight against poverty and promotes speedy economic development, democracy and peace. If we do not realize our goals, one can predict that our country will be exposed to great instability and even collapse and our very security, and indeed survival, will be at stake.

Former governments pursued external relations and national security policies that disregarded internal problems that were fundamental to our national condition. Rather, the effort was to focus on the outside world and to look in from the outside, as it were. Such an approach could not adequately protect our national interest and security. There is no point in trying to pursue a foreign relations and national security policy to be implemented externally without a major and effective in-country effort to realize our vision of development and democratization.

It should also be noted that the foreign policies of past governments were, in part, founded on a `siege mentality' which considered the country to be surrounded by enemies. Its effects on the psychology of the people and its adverse impact on our relations with the outside world cannot be underestimated. This is, however, not to say that the country does not have external enemies or that all past policies directed against those who were arrayed against the country were wrong. What is essential is the necessity to carry out appropriate studies and assessments to distinguish between those whose interests would be negatively affected by our development and democratization efforts, and those who mistakenly believe that their interests would be negatively affected in this way. It would subsequently be proper to pursue a policy and strategy that would reduce the dangers and threats while ensuring that speedy economic development and democratization process.

Generally speaking, it could be said that the foreign relations and security policy implemented by former Ethiopian governments did not adequately take into account the impact that our internal problems and vulnerabilities had on our national security and our very survival.

Although, over the past twelve years, since the downfall of the Derg regime, it was theoretically understood that our national (domestic) policies were the basis of our foreign policy, and that we needed to concentrate on development, it is difficult to conclude that we had a common understanding regarding just how internal problems weighed on the prospects for our national survival. The demands of security and survival have thus made it necessary to elaborate a foreign relations and national security policy that took our internal situation into proper account.

Not only is this new foreign and national security policy and strategy drafted to protect our national interests and to ensure Ethiopia's survival as a country, but its basic thrust is designed to bring about a fundamental change of attitude regarding the essence of foreign relations and national security. This is one step that opens a new chapter in the history of our country. The policy and strategy in the main revolve around how to create enabling conditions so that the people, step by step, benefit from rapid economic growth and democratization. In order to bring this about, the policy and strategy bases itself on the internal challenges and vulnerability to threats that have an influence on our survival, and its focus is on tasks that should be carried out within the country. Our direction is to move from the internal to what is external, doing our homework first, thereby enabling us to identify our shortcomings. Our foreign relations and national security policy and strategy are designed to address the gaps that need to be filled. The external environment is viewed from the prism of our national situation and condition, and this ensures that the policy and strategy have relevance to our national security and survival.

Ethiopia's Policy and Strategy On Foreign Affairs and National Security

Section I

Basic Principles

1. The Foundations of Foreign Affairs and National Security Policy

In a fundamental sense, security policy is a matter of ensuring national survival. The alpha and omega of security is the ensuring of national survival. Other national security issues may be raised only if national existence is ensured. Foreign affairs and security policy must be formulated first and foremost to ensure national security. Issues of prosperity, sustainable peace, and stability and other related concerns then follow. In order to formulate a foreign affairs and security policy that addresses these issues, it is important to identify and examine the sources and basis from which the policy springs.

1.1 Development and the building of a democratic system as a basis for policy

For the Ethiopian people, benefiting from rapid development, means living a life free from poverty, ignorance and backwardness. The primary interest of the people is to live free from poverty, disease and ignorance. Rapid development is not merely important in raising the standard of living of the people, but also a guarantee of national survival. Unless we can bring about rapid development that benefits the people, we will not be able to avoid chaos and disintegration. Therefore, assuring accelerated development and raising the living standard of our people is critical in preventing our country from disaster and dismemberment. This is a fundamental issue on which the interests and the survival of the people of Ethiopia depends.

Establishing a democratic order in Ethiopia is the way to respect peoples' and individual rights, affirm good governance, and assure stable working and living conditions. Democracy is an important instrument to mobilize around common goals and to involve the people in nation building. Democracy guarantees that the members of the various nations, nationalities and religions in Ethiopia live in an atmosphere of tolerance. In the absence of a democratic order, national and religious divisions will invariably intensify, the abuse of human rights would result in strife, and poverty

would spread further - a recipe for disintegration and destruction. The realization of democracy will therefore not only help to attain development and good governance, but ensure national security. Without doubt, democratization is fundamental to safeguard the individual interests of every Ethiopian as well as to ensure the country's continued existence.

Foreign policy as well as national security policy should have the mission of protecting national interest and security. By national interest we can only be referring to the interest of the entire people - no more, no less. What is crucial to the interests of the entire people is rapid development that benefits the population. It is in the interest of the people as a whole that democracy and good governance take root. If we are to formulate a foreign policy to protect our national interest, we will have to elaborate a policy that facilitates rapid development and democratization. Our national interest is all about democracy and development. Likewise our foreign and national security policies need to be essentially based on, and cause the promotion of, development and democracy.

Obviously, the national security policy must first ensure national existence or survival. Ensuring national security means protecting the population from strife, war and disintegration. If we do not develop and establish a democratic order, there is no doubt that we will not survive as a nation. We must therefore promote democracy and development to ensure our survival. Our security policy cannot have a goal that does not proceed from this premise.

Because it is through rapid development and democratization that the nation can avert strife, it is this same development and democratization agenda that ensures peace. To the degree that development and democracy bring about peace, peace too, is crucial in the attainment and ensurance of democracy and development. So when we say that development and democracy are the basis for national security and for peace, we are also affirming in turn, that peace is a prerequisite for economic development and the establishment of democracy.

Bringing about people-centred rapid development and ensuring democracy and good governance are what our national interest is all about. All other issues are secondary to, and based on, these fundamentals. The goal of our foreign and security policies,

formulated to ensure our national interest and well being, should also serve to promote democracy and development. A foreign and security policy that is worthy of the name is one that is capable of achieving such a goal. However sophisticated and relevant in other respects, a policy incapable of bringing about development and democracy is of no use. The fundamental goals of foreign and national security policy must be democracy and development.

1.2 National pride and prestige as a basis for policy

Some view protecting national pride as a fundamental foreign and security policy objective. They label countries as hostile or friendly depending on how others have edified or wounded our national pride or prestige. Others regard national pride as a result of other endeavours and contend that it is such endeavors and not national pride per se that should be viewed as an objective. A few argue that countries obsessed with national pride are those living in past glories but desperate about the future. These countries are said to have lost hope in the future and could be looking for a pretext to launch aggression. The place that national pride should be given in the Ethiopian context deserves to be properly studied.

We are proud that we are a people that never succumbed to colonialism and the only nation in Africa to have remained independent. Rightly so, we also deservedly take pride in our historical heritage whose creativity has been much appreciated. The heritage belongs to past generations of Ethiopians, their hard work, sweat and blood. The source of the pride of the present generation is the attainments of past generations. We are proud of real achievements, most of which are not produced by the labors of the current generation, but of preceding ones.

In so much as there are the aforementioned values and assets that the present generation should take pride in, protect and preserve, there are also aspects of the country which are embarrassing sources of painful national disgrace. At this juncture, our country is heavily dependent on foreign aid. We cannot even feed ourselves and have to beg annually for food aid. Nothing has as much humiliating effect on the pride of a nation as having to beg. Our development activities would also get nowhere without significant foreign aid and the provision of loans. To obtain the requisite aid and loans requires the good will and meeting the conditions of our donors and lenders.

Under such circumstances, we cannot proclaim that we are free in real terms. This is a major source of national humiliation and shame.

In sum, although Ethiopia is the only African country to have successfully resisted colonialism and despite having an ancient and proud civilization, it now trails far behind in the long list of countries when it comes to development. Only very few countries find themselves in a lower position. As a result of the desperate circumstances, the dream of many of our youth has become living in exile by immigrating to Europe or America. Many who have failed to make it to these continents have resorted, even illegally, to crossing to the Middle East to work as maidservants - a situation which they consider to be an "opportunity". It is difficult to understand what patriotism means to persons who see their compatriots gratefully toil abroad as domestic workers, and yet who dwell on the past glories of their country.

So, while we are proud of our heritage, we are also ashamed of the current state of our country. To the degree that we cherish the achievements of previous generations, we observe with bitter regret the state of national humiliation in which the present generation finds itself. While we certainly deserve to take pride in our heritage and work for its conservation, we nevertheless need to address, as a matter of greatest priority, the source of our national embarrassment if we are to hold our heads high. We deserve no peace of mind until and unless we decisively deal with the source of our disgrace and shame.

The real source of our national humiliation in our time is poverty and backwardness. It is the lack of democracy and good governance. Still another source is our inability to work together in a spirit of tolerance and cooperation forged by a common belief in our national destiny. To put it in short, our only solution is to effect a rapid socio-economic transformation and democratization which has a direct benefit to the people. If maintaining our national pride is to be taken as a policy objective, this can only be envisaged if concerted efforts in the direction of democratization and development are undertaken. Therefore, the objective of maintaining national pride cannot be taken as a policy objective by itself, but must be taken together with the foundations on which it rests - the realization of democracy and development. If maintaining national prestige is to have any value, it will be because of its contribution to underlining the

urgency of our work to build democracy and develop the country and that nothing should deter us from taking this path.

History has shown that countries faced with national humiliation, which identified the source of their despair and set goals to eradicate the shame, have eventually succeeded in attaining their objective. The example of a couple of countries that can be taken as success stories in this regard can help to illustrate the matter.

The histories of Ethiopia and Japan have certain similarities. Both countries have, in the course of history, managed to avoid succumbing to foreign rule. In similar periods of history and for similar reasons, both countries had deliberately closed their doors to the outside world. Both countries experienced periods of feudal rule and attempted to setup a strong central government. For different reasons, both were forced to reopen their doors and reestablish contact with the outside world. Although the path Japan followed helped her to achieve extraordinary transformation in development and democratic rule, while shedding her national shame, Ethiopia's fate has remained quite different.

After Japan had successfully barred foreigners, particularly Westerners from its territory for centuries, more advanced countries using powerful iron ships (known by the Japanese then as "black ships") forced themselves in to the country. They further forced Japan to sign an agreement that caused her dishonor and humiliation. This shame brought about a fundamental political and economic change in Japan. The Japanese realized that they were humiliated as a result of their backwardness in development. They understood that feudalism had weakened their position and unity. Far-sighted members of the ruling class became aware that if the system was not fundamentally changed, Japan's very existence would be in jeopardy. They, thus, started working day and night to "drain the swamp" of their humiliation.

Indignant about the humiliation of their country, and acting under their new banner "Rich Country, Strong Military" the Japanese set out to overcome the source of their shame. Their first decisive move was forming a strong central government. Consequently they formed, in the context of a Kingdom, a strong central government known as the Meiji Restoration in 1868. They then began traveling to Europe to acquire new knowledge and learn skills to form a prosperous and militarily strong

country. They toiled night and day to improve their technical skills and to speed economic development. Single-mindedly they put aside all elements that would deter them from their path. Gritting their teeth, they did all that was needed to build their dream of a rich country with a strong defense.

In less than thirty years Japan caught up with the great nations of the world and embarked on colonial expansion and rivalry. In 1904 Japan militarily defeated Russia, then one of the great powers of Europe. The Japanese then conquered and colonized the island of Taiwan and later on, Korea. Their success gave birth to greater arrogance, and they moved to occupy the whole of China as a first step to control Eastern Asia. Japan also launched a massive attack against the United States. In the end, this arrogance led the Japanese to a devastating defeat and destruction in the Second World War. The country was reduced to ashes, and faced a debilitating economic crisis falling for a time under foreign military rule. The Japanese, who are known for choosing to die rather than face personal and national disgrace, committed suicide in great numbers. However, the nation did not choose samurai style suicide to avert the disgrace that was visited upon the country for the second time. Instead Japan preferred to make the necessary adjustments to overcome the shame of its second humiliation.

Realizing that the only option they had to gain freedom from foreign rule was to obey orders, the Japanese did as told. Awakened to the fact that the reason for their humiliation was undemocratic government and militarism, they heeded American instructions to do away with both. Once again, they fought hard to deal decisively with the source of their humiliation, in the wake of the ending of U.S. military occupation. They drafted a new democratic and anti-militarist constitution, and abided by it. They commenced a new phase of nation rebuilding. In less than twenty years they managed to become the world's second largest economy. Their new system also became free from undemocratic and militaristic tendencies.

The Japanese experience is specific to Japan and may not be repeated elsewhere. However, one can learn from it. It is hard to match the Japanese in their personal and national pride. Surrender was to both soldier and civilian a disgraceful experience, and so suicide was a common preference of the Japanese to captivity. To die in style by the sword (seppuku) was traditionally honourable. But when they were faced with

national disgrace they did not choose to commit collective suicide. Rather, they recognized the source of their shame and worked patiently and indefatigably. By doing so, they incurred the respect of the rest of the world. Countries that are at similar levels of development as ours have a lesson to learn, namely that they need to identify the sources of their humiliation and work single-mindedly to eliminate them.

Similarly a glimpse at a part of the long and convoluted history of Germany would illustrate the issue further. Historical documents show that Napoleon had caused Germany humiliation at a time when it was fragmented into about 300 small states. He invaded the territory, reducing the number of states by defeating the army of Prussia - the state with greatest prominence. The treaty Prussia signed after the defeat is believed by historians to be a study in humiliation.

The Prussian leaders showed the wisdom to avoid further humiliation by Napoleon who had soundly defeated them with the strength of the liberated French peasantry. They identified the source of their humiliation and worked hard to overcome it. The Prussians realized that their main problems were economic and military, and they began to address these priorities.

Realizing that the indentured Prussian serfs could not succeed against the liberated French peasantry, Prussia moved to abolish serfdom and universalize primary education, albeit in complex ways. They analyzed and meticulously learned from the war tactics of Napoleon's peasant army. In due course, they managed to mobilize an army unparallel in its combat capability. Recognizing that the fragmentation of the single German people had been an obstacle to their economic growth, they first formed an economic union and then developed it in to a politicical merger. They celebrated their success following their victory over France in the French royal city of Versailles in 1871. Their humiliation now gave way to arrogance which then led to another day of yet further humiliation.

The lesson we draw from the Germans is that national humiliation cannot be effaced by posturing and self-destruction, but rather by the identification of the source of the humiliation and by working hard to reverse the situation. The way to overcome national humiliation is to organize the people under one objective and to address the

cause of that shame. In the process one cannot allow oneself to be distracted, but rather must keep an unblinking eye on the objective.

Yes, we Ethiopians too, are proud of our legacy and need to preserve it. However due to poverty, coupled with backwardness and the absence of good governance, we are in a shameful state. Our condition should give us no respite everyday. We need to keep an eye on our objective, shoulder whatever burden and work ceaselessly to get ahead. Through development and democracy we must eradicate our humiliation. If we take national pride as a source of foreign and security policy, we are doing so to utilize it as an instrument of development and democracy and as a guarantor for overcoming national humiliation.

1.3 Globalization as a basis for policy

The efforts in our country to bring about rapid development, democracy and good governance cannot be seen outside the regional and global contexts. In the process of globalization, the world economy has become interconnected and an international division of labour has been introduced. It is impossible to operate outside of this context. Countries are either producers or aid recipients in the globalizing economy. There are no exceptions and no country is outside of this global economy. Rapid development can be achieved by our country only through strong efforts to graduate from the aid recipient category to the category of producer. To sustain that development, a steady effort to improve one's position in the global division of labour is required. This also applies to the building of a democratic order.

We cannot attain development and democracy by closing our doors and taking refuge in our mountains. It is only when we accept the fact that we have no choice but to enter the global economy, and when we aim to transform ourselves from the state of dependency to that of being a producer, and a better producer in time, we can realize democracy and development. It is through fully exploiting the opportunities globalization provides us, lessening the constraints it creates, and becoming active participants in the process of globalization, that we can promote our interests and security. It is for this reason that the major basis of our foreign and security policy is that of achieving economic development and democracy in the framework of globalization. Therefore, a foreign and security policy that fully exploits the

opportunities globalization provides us and that withstands the negative effects of the process, is useful and appropriate. A policy that cannot serve this purpose, however sophisticated, is flawed and therefore detrimental.

But globalization has not ended conflicts of interest among countries, and cannot be expected to do so. Neither has globalization brought equality among nations. Globalization may not necessarily result in the death of equality, but to expect it to bring about equality would be wrong. This is because of the nature of the globalization process itself and the prevailing objective reality. Aiming to attain development and democracy exclusively in the context of globalization is not a matter of acknowledging or discounting the fairness of globalization. It is simply the matter of accepting the reality of globalization, with all its limitations, and endeavoring to operate within its framework to safeguard one's interest and security. There is no other way.

Globalization has its laws and procedures which may not be fair. Besides international law, there are covenants governing international economic and other forms of relations, and there are institutions that serve them. These laws and the entire international order they sustain, have come into being as a result of negotiations between the countries that established the system as a whole. They are based on give and take and the balancing of interests. Countries with greater capacity and power play a decisive role in the negotiations, and this has meant that the system clearly favours them. Although the weaker states cannot change the nature of these agreements and thereby reap great benefit, they can reduce the negative consequences that the agreements may entail.

Countries like Ethiopia with no much weight, need to strive to promote their interests in this framework, although their powers to influence the nature of the system are limited. Through negotiations they must endeavor to manage the effects of globalization and promote their interests, both individually and as a group. Globalization with rules and regulations, however unfair, is still far better than unfettered globalization. With this in mind, countries like ours, need to respect the prevailing agreements so long as they are not revoked.

When we argue that we should adopt a foreign and security policy which can promote our interests and security in the framework of globalization, we are referring to a policy that can effectively integrate us into the international system. It also means a policy that is based on mutual benefit, give and take, negotiation and mutual respect rather than one that advances unilateral interests. On the one hand, the policy should enable us to negotiate as a country and within a group, to modify the rules and the system of globalization so that it takes our interests into account better. On the other, the policy should facilitate our gaining maximum benefit from globalization while strictly obeying the rules of the game.

Working to have our interests and security protected in the world of globalization does not mean that we work alone. For instance, negotiations to improve conditions demand common action by developing countries. We need to coordinate with others to derive maximum benefits from globalization. We proceed from one and only one premise as we cooperate with others - the protection of our national interest, and security. We will not be led by any other objective. There is no other goal to be achieved. This is why we say that ensuring the protection of our national interest and security within the framework of globalization is the third foundation on which our foreign and security policy is based.

2. Objectives of the Foreign Affairs and National Security Policy

The failure to realize development and democracy has resulted in our security being threatened. It has meant that we have remained impoverished, dependent and unable to hold our heads high. The prospect of disintegration cannot be totally ruled out. That is why it is imperative that we expedite development and consolidate democracy. In doing so, we can consolidate our existence as a nation, and preserve our honour. The goal of our foreign and security policy is to ensure international conditions that are conducive to achieving our development and democratic objectives. The basis and goal of our foreign and national security policy is defined as realizing development and democracy.

To bring about development and realize it in the framework of globalization, we need extensive market opportunities, investment and technical support. For some time yet, we will also need grants and loans to finance our development endeavours. We also

require considerable technical and financial support to build and strengthen institutions of democratic governance, so crucial for the growth of democracy. Our foreign policy goal will be exactly this. Our main objective will be to create an enabling environment for development and democracy and, in this context, to identify markets, attract investment, solicit grants, loans and technical support and make maximum utilization of all possibilities. Our diplomacy should be, in the main, that of economic diplomacy.

Our diplomatic work must aim at eliminating or at least reducing external security threats. Our policy should strive to widen the number of foreign friends that can help to create a regional and global atmosphere conducive for our peace and security. Our diplomatic activity also aims at forecasting potential threats and addressing them through dialogue and negotiation. The policy should also secure allies that can help us withstand intractable challenges and threats.

As well as creating a favourable situation for our development, our foreign policy aims at both individually and collectively lessening the negative effects that globalization could have on development. This is another reason why our diplomacy is centered on economic diplomatic activity.

Basing itself on national efforts to overcome the danger of strife and collapse emanating from within, our foreign and national security policy has the objective of resisting external threats to our security and building our capacity to reduce our vulnerability.

3. The Foreign Affairs and National Security Strategies

We need to devise correct and clear strategies to bring to fruition our stated objectives regarding foreign affairs and national security. Based on that, we have to define policies in greater detail and identify tactics. The strategies we need to devise in this regard are presented as follows.

3.1 Devoting the prime focus to activities at home

The objective of our foreign and national security policy is the realization of our vision of democracy and development and creating an enabling environment to this

end. Our vision for development and the building of a democratic order can succeed only if we examine seriously our country's objective reality and decide on ways of achieving our goals and moving in this direction, in the framework of globalization. We ourselves need to decide what to do, how to do it and when to promote democratization and development, as foreign prescriptions cannot lead us to successful outcomes. We can succeed in our endeavours only so long as we design our own path, by forging a common national understanding and consensus and doing what needs to be done as a united people.

Our foreign and national security policy can create favorable conditions for our vision of democracy and development if a correct path of democracy and development is charted and is able to be implemented by the people. With an idealistic vision where the people are just bystanders, a foreign and national security policy has no relevance. Focusing on serious work within the country to bring about development and democracy is the priority of a successful foreign relations and national security endeavour. We also need to focus on the efforts at the domestic front. Being preoccupied with external activities at the expense of what needs to be done at home risks turning into a futile exercise.

If we ourselves chart our course of democracy and development, engaging the entire people and resources and obtaining requisite help, we ourselves can identify the elements that can work for us. We can accurately define how best and to what effect we can utilize external assistance. External support is necessary only to fill in the gaps, and to identify what is needed. We have to see what we can do by ourselves. This will enable us to make effective use of the prevailing international situation. The absence of such an approach would hobble the foreign relations and national security policy and limit it only to mobilizing external support, whether needed or not. Our priority should therefore be to do our homework properly. We can succeed in ensuring that external conditions would be favourable and yield positive results if we ourselves carry out successful efforts to build democracy and promote development.

In sum, because the success of development and democracy - the goals of our foreign and national security policy - rest mainly on our own efforts; because we can correctly identify areas of need for foreign aid and accordingly utilize it only if we can do our best in this direction; because the international community is encouraged to create

favourable circumstances only if they are convinced of our practical commitment, our foreign and national security policy will succeed, depending mainly on our own domestic efforts. We need therefore to focus our efforts on the domestic front.

If our priority is to rely on external assistance, we will be concerned mainly with attempting to meet external demands and requirements. Our approach will be limited to obtaining foreign aid and our policy designed for just that purpose. This approach is unlikely to result in our receiving satisfactory levels of aid. Furthermore, whatever aid has been obtained will have been donor-driven and not consistent with our interests. If however, our priority were based on using our own means first, we would be compelled to do our homework (i.e., identify what we need), and our foreign and national security policy would take into account what we can do for ourselves. The rationale for that policy would therefore rest on realizing our own objectives and vision thereby yielding positive results.

Therefore the strategy we use to reach our foreign relations and national security objectives is based on the "domestic first, external second" approach. The idea is to focus on what can be done by ourselves, and to meet the need of our domestic requirements.

3.2 Strategy centered on the economy

Our foreign and security policy is centered around development that benefits the people and creating conducive situations for such development. As repeatedly mentioned, our national interests and security will be guaranteed only if rapid development is attained. Our main security threat is of an internal nature. The danger is that widening poverty may lead to our collapse, and that the absence of democracy and good governance may result in bloodshed and destruction. This threat can be removed through overcoming poverty, through development and economic initiative. It is only when we build a strong economy that we can effectively defend ourselves from external threats. It is obvious that we have a truly fragile economy. Therefore, rapid development is critical for the protection of our national interests and security. That is why we agree that a policy designed to create a favourable atmosphere to safeguard our national interests and security should be centered around the economy.

When we contend that we should pursue an economy-centered strategy, we mean that our relations of friendship or otherwise should be based first of all on economic matters. We mean that we should not enter into hostilities or friendship based on matters irrelevant to our development. We also mean that our external activity should focus on promoting business and investment opportunities and identifying sources of aid and credit. It means ensuring that foreign service officers realize that they are first of all development officers and that they acquire the requisite competence to accomplish this mission. It also means that we should not view our economic-related tasks as just one of many in our external activities, but rather to place economic work at the center of foreign relations.

When we maintain that the economy should be in the center of our security strategy, we are recognizing that it is rapid economic growth that will build our capacity to withstand internal and external security threats. Impediments to economic development are a threat to our security, and therefore, to assure security, we will have to remove obstacles in the way of rapid development. Minor impediments can be handled with greater tolerance. But even those problems that hinder development, and constitute a serious threat to security, need to be dealt with in a manner that would not be economically damaging, through the use of diplomatic instruments such as negotiations and political pressure.

Beyond all this we may be forced to defend ourselves, but our defense capability should not be built in a way that would have a detrimental influence on our economy.

3.3 Full utilization of benefits based on proper analysis

We have already referred to what we need from our foreign relations work to protect our national interests and security. The most important of our interests is economic. In our list of priorities are market opportunities, investment, technical and financial support for our economic development and democratization. Secondly, we need political, diplomatic, military and technical support for the maintenance of our security. We should be able to maximize what we can receive in this regard and utilize any assistance in the appropriate manner.

Possible avenues of cooperation and access to them need to be thoroughly assessed and studied. It is important to know in detail the development cooperation policy of each country. Although we need to absorb all forms of assistance to the fullest extent, we must move step by step. We have to differentiate between assistance that contributes significantly to our development and building of a democratic order and aid that has a more modest impact. This requires detailed study. Who provides what must be known, and the priorities worked out, in order for our work to yield results? Spontaneous and haphazard activity can only negatively impact the effective and efficient utilization of foreign assistance. That is why the need to have proper studies cannot be over emphasized.

The studies we are referring to are themselves based on other studies. Identifying the kind of cooperation we require demands our ability to separate what we can do, from what we get from others. We should also be able to decide how best and to what maximum effect we can utilize assistance. All this requires exhaustive study. Foreign service work should be based on studies and proper coordination.

3.4 Minimizing threats on the basis of proper analysis

An important component of the effort to create a fertile ground for democratization and development is seeking cooperation opportunities and bringing them to fruition. Also important is the prevention and mitigation of hazards. We need to develop strategies to forestall threats directed against our national interests and security.

Before anything else, we need to identify the sources of such threats. In so far as our main goal is development and democracy, what is threatening is what hampers our efforts in promoting them. Our study of the sources of danger involves identifying those forces whose interests could be negatively affected by the process of development and democratization in Ethiopia. There may also be some who erroneously believe to be threatened by progress in Ethiopia, which requires further assessment. The strategy we employ to reduce threats is therefore one that calls for a study identifying those who rightly or wrongly feel their interests are harmed by the growth of democracy and economic progress in Ethiopia. The study we embark on should be reviewed and updated regularly.

The identification process is by itself not enough. One would have to assess why some forces become threats for the wrong reasons. It is also important to study what interests are at stake, what those forces would do to protect their interests and with what capability. It is necessary to allay the fears of those who see imagined threats and to deal constructively with those whose interests may really be affected. It is also necessary to identify parties that can help in resolving the problem. One should also consider, should peaceful ways of dealing with the problems fail, the detrimental consequences and subsequent arrangements that need to be put in place to deal with the problems.

It is, therefore, necessary to carry out detailed and accurate studies as a first key step of a strategy to reduce threats and dangers. Work carried out on the basis of studies has a better chance of bringing good results. But even armed with good studies, problems of implementation could have undesirable consequences.

We need to take adequate care that our strategy should include a sober assessment and utilization of our studies. Our eyes should never stray from our final objective. Our aim is to realize development and democracy. We must not tolerate anything that stands in our way. We should however give priority to solving problems through cooperation, clarification and patience, while avoiding arrogance and inadvertently harming our own interests. The way we function should be informed by an understanding of relations in the world of globalization, the give and take, the negotiating and balancing of interests. We should also involve those who can contribute to the easing of problems. In the end, however, if we are faced with a danger that threatens our democracy and development, we should act to demonstrate to the adversary the need to reflect on the effects of the dispute, and if this does not work, we must be prepared, both internally and externally, to defend ourselves without doing damage to the pursuit of our goals.

3.5 Reducing vulnerability to threats

It has been repeatedly mentioned that the main threat to our national interests and existence is our poverty, backwardness and the infancy of our system of good governance. It is apparent, that to protect these interests and maintain our national existence, we need to address and do away with these threats-first of all internally. It

is a given that, external threats are extensions of the national or domestic challenges that we face. External threats are either coupled with domestic challenges or they exploit our vulnerabilities caused by internal difficulties. A historical examination of acts of aggression against Ethiopia proves this to be the case.

Foreign governments and other forces may be encouraged to act against our national interest thinking that they can get Ethiopia to succumb to their economic and other pressures because the country is now in a poor and backward state.

They may be tempted to take measures that would put our fundamental interests in danger believing that the people can easily be at each other's throat and are unlikely to collaborate for a common cause. They may feel that our defense and security capabilities are weak for economic, political and technical reasons. One cannot discount these presumptions. Our poverty and backwardness exposes us to danger. The absence of national consensus on important issues makes us vulnerable. In short, although enemies may exaggerate it, one cannot deny our vulnerability.

The fact that we have limitations presents a challenge to our national interests and security at two levels. Firstly, it creates hindrances in the prompt management of threats, which leaves us more vulnerable to conflict and war. Some time ago the Siad Barre regime in Somalia launched an attack on Ethiopia on the presumption that Ethiopia was unable to offer a united resistance and that it would break up under military pressure. The regime in Eritrea (the shabia) similarly launched an aggression against Ethiopia thinking along the same lines. Both regimes were soundly defeated because of their misguided and misconceived perceptions. However, until their defeat, they had dragged us into war for the duration and inflicted massive damage. If we had not been invulnerable, they would have realized that their intentions would not bear fruit. We have seen that being vulnerable invites pressure and attack from all types, from village tyrants to more powerful adversaries.

Secondly, besides exposing us to conflict and war, our vulnerability has wrought additional damage. It has made us pay a heavy price, even after the war, as we try to address its impact. Although war has at no time succeeded in crushing us as a nation, it has managed to succeed in perpetuating and deepening our poverty. Unless we move promptly to curb our vulnerability, we will remain prone not only to internal

dangers, but to external ones as well, and would continue to face pressure and even imposed wars. The main source of our vulnerability to threats is our poverty and backwardness. We need to quickly address these problems. We need to deploy all efforts to develop quickly for the benefit of the people. All other issues should come second to this campaign.

In addition to poverty and backwardness, the absence of good governance is a factor that induces vulnerability. Unless we recognize that our country is home to many nations and faiths and move to form a strong unity based on the voluntary will of our peoples; and until we build strong national consensus based on the principles embodied in the constitution, we will not only be exposed to internal strife and implosion but also to external conflicts and hazards, as well. Unless we establish strong democratic institutions; reach a broad national concord based on democratic principles; assure the rule of law; isolate and through popular involvement, deal with those who operate outside legality, we will remain hostage to internal and external threats as well as dangerous conflicts and wars.

In the past, Ethiopian governments had resorted to mobilizing and agitating the people with a message centering on national pride and based on the achievements of previous generations. That this has framed the minds of the present generation, is not in doubt. Such influence has had positive as well as negative results. Former governments consistently failed to understand that the systems they put in place would cause national humiliation to the present generation. They did not mobilize people to fight the real sources of our shame. Instead, they indulged in bragging and arrogant declarations of bravado. This situation has exacerbated our vulnerability in two ways.

In the first place, it has prevented us from recognizing that the source of our national shame is the lack of development and democracy; and this in turn has blocked efforts to embark on a path of progress through the forging of a national consensus. Past governments indulged in jingoism with an empty stomach, adversely exposing us to even greater vulnerability because it was not in their character to promote democracy, good governance and rapid development.

Militarism and arrogance have also in another way exposed us to peril. They have produced conflicts that could have been prevented and worsened their consequences.

This mentality has stifled debate, dialogue, give and take, and prevented us from focusing on the fundamental issues. Unless we draw lessons from the experiences of Germany and Japan, and set our sights firmly on our main objective and work towards that, we risk further exposure to danger. We have to free ourselves from empty bravado and focus on our fundamental interests.

Another factor causing us vulnerability is our inability to foresee threats, and failure to develop a strong defense and security capability while helping to nurture an enabling international environment. The vulnerability is principally a product of our poverty and the political problems that beset us. If we make progress in dealing with these two problems and we form a strong defense and security capability, potential aggressors would be forced to think twice. Our weak capabilities in this regard are proof that efforts deployed so far lacked quality and were not result-oriented. We cannot say that we managed to build the necessary capacity economically. This points to the need to take corrective steps to reduce our vulnerability. Neither can we say that we had been effective in creating a supportive regional and international climate, and to enlarge our circle of friends in order to strengthen our defenses. These shortcomings have highlighted our vulnerability and it certainly is important to take corrective measures.

It is important in general that the basic strategy that we employ to reach our foreign policy and security objectives should be the reduction of vulnerability by correctly identifying and then dealing with the problem at the source.

3.6 Building a reliable defense capability

It has repeatedly been asserted that our national security can be protected in a real sense through development and democracy. Proceeding from this premise, and supported by proper analysis and study, our diplomacy has a major role in reducing tensions; in avoiding conflicts, by embarking on early negotiation; and, when all fails, in securing regional understanding as we work to have our interests protected. In ensuring reliable national security and peace, a strong defense obviously plays an indispensable role.

Creating an efficient and state-of-the-art information network significantly enhances the efforts launched in developing our defense strategies. This information/intelligence network must be fully capable of predicting threats to our security and providing information of value to our diplomatic and defense initiatives. The creation of a capable national defense force is similarly central to the protection of our security. The existence of military strength compels prospective aggressors to stop and think twice. This allows for diplomacy to seek a peaceful solution. In other words, strength in military power is a necessary pre-condition for deterrence and effective diplomatic action. Even if conflict were to break out, a strong military would help to acquire victory with minimal damage to our efforts directed at building democracy and fostering development. It is therefore proper that the institution of an intelligence capacity, and the strengthening of our defense capabilities must be the basic strategy to realize our foreign affairs and national security objectives.

No doubt we will face problems as we set forth to build a capable military force. On the one hand, we are committed to placing all our resources at the disposal of economic development. On the other hand, we have to build a strong defense. This will reduce our expenditure for development. We need to do both. Clearly the challenge in the building of a strong defense is that of the availability of resources. This leads us to examine some approaches that are presented below.

a) Capacity building on the basis of a thorough threat analysis

Addressing the issue of building a dependable military requires us to unlock the contradiction between the imperatives of economic development on the one hand, and that of building a strong defense on the other. Proudly declaring that we shall build a defense force second to none is no solution. Even if we tried, the result would not be different from the debacle that the Derg (former military regime) faced. The definition of what constitutes an appropriate defense force must proceed from the threats that we face and our political and economic capacities to deal with them.

The building of a defense force should therefore start from an analysis of present threats to national security. Who are they who mistakenly or accurately believe that our building of democracy and speeding up of development threaten their interests? What is their capacity to pick a fight with us? In what way? What is their capacity to

launch war on a short, medium, and long-term time frame? How do we defend ourselves without negatively affecting our development efforts and the process of democratization? What are our strengths and weaknesses? We need to ask these questions and then answer them adequately. This must be followed by regularly reviewing our threat analysis. Based on this, we need to build a defense force that can either deter others or face them appropriately if the situation demands it. For this we need to exhaustively rely on our advantages and strong points.

The national defense force that we build should essentially be within the limits of our economic capacity, and should not be above or below the needs defined by our threat analysis.

b) Building capacity by focusing on manpower development

Experiences have confirmed that in the end, in a conflict between two forces with comparable technology, the decisive factor is quite simply - Man. It is the trained manpower that can successfully utilize logistics and weapons of war to win in a battlefield. Even the state-of-the art military technology and the strongest logistical backing would make little or no difference in a battlefield in the absence of able manpower. Although this does not mean that military technology and logistics are not at all important to our capabilities, a strong defense force means primarily the mobilization of capable soldiers.

It is not only because the individual soldier is important that we focus on human capacity. We realize all too well that establishing a force based on sophisticated and overwhelming military hardware would have a devastating effect on the economy, and result in a negative outcome for defense and for development.

If we stockpile weapons and boast of an invincible army of hundreds of thousand of troops without the financial means, our economy would collapse. We, thus, need to focus on qualitative aspects of military training if we are to establish a force, the costs for which would not drain the resources we need to put aside to speed up development and establish a democratic system.

We stress the importance of focusing on human military capacity because we feel we have an advantage in this regard. The efficiency, success or failure, of a given defense force rests on the firm commitment of its members. This commitment springs from each member's trust of the existing system's principles and doctrines and his/her readiness to make whatever sacrifice is required in their defense. Our constitutional system, and our democratic and development policies have all been designed to protect the basic rights of our citizens. We believe that if a national consensus is reached upon these fundamental issues, Ethiopians as a whole will stand in unison and safeguard with dedication to their country and its security. An army that emerges from such a population would fight with great determination and valour. Doing effective political work among the troops would undoubtedly strengthen the Armed Forces' singelness of purpose.

In other words, the efforts to further development and foster democracy, and the endeavor to achieve national consensus and register achievements, would help to create citizens who recognize the benefits and who would go to any length to protect them. Imbue the emerging army with political education, and a committed spirit emerges.

It is important to note that nation-wide educational and capacity building programmes are now being implemented. Primary education is more and more reaching large segments of the population, while secondary education is growing substantially. A national army drawn from an enlightened population, and provided with training in military theory, military science and techniques, would definitely become successful in carrying out its duties. The organization and working procedures of such an army have to be modern and efficient. Combining all the above, it is possible to create an army which is determined, committed, militarily and theoretically skilled, modern, efficient and organized. This should be done without undue burden on the population.

c) Cost effective use of financial resources

Needless to say, almost all countries wish to build up a national defense force which, at the end of the day, would be worth by far more than the cost of resources invested in it. In our context, given the very low level of our economy, this is a matter of survival. In practical terms, we have to make sure that any expense, however big or

small (each *Birr* and cent spent) contributes and enhances our security. Otherwise the economy, and the defense sector as well, will suffer grievously. It is essential that we balance our economic development with our defense requirements, and in this way, ensure that everything spent on defense is spent prudently.

We need to train a sufficient number of qualified soldiers backed by a reserve force in time of emergency, using the very limited resources we have in the most effective manner. Positive results would also come from instituting modern and efficient methods of work. Another cost _ effective strategy to be carefully considered, is to be able to use the army's potential labour and creativity, for instance, in the construction and running of military camps.

d) Ensuring symbiotic linkage between defense expenditure and the economy

However cost-effective our strategy in developing our defense capacity, the budget we allocate for the defense sector cannot be reduced to zero. Any expense represents money that we cannot use for development. However, to significantly reduce the negative impact the defense budget puts on the national economy, we could devise a mechanism whereby the economic and the defense sector could benefit one another. This scheme could well materialize if, for example, the army's material needs such as uniforms, food, shoes, etc., would be locally manufactured. This in turn fosters free local market competition leading eventually to qualitative economic development. Likewise factories which were originally designed for solely military purposes could also be geared, wholly or partially, to produce commodities needed by the civilian community, contributing to technology transfer between the military and civilian sector. In this manner, the economic and the defense sectors can cross-fertilize each other, helping to reduce the negative impact of military spending on the economy.

e) Building capacity in the context of economic development and current threats

Most economists agree that when a country allocates more than 2% of its G.N.P. to defense, the effects on growth are significant. This is not to say that a less than 2% expenditure does not put any pressure on the economy. We can, and of course, we must strive to limit our defense budget to no more than 2% of our gross national product. If, however, our economic development increases, the defense budget will

automatically rise proportionally. Our economic growth will therefore mean that the money going to defense will rise as well, enabling us to build a reliable defense force without undue negative impact on the economy.

Although pegging defense expenditure to economic growth is appropriate, spending could go up or down depending on the growth rate and the urgency of the defense threat posed. A fast developing military crisis cannot be halted by a long-term capacity-building program for the military. One has to be ready for a crisis, of that there is no doubt, and going above the ceiling of 2% cannot be ruled out. But if the threat is expected to give us some time to prepare, emphasis could be given on expanding the economy, thereby making it possible, through time, to even spend below the 2% ceiling. The way forward is to set the 2% ceiling, but implement the policy flexibly depending on the level of threat.

Our task of developing an intelligence network should dovetail with the direction we have laid for building of a defense capability. It must be clear that the primary objective of building up our defense capacity is that of deterrence. Efforts must be deployed to further the development of democracy, and not war. Our objective is to prosper, and not to achieve a state of military arrogance. We should go beyond conflict and engage in war for one and only one reason - when conditions are imposed that block our path to democracy and development, and negotiations yield no result. If faced with such a war, our objective is to emerge victorious with as limited an impact as possible on the national economy.

3.7 Building strong implementation capacity

Well-designed foreign and national policies, objectives and goals, programmes and strategies would lead us nowhere if they are not properly implemented. That is why the building of an effective implementation capacity is regarded as a basic strategy.

a) Forging national consensus

Foreign relations and national security goals are all about development, democracy and survival. The task cannot be left to a few professionals or politicians. People as a whole can, in a manner, participate. Our foreign and security policies and strategies,

including our relations with various countries should be made transparent to the public so that various sections of the community discuss these policies, improve on them and reach a common position.

Some analysts are of the opinion that a public discussion on foreign and security policies would be to divulge state secrets and serve the interests of the enemy. But we need to weigh the pros and cons of public discussion. Open discussions on policies empower the people to closely monitor the government's implementation of these policies, and would ensure the introduction of a culture of transparency and accountability and indeed, democracy. If members of the public truly understand the objective, goals, strategies and policies, they can play a positive role in ensuring that policy implementation is on track. Those who for mistaken reasons believed that our policies threatened them, would see from the publicly available document the need to correct their perception. Public discussion ensures that the policy remains constant and helps the building of consensus. These are arguments that are given high regard. Transparency in our foreign policies and implementation may, however, alert those who believe that we threaten their interest and, with their concerned suspicions, that they could harm us. But then the question can be raised, would they not guess our intentions as they see the implementation of the policy? In that case, who is being kept in the dark? Our enemies or our people? Although some matters of detail could be kept in confidence, one cannot keep fundamental issues a secret from those enemies that have good intelligence networks. In the end our policies would remain a secret to our people, and not to the enemy.

All said, the benefits of public discussion on basic policies and directions in order to reach a common national understanding far outweigh the loss. Creating the possibility for such debate enables the people to make their own contribution; this should be a priority above all others.

b) Strengthening the professional diplomatic capability

Putting our foreign and national security policies into practice needs, first of all, the full participation of the entire nation. Be that as it may, without professional staff functioning within an organization, policy implementation would not be satisfactory. It is essential that qualified professionals be deployed in an organized manner.

Qualified personnel need to be capable of carrying out studies and assessments in the areas of foreign and national security policies, threat analysis, and implementation strategies for these policies. They are expected to elaborate and implement a plan designed to make the policies effective. For professionals of this caliber to come to the fore, it is necessary for the nation to reach a common understanding on the main elements of the national interests and security issues. Without such a common understanding, the proliferation of diplomats and researchers would not allow us to protect our national interests and unity in a coordinated way.

Government ministries and institutions that are directly or indirectly concerned with foreign and national security affairs should coordinate their work. That is one thing. In addition, Ministries of Foreign Affairs, Defense, and Security should coordinate their work with ministries and institutions in the economic and the social sector in view of the fact that the economy is central for diplomatic work. It is of utmost priority for these ministries to develop their manpower, their organizational structure and procedures so that they are effective in carrying out their responsibilities, including the responsibilities dealing with foreign affairs and security. Isolated efforts will not bring results. These institutions need to coordinate their work and reorganize themselves accordingly.

c) Coordinating and involving those with a role in implementation

The reaching of consensus by the public on foreign relations and security issues; the participation of the public in the implementation of national tasks; the organization of the work and the deployment of professionals may be critical, but by themselves, they do not bring the desired result. To assist our international endeavors we need the participation of others such as those referred to below.

The role higher educational institutions and scholars play in enriching policies and implementing them is crucial. Although state research institutions have a role in carrying out the studies relevant to policies and strategies, other scholars and institutions can also play a vital role. They could present alternative views and promote debate. They could also help in the training of manpower. The government should encourage and coordinate this activity.

Ethiopians in the diaspora could also play an important role in carrying out research and investing at home. In addition they could win friends for Ethiopia and try to influence their country of residence to cooperate with our country. They could act as a bridge between Ethiopian companies and firms in their land of residence, thereby promoting investment and trade ties while seeking markets for Ethiopian products. Cognizant of the key roles played by Ethiopians residing abroad, especially in the economic sector, the government should take the initiative in creating the most conducive environment for them to play a constructive role.

The basis of our diplomacy is the economic sector, and the role of the private investment in our economic development is obviously decisive. Members of the private sector must play a key role in diplomacy. Creating enabling conditions for development means paving the way for the private sector and the business community to confidently expand their enterprises and invest in agriculture, industry, and tourism to cite a few from among many others. Trade and investment are critical to our economic development, and these can yield results if local and foreign businessmen build strong ties. In view of the central role of the private sector, the government should encourage and even help coordinate its input.

In this world so closely interconnected through globalization, civil society has started to play a more important role in relations between countries. Religious organizations, professional associations and NGOs have been building links with fraternal organizations all over the world and are striving to spread the benefits of globalization around. In this way, they contribute to development and the building of democracy. They are becoming new forms of inter-country interchange. The government should take note of this growing phenomenon and encourage and even help coordinate Ethiopian civil society so that one's interests and security are respected. It is when we strengthen our networking, when we seek the widest participation, and when we play a key coordinating role that we can build our capacity to deliver what is needed to protect our interests and security.

Section II

Ethiopia's Relations with Other Countries

1. Countries of the Horn of Africa

When we speak of relations with other countries, we should first speak of our neighbors in the Horn of Africa; namely: the Sudan, Eritrea, Djibouti, Somalia, and Kenya.

These countries have long standing links with Ethiopia in such areas as language, culture, history, natural resources, and so on. Changes in Ethiopia affect them directly, and what happens to them has an impact on us. There are rivers that connect us and have a direct bearing on our development. This is particularly true of Sudan, Somalia and also Kenya. Ethiopia is landlocked, while all our neighbors have ports that can provide services. We need to consider our strong ties with our neighbors and chart out the appropriate policy towards them.

1.1 General Policy

The relations we have with a given country or group of countries is based on the protection of national interests and security, and as such, is linked to our democratization and development goals. Our relations with countries in the Horn, therefore, should be seen from the vantage point of how relations could help us promote our agenda of democracy and development. With our eyes firmly on fundamental national interests, we need to draft a policy on the basis of a sober analysis of the value and role of these countries vis a vis our own interests.

Ethiopia has had a history of both friendship and hostility with these countries in the Horn, and there is a risk of being guided by emotion in assessing the value of our neighbors. There could be the tendency to exaggerate or minimize their influence of our neighbors in our effort to develop and democratize. It is important to be free of emotions in analyzing the situation.

a) Significance of neighboring countries to the development of Ethiopia

Seen from the economic development angle, our neighbors are short of capital and finance and cannot be considered sources of investment and development finance. We produce similar products and our markets are small with little impact on development. True, we have not exploited our trading possibilities fully and as the region develops,

opportunities will grow. But in the present day context, the role of investment, trade and development finance originating from our region, on our development is quite limited.

As regards natural resources, disagreements of differing degrees might be expected to arise with the Sudan, Somalia and Kenya. However, the capacity of our neighbors to utilize water resources is low, and our assessments indicate that the basis for conflicts of interest is not sound. The Horn countries can neither be obstacles for our utilization of water resources nor can they assist us to do so.

Our neighbors have ports and we do not, and as we develop, the need for efficient service rendering ports will be important. Port service provision is to the mutual benefit of both the provider and the recipient of the service. In fact, if some of our neighbors were not to provide port services to Ethiopia, the damage to their economies would be substantial. Therefore, if seen from the economic and mutual benefit point of views; port services would be provided steadily and predictably, and that is the way it should be.

In general terms, it can be said that at this time, our neighbors do not have much of a positive or negative influence on our economic development. What they have of value is port service and the sole danger that would arise is if they were to collaborate to deny Ethiopia the use of their ports or if they were to reduce the efficiency of the ports. Such a situation would not arise from economic interest, but rather as a result of political differences and conflict. One can, however, consider that in the longer term, as our neighbors register greater economic development they could serve as an important market for our products.

b) Significance of neighboring countries in the democratization of Ethiopia

What is decisive for the realization of a democratic order in Ethiopia is our own internal objective reality and our own effort, although the world outside could have a positive or negative influence on this. There is little or no technical/financial support we expect from our neighbors to speed up our democratization process, as some are beginners like us and others are still alien to the process.

Our neighbors could, on the other hand, play a negative role in undermining democracy in Ethiopia. This should not be underestimated. By promoting religious extremism or providing the territory for religious extremists, they could sorely test our young democracy which is based on the separation of state and religion and religious tolerance. Believing that we are vulnerable, they could seek to gain undue benefit from our country, or to disturb our peace directly or indirectly by falling under the influence of other forces.

In sum, the value of our neighbors - in the medium and short term - is limited to port service. Until such time that the region reaches a certain level of prosperity, the role of our neighbors, both positive and negative, on our development is limited. Similarly their positive impact on our democracy building process is limited. But in the negative sense, they could believe in our vulnerability, and by promoting religious extremism and narrow ethnic sentiments, they could disturb the peace and our development and democratization efforts.

c) The impact of Ethiopia's development and democratization on neighboring countries

We have risen with determination to improve our lives by deploying everything for economic development and democratization free from arrogance and adventurism. It is expected of our people that they fully engage in this campaign imbued with common purpose. We believe we are on the right track. As our country holds half of the inhabitants of the Horn of Africa and is located at the center of the Horn, the direction we are following would have an impact on our neighbors.

For a start, our neighbors can be confident that Ethiopia would not be the source of any threat to their peace, in light of our devotion to development and democracy. They will find Ethiopia ready, more than ever before, to address differences on the basis of tolerance, negotiation and the principle of give and take. As our political and economic vision becomes a reality, our neighbors will see that our vulnerability to external pressure, (far and near) will be reduced, and that, with greater resolution, we would be more capable in preventing conflict. In other words, our neighbors will feel assured that Ethiopia would be both internally and regionally a bastion for peace for

her own interest. An Ethiopia that bases itself on the promotion of peace is not only beneficial to herself but to all her neighbors as well.

Whether by design or not, the success of Ethiopia's development would benefit neighboring countries, and not just in relation to ports. Certainly, as our economy grows, we would need greater port services, and this would be beneficial to our neighbors. Our growth would provide our neighbors with a market beneficial for all. In other words, the efforts we deploy to build our economy and democracy in the interest of our people, will have a positive impact on our neighbors and would bring about the transformation of the region as a whole. With this realization we should draft a policy that would allow us to contribute positively to the development of the region.

Based on the above, and proceeding from our overall strategy, we can say the following about our policy as regards the Horn of Africa.

Our policy in the Horn of Africa should, like all our other policies, be free of different sentiments and proceed from a sober analysis of the situation, keeping in constant view our development and democracy agenda. It should understand that the success of our development and democratization has a positive contribution not only to Ethiopia but to all neighbours as well; and that a policy that is free of arrogance and greed would contribute to changing the entire region. These are the premises on which our policy is based. On the other hand, although our neighbors have little direct influence on our economic development, their role could grow in time, and as they would then have a bigger capacity to adversly affect our peace, our policy should focus on developing the culture of dealing with contradictions through discussion and negotiation while reducing our vulnerability to danger and to address security threats appropriately.

1.2 Ethiopia's policy towards Eritrea

From among our neighbors, the closest historical and cultural ties we have are with Eritrea. Similarly, it is with Eritrea that we have had two vicious wars in the recent historical period. If there is a policy that is heavily affected by different emotions, it is our policy towards Eritrea. On the one hand, there are those who have not accepted

the independence of Eritrea, and they see this from the "port access" point of view. There are those who have difficulty to control their feelings, insisting that we were one people and remain one people. Many cannot differentiate between the Eritrean people and the regime and, starting from the wounds of war, they call for a permanent estrangement between the two countries. All of them exaggerate Eritrea's value to our economic and political development. When viewed dispassionately, and in the context of our development and democracy priority, the reality begins to change.

a) Significance of the links

The contribution the Eritrean market makes to our economy is negligible, at least in the immediate and foreseeable future. The same is true as regards investment and finance. Eritrean ports are, however, more convenient ports for us, especially to the northern and central parts of the country, than other ports. We also believe that the significant electric power potential we have can be a better and cheaper alternative for Eritrea which has scarce power resources. Our wider market opportunity is more to the economic advantage of Eritrea than their limited market is to Ethiopia. Given all these considerations, a healthy relationship between Ethiopia and Eritrea would bring about mutual benefits for the peoples of both countries. However we feel that our links do not justify being given a high regard as far as our priorities are concerned.

From the point of view of democracy, one cannot imagine a positive contribution coming from Eritrea. On the contrary, our peace could be disturbed by Eritrea which poses a significant threat. The source of the danger are not the Eritrean people, or an intractable conflict of interest between the two countries. The cause of the problem is the group in power in Eritrea. The second cause of the problem is our vulnerability to attack. As our vulnerability is reduced so will the threat, and it will not take us long to reach that point. Similarly, should the ruling group in Eritrea and its policy be replaced, the danger could dissipate. The negative influence from Eritrea would only require serious attention in the short term, and is expected to be reduced significantly in the medium and long terms.

It is undeniable that there are conducive geographical and historical rationales for the two countries to forge a relationship of which the peoples of the two countries can be primary beneficiaries in terms of economic development. Ethiopia's focus will be the

use of ports; Eritrea would emphasize the Ethiopian market and electric power. However, even if a long and relatively peaceful period were to be ahead of us without benefiting from the advantages one gives to the other, the effect on our fundamental objectives would be negligible.

b) The Ruling Group, an obstacle to friendly relations

It was our conviction that the two countries would commence a strong relationship based on peace and mutual respect after the thirty-year protracted war was over (which claimed tens of thousands of lives and an immense amount of resources) following which Ethiopia gave recognition to Eritrean independence. The recent invasion the Eritrean regime waged against Ethiopia and the ensuing destruction and loss of life, however, has dimmed our hopes. Understanding why Eritrea invaded Ethiopia would significantly help our approach and policy towards that country in the future.

The ruling party in Eritrea has had a long history characterized by rent-seeking activities and preying upon others. Its economic agenda hangs on illegal economic activity. To this effect, the party's network is located not only in neighboring countries but stretches as far away as the D.R. Congo and Eastern Europe. The very cause of the invasion was, on the side of the Eritrean ruling party, the realization that it could no longer pursue its habitual illegal and unlawful methods to get unjustifiable economic benefits from Ethiopia. It was not ready to choose to carry out relations based on mutual benefit and sound legal economic principles.

The fact that the ruling elite is blinded by chauvinism and is prone to adventurism and essentially undemocratic could be said to be one cause for Eritrea's aggression. As a regime lacking in transparency and accountability, it has managed to organize itself as government cum-criminal gang and to expand its parasitic and rent-seeking activities and related networks. Its anti-democratic character and adventuristic tendencies have given it the feeling that it is the police of the region and has led to the militarization of the entire Eritrean society. Such a position has led the regime to believe that it could subdue its neighbors by force. Its arrogance led it to regard the peoples of neighboring countries as inferior beings.

Although the Eritrean regime launched an invasion against Ethiopia and other states driven by its arrogant and jingoist character, the fact that Ethiopia was vulnerable to danger encouraged the regime to act, thinking that it could succeed to force its will militarily. Ethiopia's defense capabilities at that time were very poor, leading the Eritrean regime to believe that the Ethiopian people were not truly united and could therefore be dealt with easily.

It is now clear from what transpired later that the Eritrean regime indulged in grave miscalculations. And yet the sacrifice paid to undo the aggression was not light. For some time our development and democratization agenda was severely set back and the loss of human life was high. Had we had the foresight to have reduced our vulnerabilities, maybe the regime would have thought twice before embarking on its aggression. Even if the invasion had been launched, we could have withstood its effects better.

Although the regime caused considerable destruction upon neighboring countries, the real victims are the Eritrean people. The Eritrean government's distorted objectives have prevented the people from mobilizing their mind and body to develop their country. Instead, the regime preferred to take the road of dependency, parasitism and illegal economic activity as a means to fill its coffers. In Eritrea the regime is controlling all avenues where money can be made, driving its citizens into destitution.

The aggressiveness of the regime has exposed the people to unending war and destruction. By calling to active military service all citizens of military age, it has created a major social crisis. The regime's irresponsible behaviour has cynically pitted the highlanders against the lowlanders, those who fought in the liberation war against those who did not. The seeds of deep suspicion have indeed been sown.

c) Policy Direction

Our foreign policy with Eritrea should take into consideration our medium and long term development strategies and basic national interests. At a minimum, our policy should aim at avoiding conflict.

Another round of fighting would deter us from our objective. In view of the fact that Eritrea has very little influence on our major tasks, we should not lose sight of our objective because of Eritrea. There are two ways we can avoid conflict with Eritrea. If we reduce our vulnerability and make it known, the Eritrean regime may decide not to press its luck too far. This is within our control. The other way conflict can be avoided is if the Eritrean regime is overthrown. That is a matter not within our control.

We should focus on reducing our vulnerabilities in order to prevent conflict. We need to finalize our efforts to build a strong defense force and an adequate reserve. In addition, we must engage the public so that people may develop a more united approach on national issues. It is important that we work so that the peace agreement is implemented comprehensively and strictly. In addition we must ensure that international and regional political, diplomatic and economic pressure is brought to bear so that the regime desists from its customary adventurism and aggressive behaviour.

If we succeed in the above, we can protect our national interests for a long period of time. After all, if we manage to concentrate all our efforts on ensuring development and achieving our objectives in building a democratic system of governance, the absence of economic relations with Eritrea would not influence our situation. As our democratic system takes deep root, there is no doubt that we will be less and less susceptible to the dangers posed by the Eritrean regime or by other quarters for that matter.

But we need to think about problems linked to the issues raised so far. One problem concerns the destructive elements that are armed, trained and deployed by the Eritrean regime. If matters were to degenerate into conflict between the two countries, no matter the damage the Asmara regime may sustain, we will be detracted for some time from our objective. We would not benefit from embarking on a conflict, if our democracy and development are not facing real threat. Therefore we should not pursue a policy that leads our two countries to war. Short of that, we need to pursue and eliminate the subversive elements the regime deploys against Ethiopia; to strive to ensure that international pressure (also from neighboring countries) is put to bear upon the regime; and to respond to provocation in a limited way as a means of adequate defense.

The maximal policy we will pursue regarding Eritrea will come into play where the regime or its policies have been changed. If Eritrea pursues policies based on mutual interest, accountability and transparency, i.e., democratic policies, it will be possible to forge a new relationship. In the first place, Ethiopia would benefit from such a state of affairs. Secondly, we should realize that the establishment of such relations with Eritrea will have a positive effect on peace and security in the region. Thirdly, to the extent that the new situation contributes to the safeguarding of our interests, aids the Eritrean people and contributes to building friendship throughout the region, we should follow this line.

At such a juncture we would need to revisit the issue of ports. Based on past experience, we should not utilize these ports on the basis of a bilateral agreement. We would need to enter into a new type of port utilization agreement that serves the interests of both countries and is internationally guaranteed. Entering into economic relations that do not guarantee the above would not serve our interests, and so we shall not enter into such agreements. But if the desirable agreement is reached, steps should be taken to link the two countries again (road, phone, electric power, etc.) and to provide for the legally acceptable movement of peoples between the two countries.

This situation certainly is preferable to that which is limited to conflict prevention. But this scenario can only see the light of day if fundamental change comes to Eritrea. That is a change we cannot bring about. In the first place, we do not have the right to overthrow the governments of neighboring countries. Secondly, we couldn't do it if we tried. Therefore the matter is in the hands of the Eritrean people.

We wish the Eritrean people the best in getting rid of the yoke of the regime. We cannot do their work for them. But wishing the Eritrean people the best in their struggle, we will do away with problems that create ill will amongst the peoples; and sticking to our policy of conflict prevention, we shall await better opportunities for going beyond this limited goals in the relations between the two countries. We trust that it is only a matter of time until things will change for the better in Eritrea.

1.3 Ethiopia's policy towards Somalia

a) Historical background of relations

The relation between Ethiopia and Somalia has not been a healthy one. In the recent historical period, one major and one lesser war were fought between the two countries. The empty dream of the so-called "Greater Somalia", an expansionist policy, had brought to Somalia nothing but hostility and conflicts with all its neighbors, especially Ethiopia. Moreover, Somalia had always allied with all groups and countries it believed were anti-Ethiopian and had disturbed Ethiopia's peace. On the other hand, Ethiopian Somalis had resisted the oppressive system in Ethiopia. Related to this, Somalia had succeeded in mobilizing a large number of Ethiopian Somalis as allays in its attempt to execute its expansionist policy. In this regard Ethiopia has been exposed to threats emanating from Somalia and other quarters.

Ethiopia, for its part, rather than responding to the threat by respecting the right of Ethiopian Somalis and by fostering brotherhood between the peoples of Ethiopia, so Ethiopian Somalis could live in voluntary unity with their other fellow Ethiopians, resorted to dismantling Somalia to the extent possible. The policy was to respond to Somali aggression by taking the war to Somalia and, along the way, aggravating the contradiction between the Somali clans.

The situation has now fundamentally changed. The "Greater Somalia" ideology has been discredited. It is now over ten years since Somalia has become stateless. On the other hand, in Ethiopia, a constitution in which peoples' rights are guaranteed is being implemented. Ethiopian Somalis are living in brotherhood and voluntary unity with other Ethiopians in a newly defined, inclusive Ethiopian identity. Together with other Ethiopians, Ethio-Somalis are, in the spirit of equality, democracy, development and an Ethiopian identity, resting on strong foundations and contributing to the building of the country. Ethiopia's vulnerability to the "Greater Somalia" ideology has been greatly diminished.

On the other hand, the disintegration of Somalia has in itself brought ever-growing danger. The crisis in Somalia has allowed religious extremism to take hold. Somalia has become a haven and conduit for terrorists and extremists. Anti-peace elements are using the country as a base and place of transit in order to threaten Ethiopia's peace. Somalia's disintegration has brought danger to the peace in our country.

b) Significance of the relations

There is no condition whereby Somalia could contribute as a source of investment and financial development or as a significant market for Ethiopia. After a process of some length, followed by peace and stability in Somalia, there is the chance that it could become a significant market, but this is difficult to imagine in the short and medium term. Regarding natural resources, all the big rivers in Somalia flow from Ethiopia. The irrigation schemes in Somalia which effectively served the people are in a poor state. On the other hand, as our country steps up its development, we will have to dam the rivers for irrigation purposes. The harnessing of rivers in Ethiopia can help Somalia resist floods, and so the benefit would be mutual. But on the other hand, these rivers could be used in Ethiopia - mainly in the Somali region - for development purposes. This could create a minor conflict but the problem can be tackled by the principle of give and take in a way that takes into account the national interests of the two countries.

As can be understood from the above, in the short and medium terms, Somalia does not have a positive or negative influence of note in the development of our country. And yet, in Somalia there are numerous ports that can provide services to Ethiopia. Starting from the port of Zeila which gave services to Ethiopia during its long history, all the way to Kismayo, there are no less than seven ports in Somalia that can be used by different parts of our country. These possibilities could significantly contribute to our development, but due to the "Greater Somalia"-driven conflict and national oppression in Ethiopia, they were never seriously considered (not to forget that Ethiopia had ports of its own). The current collapse of the state in Somalia makes it unrealistic to think of using the ports at the present time.

Even if the chances to use the ports were to arise, and though that would increase Somalia's relevance to our development, one cannot see a positive role that Somalia can play at this time. On the negative side, it is worth noting that the disintegration of Somalia has posed dangers for peace and stability in Ethiopia. This situation has spoilt the image of our sub-region, and the Horn is now perceived as an area of conflict. Our chances to attract investment have been reduced and the "Somalia effect" has contributed to the uncertainty about regional peace and the lack of economic linkages between the two countries.

c) Policy Direction

Our proximity to Somalia would be beneficial to our development if there were peace and stability in Somalia. Peace can come to our region if a government committed to fighting disorder, terrorism and extremism in cooperation with its neighbours is established in Somalia. Some circles say that the establishment of such a government in Somalia would once again resuscitate the ideology of "Greater Somalia" and that peace, democracy and development in Somalia would, in that case, not benefit Ethiopia. This view is fundamentally wrong and dangerous. First, of all, from now onwards, our country safeguards the unity of its peoples not by denying them options but by helping them recognise and confirm in practice, the option based on equality, mutual development and democracy.

As a result of this, we have created the condition whereby Ethiopian Somalis, no matter whether the ideology of "Greater Somalia" is revived or not, would choose to live in equality and unity with their other Ethiopian brothers and sisters. As our development and democratisation process gains momentum, our vulnerability to the effects of this and other similar slogans will be much reduced. Furthermore, it should be underscored that, since it has been the cause of much suffering first and foremost to the people of Somalia, this slogan of "Greater Somalia" has been discredited and its chances of revival are indeed very slim. In light of the encouraging political and economic situation in Ethiopia, the fact that Somalis live in both countries would actually ensure that they serve as a bridge that creates strong connections between the two countries, rather than as a factor of suspicion.

On the contrary, if Somalia enjoys peace and democracy, we will have the opportunity to use the Somali ports extensively and continuously and this would contribute to our development significantly. Such a situation would make it possible, in alliance with the new government, to stamp out anti-peace activities originating from Somalia. Both countries can work together to jointly develop river utilization plans. The way would also be clear to promote strong educational and cultural ties and interdependence in light of the educational and other related activities that are carried out in the Somali language within the Somali Region of our country. By creating strong relations between the two countries regarding the use of ports and rivers, commerce, culture and so on, and seeing to it that the two peoples are benefiting from this, one could be sure that the peoples would resist activities

designed to harm the relations that are proving to be so beneficial to them. Ethiopia would also gain direct economic advantages from this situation; in addition, when Ethiopia's eastern border ceases to be a source of threat, overall economic development would be enhanced. That is why, at this time, our major objective in Somalia is to see the establishment of peace and democracy, and based on that, the development of strong economic, cultural and political ties between the two countries.

This may be our wish and policy, but peace and democracy cannot be realised through our efforts only. Although we will do all in our power to contribute to the peace and stability of Somalia, as it is in our interest to do so, the responsibility to establish peace in that country principally rests on the Somali people and the political forces there. In addition to this, those external forces which can influence events should see to it that they use their authority to contribute to bringing about peace and democracy in Somalia.

The events of the last ten years in Somalia have not been encouraging, but we should not give up hope that peace and democracy will eventually come to Somalia. The country has disintegrated into different areas, and while some are comparatively, calm others are in continuous turmoil. Those who reap benefits from the absence of authority - a number of Somali groups, some traders, religious extremists, and their foreign friends - are bent on sabotaging in one way or another any effort aimed at bringing about peace in Somalia. Although the Somali people long for peace, they have not been able to break out of the web of obstruction put in place by those who oppose peace and change. Although the international community wishes to bring about peace in Somalia, it is evidently not ready to exert all its efforts to realise this. Thus, it appears to us that the condition of instability in Somalia is likely to persist for some time. Therefore our policy should not be limited to contributing to the emergence of peace and democracy only and, based on that, to forging strong ties; rather, it should also address what we should do if instability and turmoil persist.

Our fundamental policy remains to persistently work towards the birth of a peaceful and democratic Somalia. But in light of the continuing instability, the policy we pursue should essentially be a damage-limitation policy to ensure that the instability does not further harm our country, the region and the people of Somalia. If the

instability is not stopped, the only option left is to limit the damage that may be caused. There are three main options to limit the damage.

First, we have to try to help those regions which are comparatively stable and do not shelter extremists and terrorists in order that the relative peace they enjoy is maintained and even strengthened. Those that can be mentioned in this regard are the regions known as Somaliland and Puntland. In the spirit of damage limitation and to assist these regions maintain their stability, it is necessary that the links be strengthened in such areas as trade, transport and the like in the interest of our country and the people inhabiting the region. The question could be raised regarding the recognition of Somaliland as an independent state. Taking this initiative is not preferable to Ethiopia because it would create negative feelings on the part of Somalis living in the rest of Somalia and others would be suspicious of our intent. Therefore, our cooperation with these regions should not include recognizing the regional administrations as independent states. But we should continue to assist these regions in maintaining peace and stability, as it is to our advantage and the benefit of the peoples living in the area.

Secondly, we shall certainly continue to be exposed to various dangers as long as peace and stability elude Somalia as a whole. In recognition of this, we must create the capability to defend our selves and foil any attack by forces of extremism, terrorism and other anti-peace elements originating in Somalia. In this regard we must always be vigilant.

Thirdly, we have to work in cooperation with the Somali people in the region, and the international community as a whole, to weaken and neutralize those forces coming from any part of Somalia to perpetrate attacks against our country. Obviously the solution to all of this is the prevalence of democracy, and everything must be done to assist in reaching this solution. At the same time, however, we need to receive the understanding and support of the people of Somalia and the international community regarding what we are facing. While maintaining the principle of non-interference in the internal affairs of Somalia, we have to ensure our right to safeguard our peace and defend ourselves.

1.4 Ethiopia's policy towards The Sudan

a) Historical background of Ethio-Sudan Relations.

It is known that there is a long historical relationship with the Sudan starting from the time of the states of Axum and Merowe, there are also long-standing ties between the two peoples who have lived in one another's country over the years. It is evident that this relationship has had its own positive and negative features. In particular, since the end of World War II, when The Sudan became independent, the relationship has not developed in a positive manner as much as it should have.

One reason for this is religious extremism. Although it is the people of Sudan who bear the main brunt of intermittent manifestations of religious extremism, such phenomena have also harmed the relationships between the two countries. Besides attempting to spread religious extremism in our country, there were various efforts aided by The Sudan that were designed to make our country a victim of terrorist attacks.

There has always been religious tolerance in our country for a long period of time, and no political ground existed for extremism. The religiously motivated attempts from The Sudan should also have had little impact. But it is clear that the previous, undemocratic systems in Ethiopia had exposed us to this danger. It cannot be denied that widespread poverty, and the fact that religious equality had not been satisfactorily realised had exposed our country to imminent danger. Although our endeavours to fully implement all aspects of religious equality, to spread education and modern thinking, and to succeed in the war against poverty will certainly free our country from such dangers, we cannot say we have reached that level yet. It should be underscored therefore that there is a vulnerability that has substantially been reduced, but has not been completely done away with.

One of the causes for the deterioration of relations with The Sudan concerns the use of the waters of the Nile. In this regard, the agreement The Sudan signed with Egypt in 1959 that excluded Ethiopia from the use of the river is an example worth mentioning.

Ethiopia is the main source of the Nile, and The Sudan is the second biggest source. Egypt, on the contrary, is not a source at all. Ethiopia's opportunities to use the Nile

for irrigation are limited. Even if we were to irrigate all the lands on the Ethiopian side of the Nile Basin, due to the topography and limitations of the territory, the amount of water we use would not be that high. On the contrary, since The Sudan has expansive and fertile lands that can be irrigated, it is in a better position than Egypt and Ethiopia to gain maximum advantage.

Even if in accord with sound principle regarding the use of rivers for irrigation purposes, Egypt - which adds no volume to the Nile's waters - does not have enough land for irrigation. However, according to the 1959 agreement, it has appropriated the right to use the most substantial portion of the Nile's waters. Ethiopia may be the main source of the Nile, but it does not possess extensive lands like The Sudan to be developed through irrigation. The country that has a wide territory that can be developed using irrigation is The Sudan, although its share of the Nile is limited according to the agreement it entered with Egypt. As a result, The Sudan's national interest cannot be said to have been respected in the 1959 agreement. In fact, Sudan's national interest can best be protected when there is an agreement on equitable utilization of the Nile waters between Sudan, Egypt and Ethiopia. If such a stage is reached, what becomes difficult is not reconciling the interests of Ethiopia and The Sudan but the interests of Egypt and The Sudan. True as that may be, in practice, The Sudan has been supporting Egypt's stand on the issue. The Sudan has wrongly considered that its interest in this regard is threatened by Ethiopia. Although this attitude is gradually changing, it has been one reason which prevented the strengthening of the Ethio-Sudanese relationship for a long period of time.

Another reason for the poor relations has been, on the one hand, the support The Sudan provided - also because of the influence of others - to various opposing forces that aimed at disrupting the peace of Ethiopia, and on the other hand, Ethiopia's retaliation through the support it gave to Sudanese opposition forces, especially those in Southern Sudan. Unable to address the root causes of their problem, the two nations have been suspicious and wary of each other over the years.

b) Significance of the relations

In the Horn of Africa, Sudan is next to Ethiopia in population size. The Sudan has rich natural resources and the potential to go far in development. Presently its GDP is

higher than that of Ethiopia, and when compared with others in the Horn of Africa, the Sudanese market is quite substantial. Seen from the market perspective, The Sudan offers substantial advantages for Ethiopia's development. Servicing the Sudanese market will have a significant contribution to enhancing our development. One could also expect investment from The Sudan, although in a limited scale.

The port of The Sudan can be used as a trading option by some regions of our country. Similarly, The Sudan can play a constructive role regarding the utilization of the waters of the Nile. In the process, Ethiopia, by developing its electric power potential, can provide this service to The Sudan and reap considerable benefits. In sum, from the vantage point of our economic development, out of all the countries in the Horn of Africa, The Sudan can play a more significant role in the short, medium and long terms. In light of promoting our national interests, we have to give proper focus to the development of this relationship.

Of optimum value will be the development of strong political, economic and diplomatic ties with The Sudan, a world away from the suspicion which has marked our relations in the past. The Sudan needs to attain durable peace and a development that would contribute importantly to the prevalence of peace and security in the Horn of Africa. If strong ties are built between Ethiopia and The Sudan, they will make a significant contribution to the stabilization and peaceful interdependence in the Horn of Africa.

c) Policy Direction

From the perspective of our own economic development agenda, for regional stability and peace-in short, in light of our fundamental national interest framed by development and security-utmost priority should be given to the relations between Ethiopia and The Sudan. However, it should be recognized that those factors that have been obstacles for the creation of a strong relationship between the two countries, although substantially reduced, will remain and could continue to aggravate our ties to some degree or another.

One problem has been Ethiopia's vulnerability to threats emanating from The Sudan or other neighbours, and Ethiopia's subsequent attitude towards its neighbours, like

The Sudan, was also suspicion. Moreover, the perception of the relationship by many Ethiopians is distorted and mixed with suspicion. What is important is that we are striving internally to realize our development and democratisation agenda, with encouraging results. As we become stronger, threats to our security - be they in the guise of religion or otherwise - will have no ground to flourish. By focusing on eliminating the conditions that make us vulnerable, we can with self-confidence build strong relations with neighbouring countries, and, in particular, with The Sudan.

The other problem is the internal situation in The Sudan. It has been practically demonstrated that the absence of democracy and extremism has led The Sudan into deep crisis, and its people are reaching the point of realizing this. As they understand that extremism and resistance to democracy provide no answer but further destruction and crisis, The Sudanese people are, in the framework of establishing democracy and moving towards unity based on free will and equality. The effort underway to resolve the crisis in Southern Sudan on the basis of the abovementioned principles is a result of these new trends.

Achieving unity in The Sudan within the framework of peace and democracy will offer a significant advantage for both Ethiopia and our region. Unity founded on democracy and equality would mean that The Sudan has ceased to become a venue for extremism and anti-peace activities, and this would end the threat that Ethiopia faces from that country. True, the establishment of unity based on peace, democracy and equality in The Sudan is the duty its own people. But since we also benefit from this, we should pursue a policy of supporting this objective with all our means while adhering to the principle of non-interference in the internal affairs of The Sudan.

Regarding the use of the Nile's waters even at present, The Sudan has not totally divorced itself from its past stance, and it cannot be said today that it is actively promoting the equitable use of Nile waters. That this stance will have its impact on the relations of the two countries cannot be denied. However, The Sudan has not been a major obstacle for Ethiopia on water issues. There has been limited improvement in the Sudanese position, but not real change. Therefore, it cannot be said that the subject of the Nile's waters poses an unsurpassable obstacle for establishing strong ties between the two countries. So, while we exert our efforts to secure Sudanese support for the fair and equitable utilization of Nile waters, we should follow a policy

that supports the establishment of strong ties between the two countries without waiting for a change in The Sudan's position on the matter.

Starting from this, we can reinforce basic infrastructural ties such as roads, railways (in due course), telephone lines, electric power, and the like, enabling the creation of economic ties between the two countries. Based on this we can focus on creating strong trade links. There is a need to create a mutual vision in order for us to build momentum in promoting the mutual interests of both peoples and governments.

Although we should give priority to strengthening our relations and enforcing the positive aspects of our ties, we cannot be certain that all will be accomplished in the way we would wish. We should understand that there are circles both in The Sudan and elsewhere that do not wish our relations to expand in the manner just described. Proceeding from this, and reducing our susceptibility to dangers, we should calibrate our policies based on the situation in The Sudan and the response of the Sudanese Government.

1.5 Ethiopia's policy towards Djibouti

a) Historical background of the relations

An effort has been made to create strong economic ties between Ethiopia and Djibouti since the time of its colonization by France the establishment of a modern port there. In our country the only railway line is the one that links Addis Ababa and Djibouti. At the time the line was established, it was with the consideration that Djibouti would be the outlet for Ethiopia (since Ethiopia was land locked). In fact, the very establishment of the port of Djibouti was based on the understanding that it would provide port services to Ethiopia. Further, there are people who have the same culture and language living in both countries. Since early on, it appears that history has dictated that the two countries be bound together.

Except for the few occasional instances of differences that have emerged between the two countries, Ethiopia and Djibouti have never entered a conflict with lasting consequences. Whilst this is the case, the relationship between the two countries, for a number of reasons, is not as strong and healthy as it could be.

b) Significance of the relations

From Ethiopia's side, the anchor of the relationship is that of port use. The port, from its very establishment, was meant to provide services to Ethiopia, and naturally so, due to its proximity to most regions within our country. Djibouti would benefit the most from providing port services compared to Ethiopia's other neighbours. It also is a country that does not have any negative legacy linked to Ethiopia. For all these reasons, Djibouti is well placed to be the principal port of use. Although our use of other ports is to be expected, the relationship with Djibouti is highly valued as it relates to the development of Ethiopia.

Seen from Djibouti's perspective, providing port services by itself has economic significance as the port is the main source of income for Djibouti. As Ethiopia develops, inevitably more and more goods will be going through the port, and Djibouti will increasingly benefit from the income of the port services. Besides, Ethiopia can become a major market for Djibouti and can provide electric power and other basic services to that country. It is therefore clear that Ethiopia can play a vital role in the context of Djibouti's economic interest and development.

c) Problems regarding the relationship

Although they may not create fundamental lasting resentment between the countries, it is undeniable that there are obstacles that hinder the relationships from developing to the desired level. The gravity of issues differs from one problem to the other and no one country is free of them.

From the side of Djibouti, the main problem concerns the handling of mutual advantages, in particular the balancing of short and long term benefits. Yes, the people and their leaders recognize that Djibouti has to provide long term and reliable port services to Ethiopia. They also know that if Djibouti cannot do this, its main source of income will dry up, and in general, they are well disposed towards Ethiopia. But there are occasions when some officials focus only on the short term. Were it to provide services at reasonable rates, Djibouti would benefit increasingly as Ethiopia develops and increases its use. But we sometimes observe the tendency where Djibouti scrambles to maximize benefits within a very short period of time.

Furthermore, instead of recognizing that Ethiopia needs a durable and guaranteed port use arrangement, there is a preference to look for other options. This problem sows seeds of suspicion, and reduces the chances of the port serving the long-term mutual interest of the two countries.

On the other hand, there is the problem that arises due to the fact that the people in Djibouti do not derive direct benefits from the use of the port. Undoubtedly, the revenue can be said to be benefiting the public in an indirect way; and this applies also to those employed to work at the port. However the people would gain more from the development undertakings in Ethiopia and defend the relationship staunchly if they were to substantially benefit from trade and investment. For example, Djiboutians could get electric power supply from Ethiopia at cheap rates, but this has yet to see the light of day. There is a need to tackle the problem of drinking water, and Ethiopia, could examine what it could do, but this again, has not materialized. The citizens of Djibouti could participate in the various medium trade and investment opportunities in Ethiopia but nothing is in the works, and so on. Djiboutians have not benefited to the extent that they should. As a result, the people have not become as strong a foundation for the relationship as they should. Regarding this matter, although there are, on the side of Djibouti, shortcomings in helping the people become beneficiaries, it can generally be said that this problem mainly emanates from Ethiopia.

If in Djibouti the economic and political problems were to worsen, the use of the port may be hampered by instability. It may open the door for other forces to prevent Ethiopia's use of the port by imposing their will on Djibouti. When viewed from this angle, although it is the responsibility of the government and people of Djibouti to maintain peace and stability in their country, the issue affects our interest directly and the threats in this regard, need to be considered always.

On the side of Ethiopia, the main concern has to do with seeing to it that, on the principle of give and take, the people of Djibouti reasonably benefit from the relationship. While it is proper to object to attempts by Djibouti to reap undue benefits and to maximize short-term advantages, we do need to recognize, on our part, that not only Ethiopia, but Djibouti has to adequately benefit from the use of the port, and that we are living in a world of give and take. Also, at times we see there is a chauvinistic

and condescending attitude that is exhibited. Strong relations between Djibouti and Ethiopia, beneficial to both and the region at large, can come into being only when these problems are solved and when an appropriate policy is designed and implemented.

d) Policy Direction

The policy we should follow towards Djibouti should be to assure long lasting and reliable port services with reasonable fees. While we should maintain the option of using other ports, we need a policy that underlines the continued utilization of Djibouti as the reliable port of prime use. This will require reaching a long-term agreement with guarantees, and then, its implementation. The Djiboutian people should be made aware of its provisions in order that they back it. The agreement should, on the one hand, help the speeding up of the development of our country, and it should not impose negative pressures on us. On the other hand, it should enable Djibouti to receive fair benefits and it should aim at securing the long-lasting interests of both countries. The agreement should help avoid some negative tendencies that are manifested on both sides.

Ethiopia's extensive use of the port and the growth of strong trade links between the two countries depend on the strengthening and expansion of the already existing basic infrastructure network. In this respect, the improvement and reinforcement of the railway line and the highway should be given special attention. Prompt action should also be taken to create and expand telecommunication and electric power services between the two countries. So, our policy should take into consideration the substantial upgrading and strengthening of the basic infrastructure services between the two countries as soon as possible.

If the people of Djibouti are to get significant benefit from the relationship and if they are to stand in unison in support of ties with Ethiopia, it is essential that trade and investment be strengthened and sound legal practices adhered to. In this regard, restrictions in place in Ethiopia should be eased for Djiboutians in a way that does not harm, but rather enhances trade and investment. If the nationals of Djibouti participate in limited-scale investments reserved only for Ethiopians, there is no harm envisaged. As long as precautions are taken in order to see to it that others do not use this outlet

to frustrate the development of our country's entrepreneurs, such a policy would enable the people of Djibouti to see that their interests lie in the development of Ethiopia. They could thus become strong allies and supporters of Ethiopia, a situation which would provide us strategic advantages. Our policy should, therefore, give proper focus to this task and to create an enabling environment.

It is the duty of the people and government of Djibouti to safeguard peace and stability in their country, for their own benefit. We also have a direct interest in Djibouti remaining peaceful. It therefore goes without saying that the promotion of peace in Djibouti and the region, in league with the government and people of Djibouti would have to constitute a major feature of our policy.

In general, by establishing extensive and allencompassing economic relations between countries, and by helping the peoples to benefit from these ties in order that they protect the relationship, the Horn of Africa can be transformed from an arena of turmoil into one of cooperative development and peace. Our country can play a special and prominent role in this regard. It is easier to put in place such a relationship between Ethiopia and Djibouti, followed later by one between Ethiopia and The Sudan. If, together with Djibouti, we in a short time establish multi-sectoral economic ties, we could step by step, conditions permitting, expand this process with the other countries. IGAD could be instrumental in facilitating this initiative which promotes the transformation of the region into one of development and peace. That is what our policy should work for - the realization of our vision of development and democracy in a comprehensive way; one that shapes the Horn of Africa to be a region of peace and development based on equality and mutual benefit. The policy we pursue should enable Ethiopia to play the role that it can, namely a pivotal role, starting with those countries which are ready to move forward. The firm and healthy relations we establish with Djibouti should serve as an example to the region as a whole.

1.6 Ethiopia's policy towards Kenya

a) Historical background of the relations

Since Kenya's independence, our two countries have enjoyed good neighbourly relations. Ethiopia and Kenya have lived in mutual respect without interfering in the

internal affairs of each other, and without threatening each other. In fact, the ideology "Greater Somalia" was a threat directed at both countries, leading them to render each other support and to sign a mutual defence agreement. That having been said, cattle rustling has been a feature in the border area between the two countries and this problem has grown in the past decade. Moreover, as economic and political problems emerged in Kenya, the Oromo Liberation Front (OLF) and like-minded elements were able to take refuge in the northern part of that country. While it is important that these problems be addressed, they do not define or alter, the fundamental nature of the relationship.

While the political relationship has been basically healthy, the economic relationship, which could have gone far, has lagged behind. Kenya has faced a series of economic difficulties in the last ten years, that weakened its economy. But it certainly enjoyed better development than others in our region and it still does. Even though it faced various political problems aggravated by its troubled economy, Kenya is basically a peaceful country. Kenya follows Ethiopia and The Sudan in terms of population but has a comparatively larger market. However, the economic ties between Ethiopia and Kenya are weak and hobbled by contraband.

b) Significance of the relations

Even though some economic problems constrain its development, Kenya has a comparatively large market in our region. As it addresses its problems and makes strides in development, Kenya could constitute a truly significant market. Besides, Kenya is our bridge to East and Southern Africa. In commercial terms, the Kenyan market could be comparable to that of the Sudan.

In terms of facilities it can offer, Kenya's ports could be better options for some parts of our country. Since Kenya suffers from a large electric power shortage, it could be envisaged in the future that it could purchase power from Ethiopia, enabling both countries to benefit substantially. The utilisation of the Omo River, which flows from Ethiopia and enters Lake Turkana, on the border with Kenya, has been a point of difference. But if handled correctly, the difference could be resolved without much difficulty. In general, despite the fact that lack of attention has resulted in weak

economic relations, it is obvious that Kenya can play a considerable and positive role in the development in Ethiopia.

So far, Kenya has been a land of peace and stability, and is well placed to play a significant role in the promotion of stability in the region. If the economic and political challenges that tested Kenya in the past decade are resolved, the country can most certainly play a significant and constructive role in the Horn of Africa.

c) Problems in the relations

The basic problem manifested in the relationship with Kenya was the fact that no attention was given to the creation of a strong, legally based economic relationship. As a result, although it is possible to link the two countries by roads and railways, there is, at present, no road link worthy of mention. It had also been possible to create telecommunication and electric power service links, but again, there are no achievements in this field. In general, no significant effort was made to link the two countries economically. So the good neighbourly relations the two states enjoyed did not extent to development. Both countries are responsible for this state of affairs.

Unless the political and economic problems that have manifested themselves in the past ten years in Kenya are solved, the country's peace and stability will be sorely tested. The negative influence that can come from this was evidenced in the last ten years when northern Kenya became an active center for anti-peace forces. Some Kenyans, who are still stuck on dependency, worry when neighbouring countries make economic progress and experience peace and democracy, thinking that Kenya may lose both the prominence in the eyes of aid donors, and the advantages she has enjoyed for many years. This leads them to view stability in neighbouring countries as contrary to their interest, and hence, to view the emerging situation with suspicion and some degree of envy. If this attitude gains prominence in Kenya, it could become an obstacle for the strengthening of its relationships with its neighbours, including Ethiopia.

d) Policy Direction

The policy we should pursue towards Kenya must be based on the significant role Kenya can play regarding our development and security, which are basic to our fundamental national interest. In this regard, we need to demonstrate to the people and government of Kenya that development and peace in Ethiopia will bring significant benefits to Kenya as well, and that there is nothing for Kenya to lose. It is important, too, that we establish a strong trade relationship with Kenya and, through Kenya, with other countries in eastern and southern Africa. In this regard, what is critical is, first of all, the linking of the basic infrastructure; and our policy should enable us to do this as quickly as possible. The center of our policy should be the placing of trade in the legal domain, thereby ending contraband.

We should pursue a policy of promoting the existing peaceful and good neighbourly relations into the future. In this regard, on one hand, we have to work together to avoid some of the sporadic incidents that occur along our common border. This calls for the curbing of cattle raiding and the related conflicts among the peoples of the region. We have to work in cooperation with Kenya to stop northern Kenya from serving as a base for forces bent on violence. We should make sure that the problems seen so far do not deteriorate and to resolve such problems, our policy and its implementation should aim at underlining our continuing friendly relations.

On the other hand, understanding that it is advantageous to our national interest and security that Kenya remains as a stable country, we should have a policy of supporting, with the limited abilities we have, the people and government of Kenya in their efforts to tackle their political and economic challenges. We have to promote regular discussions that focus on mutual and fundamental issues between the governments to strengthen the people-to-people relationship.

1.7 Strengthening the IGAD

IGAD is a regional organisation that ties Ethiopia with our immediate neighbours and Uganda. The organization was established to promote good neighbourly relations, to resolve conflicts peacefully, and to foster strong economic ties between the countries. We fully identify with the aims of the organization. In view of our geographical position in the sub-region, the size of our population and our commitment to the aims of IGAD, Ethiopia can and should play an important role in this organization.

That IGAD has various problems is a fact. One weakness is that it does not have enough human and financial resources. Member countries do not show the same level of concern for the development of the organization and that is another reason for IGAD's weakness. The disintegration of Somalia and the civil war in The Sudan have also contributed their share in this regard. A further reason, and one that could probably be cited as a main cause for the weakening of IGAD, is the relations between member states, and particularly, between Eritrea and other IGAD countries. A basic tenet in our foreign policy should be to strengthen IGAD by striving to ease these problems.

2. Relations With Other African Countries

2.1 Historical background of the relations

Ever since their achievement of independence, the relations that other African countries have had with Ethiopia could be described as very healthy. As a founding member of the Organisation of African Unity, Ethiopia has struggled faithfully and prominently for the realization of the objectives of the OAU. It has done its level best overtly and covertly to assist those countries under colonialism to gain their independence. It is worth mentioning that the policy and practice pursued by past Ethiopian governments in this regard must be seen in a positive light because their polices enabled our country to discharge its African responsibilities and to gain the respect of our African brothers and sisters. Over the past ten years we have continued along similar lines, and the healthy relationships established earlier have been maintained.

In connection with this, Ethiopia has been receiving wide political and diplomatic support from the Organisation of African Unity and its member states. Recently, as evidenced when our country was invaded by the Eritrean government, Africa firmly stood in support of the peace and security of Ethiopia, as in earlier times. In short, it can be said that there is hardly any political and diplomatic support that our country asked for and did not get from Africa. That Ethiopia is the seat of the African Union (AU) is a reflection of this fact. Naturally this entails that we carry a special responsibility for the organisation.

Even though Ethiopia enjoys healthy diplomatic and political relations with other African countries, there have been limitations resulting from the overall challenges Africa faces in fostering unity. Overall economic ties between African countries are weak and Ethiopia does not have economic relations of note with African countries except those in the Horn of Africa. The African Union should have, but has not fulfilled its role to be the forum of debate in the struggle to enhance Africa's share, and that of member states, in the process of globalization. Even in the promotion of peace, the AU has shown that it has serious limitation, although it has made important efforts in this area.

2.2 Significance of the relations

The general and regional conditions favourable to our peace and stability have been nurtured by the positive relations we have managed to maintain with other African states. This will continue in the future as well. Our desire is to focus on development, and on development only. We wish to avoid any and all conflicts, and to respond to those who wish to launch conflicts against us by offering the possibility to resolve problems through discussion and political means. In this regard, we can count on the support of African countries and the African Union.

Furthermore, the influence and support we gain from Africa will help us indirectly as we try to make ourselves heard in other parts of the world. The African Union can play an important role in supporting our efforts in economic development and democratization, by contributing to the creation of favourable political conditions, including the resolution of conflicts by peaceful means.

Home to small and fragmented markets, the African countries cannot benefit as they should form the era of globalisation. The creation of strong economic links among African countries in the long run, will contribute significantly to the development of Africa. We will also benefit from this. But in the short and medium terms, it is difficult to envisage that trade relations between Africans states will bring about significant change to the situation.

On the other hand, all the negative effects of globalisation that affect Ethiopia also apply to other African countries. The world market remains inaccessible to African

products, and the flow of aid is limited in both quantity and quality. Individual efforts to overcome such problems may exist, but what will be more effective is to negotiate and struggle as a group, hand in hand with other African countries.

In sum, the growth of trade relations with other African countries could be seen in the long run as significantly influencing our chances of development; but this is not going to be the case in the short and medium terms.

From the perspective of economic development, our trade relations with other African countries are important, not because we expect major increases in trade in the short or medium terms, but because these relations are valuable in the framework of the negotiations and the campaign we engage in to minimise the negative influences of globalisation. Our trade relations are important because they contribute to the maintenance of our peace and economic development.

2.3 Policy Direction

The significance of our relations with other African countries (especially in the short term and medium term) is defined by the impact it has on peace. Our policy should focus on strengthening this. Remaining faithful to the objectives of the African Union and playing a prominent role in the institution, we need to maintain and even strengthen our influence in Africa. We should assist the efforts of the African Union to resolve conflicts, and this should be done in a visible manner. To that end, our relations with individual African countries should remain healthy. In addition, Ethiopia should use its influence to contribute to the resolution of conflicts in our region. Our growing influence should help us in diplomatic initiatives that we undertake in other parts of the world.

A policy that promotes the establishment of strong economic ties between African countries is what we should purse. Irrespective of the opportunities that may or may not be available for development, Ethiopia should support the establishment of strong economic ties, given the obvious long-term advantages. COMESA is a forum for integration that deserves our fullest support. Moreover we should endeavour to enable the Africa Union, by way of improving Africa's post in the area of globalisation, to

become the forum that will ensure a better place for our continent and to fulfil its mission with distinction.

In our time efforts are being undertaken to build the AU so that it can better fulfil its political and developmental mandate. To this end, we will staunchly support the objectives of the AU, just as we backed the OAU. In addition, we have to be in the forefront in supporting NEPAD and related programmes designed to transform the African economy. For this purpose, we have to have a policy of co-operating with all African countries, particularly with those who have the commitment and the capacity to contribute significantly to the realization of Africa's objectives.

3. Relations with Countries of the Middle East

3.1 General Policy

The Middle East has both positively and negatively influenced our history due to our proximity to the region. In fact, the impact of the Middle East on Ethiopia is more prominent than that of the African countries.

The great religions that originated in the Middle East have had a great impact on our country since ancient times. It is noted that as a political community, Ethiopia embraced Christianity preceded by only Armenia and Constantinople. Christianity came to Ethiopia from the Middle East, and for more than 1600 years, Ethiopia's religious leaders, the patriarchs of the Orthodox church, came from Egypt.

Christianity, besides being the religion adhered to by millions of Ethiopians, has formed an integral part of our history and culture. Islam may have been born in Saudi Arabia but Ethiopia was the first country to allow its adherents to practice it, even before Saudi Arabia did. Because they were persecuted in their own country, the followers of the Prophet Mohammed were ordered by him to seek refuge in Ethiopia. It was after this that the Prophet ordered his followers not to touch the Abyssinians except in self-defence, a clear illustration of the regard with which Islam viewed Ethiopia. Since then, Islam has not only become the religion of millions of Ethiopians but also has come to form an integral part of our history and culture. Similarly, an ancient version of the Jewish religion was practiced in Ethiopia and this too had some

influence on our history and culture. This is the backdrop for Ethiopia's long-standing relationship in language, history and culture with the Middle East.

On the other hand, there are negative elements in our relations with the Middle East . One of the issues that strained relations between Ethiopia and the Middle East was the issue of the waters of the Nile. The Nile had a special place in the thousands-of-years long relationship between Ethiopia and Egypt. The Egyptians have been imposing their will so that no one but themselves would use the waters of the Nile. On the other hand, Ethiopia has struggled to ensure that its rights to the use of the Nile's waters are respected. As Egypt took the mantle of leadership of the Arab world, the subject of the Nile waters began to influence Ethiopia's relations with that region and still continues to do so.

Neither was religion free of casting a negative influence. There were two main sources for this: Islamic extremism, and Ethiopia's susceptibility to danger. One of the differences between Muslim extremists, and moderate Muslims concerns their differences on the subject of Ethiopia. The moderate Muslim believes that Ethiopia is a country which received the first followers of the Prophet, the first *hijira* (pilgrimage) country, a respected country which a believer should not touch if it does not touch him. As a result of this, he prefers to consider it a special place different from other countries. The extremist, on the other hand, preaches that it was the Ethiopian king who gave refuge to the followers of the Prophet and that he had been converted to Islam, though he did not make it public for fear of the people. So, the people are the enemy. Ethiopia should be categorised as the first "Andalusia", the land which betrayed Islam. So it has come to pass that when the extremist line prevails, Ethiopia becomes susceptible to danger; and when moderation reigns, Ethio-Arab relations improve.

However, even though it has been a defining characteristic of our history and culture, there are sometimes conflicts between the followers of the two religions. Various wars were waged at different times between Muslim sultanates that were flourishing in different regions and Christian kings, to achieve supremacy over the other. In the process, the systems of governance in Ethiopia evolved into ones where equality of religion was not realized for a long time. This situation triggered an internal struggle

to ensure religious equality on the one hand, while it opened a door for external aggression on the other.

Another negative influence on the relationship between Ethiopia and the Middle East was simply that of ignorance. There may have been a relationship between Ethiopia and the Middle East for more than one thousand years, but the one did not really know the other during all that time. Other than looking at the Middle East and especially the Arab world with suspicion, Ethiopians have never studied the countries separately, and have not taken a stand based on a comprehensive knowledge of the countries. This has continued up to the present day. Similarly, the peoples in the Middle East, and especially in the Arab world, other than looking at Ethiopia with suspicion and with vigilance, have never tried to understand us. As a result, ignorance reigns and the relationship has been plagued by suspicion, dislike and even contempt. General ignorance has helped some forces to plant the seeds of hatred and suspicion, thus contributing to the further aggravation of the problem.

Ever since it began, the Arab Israeli conflict has negatively affected the relationship between Ethiopia and the Middle East. Both sides, the Arabs and the Israelis, expected Ethiopia to back them against the other, when what was needed was for Ethiopia to carry out its relations in light of its own interests. Unfortunately Ethiopia allowed itself to fall prey to these pressures; instead of taking its own independent stand, it has been swinging from supporting one side at times to supporting and the other side at other times.

The Middle East is a region that significantly influences our security. Directly or indirectly, it influences our economic development in a substantial way. That is why the Middle East is one of the regions that deserves special attention in our foreign relations and national security policy.

The policy we pursue towards the Middle East should proceed from the principle that we devote everything toward the transformation of our economy and the building of our democratic system. How we handle the obstacles against our development and democracy should centre on the principle of conflict resolution through negotiation and tolerance, and pursuing political and diplomatic options. We should maximise and exploit all elements in the relationship that have a positive contribution to our

development. Moreover, the policy we pursue toward the Middle East must be based on knowledge and must be supported by appropriate research and study. By no means should we be guided by feelings or whims. Our policy should aim at reducing the negative effects of the problems that hinder the development of our relationship. Ours has to be a policy of considerable detail, which takes into account the particular conditions of each country in the Middle East.

3.2 Relations With Egypt

a) Historical background and problems regarding the relations

From its inception, the Egyptian civilisation is based on the waters of the Nile. Not less than 85% of the water that enters Egypt originates from Ethiopia. It can therefore be said that from the very beginning, the two countries have been intimately linked by nature. The problem Ethiopia faces regarding the use of the Nile's waters is principally a problem with Egypt. Due to the influence of Egypt in the Arab world, the issue of the Nile also affects Ethiopia's relations with other countries. When extremism gains ground in Egypt, the relations with Ethiopia are aggravated even more. Needless to say, a fair amount of ignorance has also contributed to this problematic relationship.

The Egyptians for a long time have continuously laboured to prevent Ethiopia from using the Nile's waters, particularly for irrigation purposes. They have suffered under the belief that Egypt will be exposed to tremendous danger if Ethiopia starts to use the waters of the Nile. The agreement signed between Egypt and The Sudan in 1959 does not provide for Ethiopia to use even a single litre of water. The Egyptian mentality is framed by the mantra "if Ethiopia uses the water, Egypt will be endangered. If Egypt is to use it, Ethiopia has to take her hands off the water." The Egyptian scenario regarding the Nile is a classic example of the politics of " I win if you lose", the zero-sum game.

On the other hand, Egyptians believe that the Nile's waters are not sufficient for all. But on the other, they utilise the waters extravagantly. The Aswan Dam, which is built in the middle of the desert is subject to massive evaporation resulting in loses of more than 10 billion cubic metres of water annually. This is more than the annual

volume of the Tekeze River-no less! Irresponsibly lavish with their use of the water, the Egyptians have been diverting the Nile from its natural basin, east to the Sinai desert, and west in the Toshka canal in the western desert of Egypt.

However, those persons who have studied the issue in depth express the view that the interests of Ethiopia and Egypt regarding the benefits of the Nile water are not irreconcilable. For instance, Ethiopia can help stop the silting, which is causing considerable problems in Egyptian and Sudanese dams by rehabilitating the natural environment of the Upper Nile basin. Such a measure would, at the very least, benefit Ethiopia and Egypt. If fluctuations in flow of the Nile's waters are tamed, Sudan will be safe from the annual floods and all countries could be able to get cheap electricity services. Additionally, since the water would not be exposed to extreme evaporation if dammed upstream, at least 3 billion cubic meters of water could be saved and shared by the countries in the basin. The amount of Ethiopian land in the basin that can be developed through irrigation is relatively small. The water that can be saved by building dams in Ethiopia, and the water that is inappropriately wasted in Egypt, could together be enough to satisfy Ethiopia's irrigation needs. Moreover, as the mainstay of Egypt's economy changes from agriculture, It will have the ability to use the water economically, while its dependence on irrigation will be lessened. In this way, there will be the opportunity to save the water that Egypt is using extravagantly at the moment. In short, this illustrates that the interests of two countries in the use of the Nile's waters can be reconcilable.

While the interests of the countries could be made compatible, Egypt has been pursuing a policy of systematically preventing riparian states, especially Ethiopia, from utilising the waters of the Nile. An important element in this policy has been the promotion of instability in Ethiopia and the Horn. Although Egypt may not be the primary cause for instability in the region, it has contributed to the instability by fanning the flames and aggravating the conflicts because it believes that such a situation serves its interests. Egypt's assumption is that when Ethiopia is wracked by war it cannot focus its efforts on development. Although Ethiopia may wish to develop, leaving poverty behind, it will not be able to; and Egypt will continue to have unfettered access to the Nile's waters.

The other Egyptian strategy has been to see to it that Ethiopia does not manage to secure aid and loans to utilise the Nile waters. Owing to its influence in the Arab world, it has managed to prevent Ethiopia from receiving grants and credits from any Arab nation. It has also laboured to perpetuate hostility and suspicion to wards Ethiopia. Egypt has also more or less, succeeded by using its influence as leader of the Arabs in blocking Ethiopia from obtaining aid and loans form other sources to exploit the water resources of the Nile. Egypt's belief has been that Ethiopia, mired in poverty and embroiled in endless conflict, could not develop the basin on its own, and that with, the opportunities for aid and credit closed, Ethiopians will have no choice but to sit and watch the river flow to those who can then put it to good use.

Although this was not translated into action, Egypt had at one time, threatened military action in the event any country used the waters of the Nile without seeking prior permission from Cairo. There are those who argue that Egypt's war preparations, involving a huge army trained in bush warfare and for a country that is essentially desert, is evidence of Egypt's militaristic intention. There are also those who maintain that these are just verbal threats unlikely to lead to real aggression.

It should be noted that there are Egyptians with a different outlook, who believe that the idea of eternally preventing Ethiopia from using the Nile's waters is unrealistic. There are also those who contend it is unacceptable that the people of Ethiopia, the main source of the Nile, should face endless drought, famine and death. There are also those who believe a compromise formula can be worked out with respect to the use of the Nile's waters. In this connection, an understanding was recently reached between Egypt, The Sudan and Ethiopia regarding development activities along the Nile. The projects include natural conservation and exporting hydroelectric power in excess of the actual needs of Ethiopia to Egypt and The Sudan, as well as engaging in extensive irrigation projects. These projects call for jointly seeking aid and credits, as well as private investment.

This agreement may be viewed as a remarkable and even historic development in the utilisation of the Nile's waters. For the first time in history, this treaty demonstrates Egypt's confirmation that the interests of riparian states could be reconciled. The agreement also demonstrates that the soil and natural resources conservation along the

Nile as well as the hydroelectric power projects can provide no less benefits to Egypt than they do to Ethiopia and The Sudan.

Egypt has agreed to Ethiopia's development of extensive irrigation projects and to seek for sources of funding for these projects together with Ethiopia. Viewed from this angle, this agreement is encouraging and of a historic nature.

But it cannot be said that the issues involving the use of the Nile waters have been settled once and for all. In the first place, since the agreement has not been put into effect and practical matters are still to be resolved, one cannot speak with full confidence. Also there is no demonstrated readiness on the part of Egypt to correct its uneconomical use of water resources and to come to a fair and durable basin-wide water allocation agreement. Many Egyptian politicians still cling to the old attitudes. It can only be said that an encouraging historic move has been made balancing different interests and indicating a course for a lasting resolution of the outstanding issue. This is not the same as saying that a permanent solution has been reached.

It is believed that as the Egyptian economy expands and democracy matures, Islamic extremism will wane and moderate thinking will prevail. Such an outcome is likely to have a favourable influence on Ethio-Egyptian relations and by extension, on Ethiopia's relations with the Middle East. Also, as its economy grows, Egypt will acquire higher competence in economical water utilization and reduce its dependence on the Nile and on agriculture generally, a development which could well provide an opportunity for an improved management of Nile water resources. One can maintain that the strengthening of the Egyptian economy, moderation and democracy would have a beneficial effect on Ethiopia's interests. One can also argue that the strengthening of the Egyptian state may also produce a desire in some Egyptians to apply force in the settlement of problems. On balance, however, an Egypt of moderation, an Egypt that is less dependent on Nile, is an Egypt that is better positioned in light of Ethiopia's interests than an Egypt of extremism which is highly dependent on the Nile.

b) Significance of the relations

To ensure rapid development, Ethiopia needs to appropriately utilize and, simultaneously conserve its natural resources. Above and beyond satisfying its own electric power needs, Ethiopia must be able to sell power to The Sudan and Egypt, generate foreign currency and pursue economic integration in the Horn of Africa. It needs to develop its irrigable land and protects its soil and other natural resources. It also needs to provide sufficient water supplies to its rising population and industrial development needs. It is difficult to see all this happening without sufficient utilization of the waters of the Nile. Ethiopia can ensure rapid development only if it can exploit its rivers, including the Nile river. This can and should be done without affecting Egypt's' fundamental interests and through the balancing of benefits. Unless we move on this issue our development and national security interests would be gravely harmed.

If Egypt really has a desire to see the fair and equitable use of the Nile resources, it would refrain from frustrating Ethiopia's efforts to secure funds for development activities and, beyond this, evolve in to a development partner. Egypt could play an important role in bringing peace and stability to the Horn. Also, since it has a relatively big market, it can considerably contribute to our development. If moderation and democracy win the day in Egypt, extremism in the Middle East would ebb, which would contribute importantly to our security. Generally, our relations with Egypt are significant and relevant to our national security and development.

c) Policy Direction

Whether we like it or not, the issue of the Nile river will remain central to our relations with Egypt. Our policy is to deal with the Nile issue by balancing interests and, by peaceful negotiation, leading to a solution that does not harm our development activities. Questions raised regarding this issue need to be addressed in a proper time frame. Parallel to this, we need to adopt a policy that helps manage threats and reduce vulnerability.

In our relations with Egypt, like in other foreign policy matters, what is critical will be our handling of important issues on the domestic front. If we ensure that democracy takes root; and we resolve outstanding national issues in a peaceful manner; deal with issues involving neighbouring countries through dialogue and assure them that our

interests do not go beyond our development and democracy; and implement this free of emotion and with our long term interest in mind, our vulnerability emanating from issues revolving around the Nile will be drastically reduced. We can emerge from unending war and concentrate our efforts on development. Using our human resources and our growing economic strength, we can expect to develop our nation including the Nile basin. Along with this, we should be able to bolster our defence capability commensurate to the threats we face, enabling us to respond appropriately.

The work we carry out on the domestic front, as stated before, would help us achieve our development objectives with speed and in addition would help us resolve the Nile issue by balancing different interests. Such a policy would remind Egypt that engaging Ethiopia in different disputes and ensuring that it is mired in poverty would not work, Egypt needs to realise that the option of force and intimidation will not yield fruit. What will take us forward is if Egypt can be convinced that force and intimidation should be replaced by negotiation and balancing the interests of all concerned.

Along with our own internal efforts, we need to work to create a regional and international atmosphere suitable for an equitable utilization of the waters of the Nile. We should indicate unequivocally that we have no intention of obstructing the development endeavours of others, but that we aim to ensure that our development needs are met, and that the solution must balance interests. We must show that such an alternative exists. We need to be able to clearly show the injustice of any attitude which does not respect Ethiopia's right to use the Nile to fight its recurring problems of drought and famine, and underline that such a position is unacceptable. This should be communicated to donor countries and institutions, requesting them not to withhold their support and to play their part in reaching a solution regarding the waters of the Nile. We also need to seek the political and diplomatic support of our African brothers and sisters to the same effect. Effort is also required to explain our objectives and to seek at best the support of the Egyptian people, of the Arab world or at the very least to ensure that they overcome their fears and bring their opposition to an end.

A central component of our policy should be to fully implement the agreement recently reached between The Sudan, Ethiopia and Egypt. We need, based on this agreement, to build a climate of trust among the countries. We need to introduce,

step-by-step, issues of economical and fair utilization of the water resources. We need to gradually broaden opportunities produced by the agreement. We have to work hard to involve the peoples of Ethiopia and Egypt as well as countries in the region and the international community to exert a constructive influence on the Nile issue. Our policy and its implementation should take into account the fact that time and justice are on the side of Ethiopia and its development agenda.

Through our readiness to address the Nile issue in a positive framework, we need to demonstrate our support to the efforts in Egypt to accelerate development and the prevalence of moderation and democracy. To benefit from the growing Egyptian market, we need to steadily establish strong economic ties with Egypt without disregarding our security concerns. We also need to replace the policy based on ignorance and suspicion with an informed policy. It is important that we adopt a policy and have implementation strategies that, focusing on security, development, democracy and peace, engage Egypt patiently and far-sightedly. Our policy should utilize our capacity to resolve problems fairly, for we, and our abilities, will be judged on this issue.

3.3 Relations with the Arabian Peninsula Countries

a) Historical background and problems in the relations

Of the countries of the Peninsula , it is with Yemen that Ethiopia has historically closet relations. History shows evidence that Yemen had at one time been part of the Axumite kingdom. But before and since, there were strong historical relations between the two countries. Yemenis have been known traders in Ethiopia. This could be the reason why Yemen has a more positive attitude towards Ethiopia than the other countries in the Peninsula . Our relations with Saudi Arabia are also of a longstanding nature. On the other hand the knowledge of and ties with other Peninsula States have been reciprocally very limited.

The relationship we have with the Peninsula States varies from one country to the other and the problems are also different. Some countries show hesitation in forging any kind of meaningful relationship with Ethiopia, mainly owing to the influence

Egypt has over them. Influenced by Islamic extremism and doubtful of religious equality in Ethiopia, some states have problems in understanding Ethiopia.

There are countries which exhibit suspicion and hostility toward Ethiopia in connection with the Arab-Israeli dispute. All told, countries in the Peninsula in general have limited knowledge of Ethiopia and this has contributed significantly to the lack of development in our relation with these states.

b) Significance of the relations

Many of the Peninsula States are rich in petroleum which obviously makes them an attractive source of investment and finance for development. These countries have the possibility of becoming important markets for our agricultural products. In sum the Peninsula States could have an important contribution to our development.

Peace and stability in the Peninsula is linked to that in the Horn of Africa, and cooperation in assuring peace and stability is important to our national security. On the other hand, the growing spectre of extremism in the region is potentially a serious threat to our national security. In light of the important role that the Peninsula countries can play as regards our development and national security, our policy should, as a matter of priority, take the initiative to improve and intensify our relations with them .

c) Policy Direction

Regarding our relations with these countries, we need to consider how best to reduce our vulnerabilitys to threats, while raising our level of understanding about them. We cannot say today that our professionals let alone our people, have adequate knowledge about these states. There is no research or study of real worth that is undertaken on the Peninsula . As a result, the relations are hobbled by emotions and conclusions reached without the benefit of accurate information. This needs to be replaced by proper research and study. Policymakers, professionals, and our people as a whole, need to build their knowledge about the Peninsula region.

Our foreign policy regarding the Peninsula countries must duly consider the key role these countries can play in our economic development, and focus on seeking

development, finance, investment, and markets for our products. Our diplomacy should clearly explain our policies with regard to the resources of the Nile's waters, and the equality of religions in Ethiopia. We need to show the economic benefits that the relationships could bring and concentrate on overcoming the obstacles that have been hindering the development of economic links. We should consider launching a campaign to correct the distorted image the governments and peoples of the region have about Ethiopia, and, in particular, strive to correct the negative role played by the Arab media, either by its silence, or its distorted portrayal of our country.

Assuring peace and security for the Peninsula region has attracted the attention of powerful countries in the world. Ethiopia too could play a significant role in this regard and, as much, should cooperate with those countries that are contributing to the establishment peace and stability in the region.

3.4 Relations with North African Countries

Many of the North African countries have good political and diplomatic ties with Ethiopia in African fora. Although the issues that negatively affect our relations with the Middle East do influence our relations with the northern African states, most countries in this region have a positive attitude towards Ethiopia. The opportunities to cooperate economically are not negligible, but so far, not much has been done.

Our relations with these countries would be mainly of a political and diplomatic nature, which is expected to be pursued within the framework of the African Union. The kind of relation we promote towards the North African countries should be able to favourably influence our ties with the Arab world. We also need to exert utmost efforts to create and strengthen our economic intercourse with the countries of the region as much as conditions permit.

3.5 Relations With Israel

Ethiopia's historic relations with Israel go as far back as those with other countries of the Middle East. A significant number of persons following the Jewish faith lived in Ethiopia, though most have moved to Israel. While our diplomatic relations with

Israel had been severed for some time, presently our overall political and diplomatic relations have in general been quite healthy.

Minor disagreements and contradictions had surfaced regarding the movement of Ethiopian Jews (Bete-Isreal) to Israel, but in light of the fact that under the Ethiopian Constitution, any citizen has freedom of movement, the problem has been dealt with. The main problem of relations between Ethiopia and Israel is that created by the Arab-Israeli conflict.

Some countries, even those which have strong diplomatic ties with Israel, object to the positive nature of Ethio-Israeli relations. These countries would like us blindly to stand against Israel. Conversely, there are also pressures of this nature that originate from the other side, from Israel, against Ethio-Arab relations.

Even though it has a small population, Israel is an economically prosperous, technologically advanced nation, which could play an important role as a growing market opportunity for our exports and a source of investment and various types of technical support for our economic development. One cannot identify a security threat for Ethiopia emanating from Israel. Therefore, from the economic and to some extent, from the security perspective, we should establish strong and healthy relations with Israel.

The rationale for our relations with Israel is clearly based on our national interest, our development and national security. Since Israel could, in the first place economically, and to some degree security-wise, make a positive contribution, the establishment of strong ties serves our national interest. Our policy should be geared towards this. Very little has been done in the economic field so far. Therefore action should be taken that focuses on trade, investment and technical support.

The conflict between the Israelis and Arabs basically concerns the conflicting parties. Ethiopia, however, will continue to ensure, in her relations with both parties, that her national interests relating to both sides are protected. We should not follow a policy to please one and anger the other.

Proceeding from this and committed to the respect for international law, which gives prominence to the peaceful resolution of disputes which is in our national interest, we need to advocate that the Palestinian issue be resolved in accordance with these principles. We should support the right of the Palestinian people to self-determination, and that the problem be solved peacefully and juridically. Our position should anger no one; whether it does or not, we should pursue this line because it is in our national interest to do so. Our relation with the Arabs or Israel must not be subjected to the fluctuations of their relations with each other. We should, on the basis of our defined national interests, expand our co-operation with both, and explain our position to both sides to gain their understanding.

3.6 Relations with Turkey and Iran

Turkey is one of the countries in close proximity to the Middle East with a large population and a relatively advanced economy. Turkey is also one of the countries which has been engaged in building democracy. It poses no threat to our national security. At this time we do not see any obstacle to developing good relations between Ethiopia and Turkey. Its large market and relatively developed economy can make an important impact to our development. Committed to the principle of equitable utilization of water resources among countries, and opposed to religious extremism, Turkey is well disposed towards Ethiopia. The only problem between us is that, in the face of all the possibilities for economic cooperation, we have not yet begun to scratch the surface.

Turkey is a country not far from us, with a large market that recently experienced rich economic development. It represents in some areas a source of investment and technical assistance. Noting this and taking into account its favorable disposition towards Ethiopia, it is essential that we draft and implement a policy toward Turkey that focuses on the economy and aims at fostering strong ties. Economic diplomacy should focus on inviting Turkish investors to Ethiopia, the promotion of our products and facilitating the establishment of firm contacts between the Ethiopian and Turkish business community. We should strive to intensify diplomatic and political relations and seek technical assistance in some areas. We should consider the fact that our relations with Turkey have the potential for major growth, but have not been given adequate attention so far.

Iran, like Turkey is located in proximity to the Middle East, has a large population, and advanced economy. Except for problems that could indirectly be raised by, and founded on, extremism, we do not see a security threat coming from Iran. There are possibilities to expand economic relations with Iran, and our policy should focus on that aspect of our relations.

4. Europe

4.1 The European Union (EU)

The European Union, which currently comprises 15 affluent European countries, constitutes a huge market and is poised to accept 10 more members. This market is comparable in scope and prosperity to that of the U.S. and in due course, it could surpass the US. Next to the U.S., it represents the second most powerful market, determining the rules governing globalization. It is also noteworthy that the EU has as its main objective, the establishment of peace and democracy. The development aid we receive from its member states, added to that coming from the EU (Commission) itself, places the EU as our largest source of aid. It is also the main destination for our products. As regards investment, although it is regrettable that the results are so far not encouraging, there is no doubt that the EU continues to be a huge source of investment opportunities for our country. Furthermore, this region remains to be a critical source of assistance for our development endeavor. At this time we do not see the EU as posing a security threat to Ethiopia. To the contrary, as the EU and its members have the objective of ensuring the respect of international law and the promotion of peace and democracy, we consider them as partners and sources of support in our effort in this area.

One main concern regarding our relationship with Europe has to do with our failure to make maximum use of the opportunities that the region offers. Admittedly, we have not done enough in terms of exploring sources of credit and aid to finance our development plans and ensuring that the money thus obtained is properly used. More importantly, there has been some failure to gear our relations with the EU toward expanding trade and investment in the country. The main reason for this is our poor image in Europe. Ethiopia is perceived as a country wracked by protracted war and poverty rather than a potential destination for investment and trade, and the efforts

deployed to correct the image have not been adequate. Furthermore there has been little effectively planned work done in terms of creating an environment conducive to attracting investment.

Since the EU represents one of the powerful agents shaping the rules governing globalization, there is likely to be a tendency to regard the EU as a source of the negative influences associated with the phenomenon. However, it is encouraging to see that the EU has recently agreed to allow poorer countries, including Ethiopia, free access to its market without any tariff and quota on entering goods. Nevertheless the subsidy the EU provides to its firms with which we would have to compete, and other practices relating to trade and investment, are having a negative effect on the development of the poor countries.

With respect to bilateral relations, there are problems caused by attempts to impose options that contradict the political and economic strategies that we carefully designed to suit our context.

The strengthening of our relations with EU, and the maximization of the benefits we could gain for our development and security, are predicated on the domestic work we carry out in Ethiopia. Important are the efforts we deploy to implement the development and democratization strategy we have adopted. We should thus identify gaps in the resources needed to implement the development plan with a view to determining the kind of assistance the EU can provide to help fill the gap. Moreover, we should be prepared to engage in consultative meetings with EU member states and explain our strategies. Given the fact that our development strategies are based on democratic principles and are to be implemented within the framework of globalization, we do not expect them to be in conflict with the fundamental interests of European countries. It should also be our policy to try and resolve differences through dialogue and mutual understanding in a manner that does not jeopardize or compromise our fundamental strategies and goals.

We should strive to acquire from European states credits and grants for the development and technical assistance required by our initiatives, and work hard to ensure maximum and effective utilization of the resources secured. In due course, our main focus should shift to trade and investment. Based on detailed and continuing

research, and study we should, find markets for our products and export those that are in demand in Europe. Work along these lines will also require us to establish and maintain close contact and cooperation with private investors, NGOs and states that are ready to contribute. Similarly, steps should be taken to establish through research the parties that can help us in our efforts to attract the type and amount of investment we desire, and to work together with them in a more coordinated fashion. We need to work hard to change conditions within Ethiopia and cooperate with those that can help in changing the image of our country.

Europe has a significant role to play in efforts aimed at ensuring peace, stability and democracy in our region. Thus, we believe that there is a clear need on our part to make sure that member countries have a firm grasp of our interests and role in maintaining the security of the region. We need to consult on issues that crop up on different occasions, and ensure that we receive sustainable political and diplomatic support.

Government-to-government relations are key in our overall relations, but we cannot expect to get comprehensive benefits in the confines of state sectors. The greatest benefits come form trade and investment, and the key here is in the hands of the private business community. We therefore need to widen our focus to include the governments, the NGOs and the private sector. Our diplomacy in Europe should aim at involving and even coordinating all three sectors, based on detailed and continued research studies and analysis. Considering the EU as a union may be correct, but the role member states play are not the same. While we should work to maintain good ties with all EU members' states, we should focus on cultivating extensive ties with major countries, and those better disposed towards Ethiopia.

Differences that could arise with Europe have to do with differing appreciations of the policies we pursue to promote development and democracy in Ethiopia. Some policies may not be pleasing to European businessmen. Our policies should be drawn carefully and on the basis of detailed study. Should better options be identified, they should be pursued unreservedly. We should also be prepared to defend fundamental policy matters to which we are deeply committed, and we should try to resolve such differences in opinion by showing the significance and validity of the policy causing disagreement.

The EU is beginning to take some positive steps to mitigate the negative influences of globalization. We are also aware that the people of Europe and non-governmental organizations hold views that are more supportive towards poorer countries. We believe we have to take advantage of this and push hard to persuade Europe to work towards creating a more favorable condition for Ethiopia and the whole of Africa. Efforts along this line can bear fruit only when African countries join hands under the framework of the African Union.

4.2 The Russian Federation

There is no doubt that Russia has had to confront great challenges in its effort to effect the transition into a free market and a democratic system. In spite of this, however, Russia remains a great country and is likely to continue to play a significant international role. There exist long standing cultural ties between the people of Russia and Ethiopia, and Russians have a warm disposition towards Ethiopia. Russia can contribute to our economic development in terms of providing a market for our exports, and a source of investment, and technical assistance. Considering its commitment to peace, stability and democracy, Russia has a significant contribution to make towards our efforts to achieve peace, both in our country and the whole of our region. Russia has been supporting our efforts to enhance the capacity of our defense forces as well as our efforts to resolve conflicts through just means, This is likely to continue with greater strength in the future.

We therefore believe that we should make every effort to maintain and strengthen the existing friendly ties between the two countries. It is important to maintain and strengthen our good relations in the diplomatic, political and security fields. Admittedly, we have not made satisfactory progress in the economic field, and we need to concentrate on promoting trade and investment. We also need to encourage and coordinate the activities of friends of Ethiopia in Russia to contribute to the intensification of relations between the two countries.

5. Relations With the United States (U.S.A)

To begin with, it has to be noted that the issues raised in connection with our relations with Europe can also apply to our relations with the U.S. Rather than repeating issues,

we have chosen to concentrate so far on uncovered issues with direct relevance to relations with the U.S. The place and role that the U.S. has in the world must be taken into account. The U.S. represents the biggest economy with the power of determining the fundamental economic rules governing globalization. In addition, the U.S. plays a decisive role in the world in matters relating to peace and stability. It could be argued that no country has been able to industrialize rapidly without winning access to the U.S. market, described as the biggest and wealthiest in the world. It is clear that gaining the support and good will of the U.S. will play a crucial role in our development endeavors, and to our national security.

The fact that there are numerous factors that positively influence our relations with the U.S. should be underlined. To start with, many Ethiopians and people of Ethiopian origin live in the U.S. If utilized effectively, this community could be a force that plays a very important role in strengthening bilateral relations. Mention should also be made of the fact that the two countries have enjoyed a long-standing friendship, save the period of difficulty during the military regime of the Derg. It is also a fact that there are many Americans who are friends of Ethiopia who can contribute a great deal to the improvement of existing relations. Other factors that have a positive impact on our relations include our single-minded commitment to economic development and democratization and the prominent role played by our country in efforts to ensure peace and stability in our region (which the U.S. finds to also be in its interest as well).

As concerns the securing of development finance from the U.S., we should maximize the possibilities of securing direct assistance and also of benefiting from other channels which are influenced by the U.S.. Our main priority will be trade and investment, and the policy we outlined for Europe could apply to the U.S. as well.

One important issue that deserves our attention concerns Ethiopians and people of Ethiopian origin living in the U.S. Regardless of the diversity of their political views, the Ethiopian community in the U.S. shares strong national sentiments and is without doubt keen to contribute to the welfare and progress of Ethiopia and its people. Thus, it constitutes an important force that could promote stronger economic ties between the two countries.

It can be assumed that a good number of those within the Ethiopian community in the U.S. are professionals possessing a certain amount of capital. It is possible to facilitate the deployment of their capital, and the use of their knowledge in a way that benefits our country and themselves. In addition to their own individual investment, they could also team up with U.S. entrepreneurs to invest in Ethiopia. Moreover, they could contribute by exploring and identifying market opportunities for Ethiopian products in the U.S., in cooperation with Ethiopian exporters. There is a clear need for the government to work out a viable initiative aimed at drawing this sector of our society into making a profitable investment in Ethiopia's development. Ethiopians and people of Ethiopian origin residing in the U.S could serve as a strong bridge for trade and investment. We need to target our work to ensure this. For such purpose, the government is required to fully implement the law it has enacted to promote the economic activities of Ethiopians and persons of Ethiopian origin living outside the country.

But this is not all. Ethiopia, the people of Ethiopian origin residing in the U.S. and other friends of our country could participate in various development efforts in Ethiopia, and they should do so. They could contribute funds and material to assist development work in various parts of the country, in the form that they choose. They could also solicit support from others as well.

Those who wish to do so can play a major role is changing Ethiopia's image in the U.S., to promote trade and investment, and to present Ethiopia accurately. They could help influence the media, the legislatures and the government to be positively inclined towards Ethiopia. We should encourage this constituency in the U.S. and facilitate its work. Such an approach is naturally relevant to Ethiopians who live in other countries as well.

As noted earlier, the policy we have adopted in connection with the peace and security of our region is consistent with that of the U.S. There is no doubt that the U.S. is the most powerful influence in today's world, and that it is playing a prominent role in the Middle East. Securing the political and diplomatic support of the U.S. has a great bearing for the success of our efforts to achieve peace and security. It is clear that working in consultation with the U.S. would be necessary and beneficial. There will be occasions when we shall have our differences, and we will need to try to

bridge them in the context of the strategic value of the relationship. In our efforts to prevent conflict in our region, we need to consider what role the U.S. can play and resolve differences that may emerge from time to time, separating the major issues from those which are not so important. Strict adherence to such an approach is important.

6. Asia

6.1 General

The majority of the world's people live in Asia. The second biggest and wealthiest national economy in the world, the Japanese economy, is also in Asia. The most rapid and successful economic performances witnessed after World War II came from countries located in the eastern part of this continent. Two countries that have a population of over 1 billion each are found in Asia. China is growing at a rate unprecedented in history. India has emerged from decades of sluggish growth to an accelerated development over the past ten years. If they continue at this rate, the two countries will represent huge economies. If China maintains its current speed of development, it will have an economy the size of the U.S. and Europe combined in thirty years. In short, developments in Asia could change the world's economic balance.

Asia could play a very important role in our development. It provides the main example of successful development. In addition it is from Asia that we can get highly trained manpower and technical assistance inexpensively. We also need to take advantage of the remarkably growing Asian economy. This region could provide investment that suits our context and level of development. As regards development aid, it is mainly Japan, and to a lesser extent China, that provide financial assistance. This could continue and even expand. Most Asian countries are in the developing world and are our partners in the struggle to mitigate the negative effects of globalization. Taken in sum, they too can make a growing contribution to our development.

The countries in this region have been demonstrating their commitment to international law and order, and are part of the fight against extremism and terrorism.

We believe that they can assist in our effort to maintain our national security by contributing to the creation of a conducive international political climate. Some of them could even go further and provide significant support for our efforts to achieve sustainable peace.

To sum up, we believe that our relations with Asian countries merit far greater attention because of the important significance Asia has for our development and also our national security. While we should in principle be prepared to work closely with all countries that can make a positive contribution to our efforts, we need to concentrate on the major countries in the region.

6.2 Japan

Our friendship with Japan dates back to the years well before World War II. We note that quite a number of Japanese people are positively inclined towards Ethiopia, and that presently Japan is providing us with substantial development aid including technical assistance. This strong development relationship should continue to grow. But we cannot say that enough has been done regarding trade and investment. We have not entered the Japanese market in any meaningful way. Nor have we received Japanese investment of note. The low level of participation in this area is attributable, partly to our failure to create a conducive environment for investment and partly to Japan's concentration on East Asian countries, not to mention the inaccessibility of the Japanese market to products from less developed countries. We should work to strengthen the good relations we have with Japan. While deploying, as in the case of Europe, more effort to secure investment and trade possibilities, we need to concentrate on securing more financial and technical assistance and increasing the effectiveness of such assistance.

6.3 China

Currently China has very good relations with Ethiopia. China strongly supports Ethiopia's economic development, using its limited financial means. It unreservedly shares its development experience and provides technical support. In the political and diplomatic sphere, too, China has been a good friend as our country strove to maintain peace and secure its rights. China is a newcomer to the world of foreign investment,

so one cannot speak of results in this area. Neither can we say that we have, in many ways, accessed the Chinese market, for the same reasons that we have not succeeded with Japan.

We should give special attention to the strengthening of relations with China. We need to fully utilize Chinese development experience as well as training and technical assistance possibilities. We need to secure greater financial assistance if possible and, failing that, to improve the efficiency of what is made available. Recently, China has stepped into the area of foreign investment, and we have to do all we can to take this fresh opportunity to promote investment and trade. This, among other things, will require us to cooperate closely with the Chinese government. We need also to make a major effort to work with the Chinese government and companies to secure a market for our products in that country.

6.4 India

There have been long standing historical relations between Ethiopia and India, which have evolved into friendly relations following the independence of India. The relationship with India has gained momentum over the last decade. We have managed to make some use of the wide opportunities for training of manpower that India offers. However, when we see how advanced countries like the U.S. attract and make extensive use of Indian professionals, we cannot say that we have adequately benefited from India. Much valuable development experience can be gained from India, but we have not made enough use of it.

The possibilities in the area of trade and investment are wide. India is at the forefront of the struggle to reduce the negative impact of globalization on developing countries. The country has also distinguished itself in the campaign against extremism and terrorism. Our national security interests can continually benefit from the important role that India plays in creating a stable international environment.

In view of the points mentioned above, we need to act to strengthen our relations with India in a major way. We should make greater effort to benefit from manpower training and learn form India's development experience. We must attract Indian

investment and organize our efforts to access their potentially large market. We should also expand our cooperation in the diplomatic and political arena.

7. International and non-governmental organizations

7.1 International organizations

Ethiopia is a member of the U.N. and numerous other international organizations. These organizations formulate the law as they affect inter-state relations and serve as forums that oversee the respect of the rules of international engagement. International organizations play an irreplaceable role in ensuring peace, the primacy of international law, and in strengthening the cooperation between countries. International organizations have been providing the forum where Ethiopia has been seeking to play by the rules in the world of globalization. It is here where we, with other countries in similar conditions, should work so that the rules of the game also take our interests into account. The UN and its specialized agencies, and institutions like the World Bank provide important assistance to Ethiopia's development. That is why Ethiopia should strengthen its cooperation with these institutions, to speed up development, protect national security, and work for peace and respect for international law. The presence in Ethiopia of the U.N Economic Commission for Africa as well as other U.N. institutions facilitates interaction; our policy of cooperation should take this into account.

7.2 International non-governmental organizations

There is no doubt that international NGO's are now playing a significant role in terms of providing development and humanitarian aid. Their role may be limited but, in Ethiopia, the contribution they make is substantial. NGO's like OXFAM have gone even further and engage themselves prominently in reducing the negative aspect of globalization on poorer countries like ours. They have taken active part as allies of poorer countries in campaigns demanding the cancellation of debts and calling for reform of the world trading system in favor of the position of poorer countries.

We understand that we have to be in constant readiness to work closely with these organizations on matters of consensus. We should also be prepared to work in

partnership with these NGO's to ensure greater assistance and effective utilization of the aid they provide. We should support the initiatives they undertake to promote the collective interest of the under developed world. We should also work towards the adoption and implementation of a policy that encourages a joint meeting with them where we can present to them the vision we hold with respect to the development and democratization of our country and exchange notes on relevant issues. Moreover, the policy we pursue should encourage tolerance in the event of differences and readiness to concentrate on matters of consensus.

Proceeding from this, we need to step up our cooperation with these organizations to tackle matters on which we agree. Urging them to step up their support, we should coordinate with them to achieve better results in the delivery of their development assistance. We should support to the appropriate degree their activities favorable to undeveloped countries. We should carry out a policy that allows us to work closely with them in areas of mutual agreement, and to seek to narrow differences when they arise. We also need to learn form them on the presentational aspects of our vision for development and democracy.