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## **“Civil Society Cannot Exist in Ethiopia!”**

### ***SMNE Calls for Extractive Industries Transparency Initiative (EITI) Board to Reject Ethiopia’s Re-application for Membership***

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*February 18, 2014. Washington, DC--.* Ethiopia is once again applying for membership in the **Extractive Industries Transparency Initiative (EITI)**,<sup>i</sup> “a coalition of global countries, companies, investors and civil society working together to improve openness and accountable management of revenues from natural resources.”<sup>ii</sup> ***Countries that meet the EITI criteria for compliance by providing reconciled and audited reports of payments made by mining companies and revenues collected by the government in the sector can become “compliant members,” a status that helps attract foreign direct investment (FDI) in resource extraction.*** Other factors are also important, like a well-functioning civil society.

In 2010, Ethiopia’s application was denied based on Ethiopia’s enactment of the **Charities and Society Proclamation (CSO)**, a law that aggressively targets civil society. According to the principles of EITI, ***an active, independent and robust civil society is essential for the protection of society from the excesses and harmful practices sometimes associated with unethical extractions of oil, gas and minerals; therefore, the lack of such was enough to reject Ethiopia.***

***If one asks the people of Ethiopia about the state of civil society in Ethiopia four years later, most would ask, “What civil society? None can exist in this repressive environment!” If one asks Ethiopians whether their civil and human rights have improved in the last few years, most would say they have declined, not improved.***

***Just recently, Ato Asrat Tassie a leader of an opposition party, the former Secretary General of Unity for Democracy and Justice Party was imprisoned under the vaguely written anti-terrorism law, another law targeting civil society, for writing a well-known fact. What was that fact? He wrote about the lack of judicial independence in the courts. In Ethiopia, writing this or saying this publically is a crime. He recently was released, but most likely in exchange for his silence.*** For more information read the link article <http://ecadforum.com/2014/02/17/in-kontempt-of-ethiopias-kangaroo-kourt> by Professor Alemayehu G. Mariam “In Kontempt of Ethiopia’s Kangaroo Kourt? A court of injustice or a court of cruel joke?”

***Ask religious leaders whether there is government interference in the practice of their religion, including in the choice of their own leaders? Ask opposition leaders, previous members of unions and associations like teachers, attorneys, journalists, and human rights activists whether they can operate independently anymore and you will find a paralyzed civil society.***

***On the other hand, if one asks whether the level of corruption and exploitation of the people, the land and the resources have increased or declined, most would assert that corruption has sky-rocketed, filling the pockets of those in power and their patronage networks with the financial gains from resource extraction.***

According to a comment from Global Financial Integrity related to their release of their study: [Illicit Financial Outflows from Developing Countries Over the Decade Ending in 2009](#), they state: *"The people of Ethiopia are being bled dry. No matter how hard they try to fight their way out of absolute destitution and poverty, they will be swimming upstream against the current of illicit capital leakage."*

They also report: *"Ethiopia lost US\$11.7 billion in illegal capital flight from 2000-2009 and illicit financial outflows from Ethiopia nearly doubled in 2009 to US\$3.26 billion—double the amount in the two preceding years—with the vast majority of that increase coming from corruption, kickbacks and bribery as revealed in a preliminary 2011 report by the Task Force for Financial Integrity and Economic Development."* <sup>iii</sup> **All of this should be relevant to an important decision to be made in the coming weeks and months by EITI.**

The **Solidarity Movement for a New Ethiopia (SMNE)** applauds EITI's previous decision to decline Ethiopia's admission based on Ethiopia's failure to meet EITI's standards, something that demonstrates that EITI's principles have teeth to them. SMNE [www.solidaritymovement.org](http://www.solidaritymovement.org) is a non-political and non-violent social justice movement of diverse people that advocates for freedom, justice, good governance and upholding the civil, human and economic rights of the people of Ethiopia, without regard to ethnicity, religion, political affiliation or other differences. The SMNE believes a more open, transparent and competitive market economy, supported by viable institutions and reasonable protections, which provides equal opportunity, will result in greater prosperity to the people rather than keeping it in the hands of a few political elites.

In a speech given to the U.S. Helsinki Commission Hearing on ["The Link between Revenue Transparency and Human Rights"](#)<sup>iv</sup> on April 22, 2010, Anthony Richter, a member of the International Board of EITI and chairman of the Governing Board of Revenue Watch Institute stated:

*Decisions of the Board: The Case of Ethiopia: "In one of its most significant recent decisions the board declined to admit Ethiopia as an EITI candidate due to its excessive constraints on freedom of association. The board concluded that Ethiopia's "Proclamation on Charities and Society" would prevent civil society groups from being sufficiently independent and meaningfully participate in the process. The board decided, in effect, not to admit Ethiopia "until the Proclamation on Charities and Society is no longer in place." This is the only such instance in the history of EITI where a country has failed to be admitted and the grounds for this action was clearly rights-based."*

The **Charities and Societies Proclamation (CSO)** prohibits any organization from legally functioning in key areas of advocacy work if it received more than 10% of its budget from foreign sources. ***This law has made it illegal for these groups to a) advance human and democratic rights, b) promote equality of nations, nationalities, peoples, gender and religion, c) promote rights to the disabled and children, d) promote conflict resolution or reconciliation and, e) promote the efficiency of justice and law enforcement services. The law carries harsh criminal penalties for violators and it has made it literally impossible for civil society to exist in this hostile environment.***

Although the Ethiopian government will claim the law is regulatory rather than repressive, the effect has made it virtually impossible for Ethiopian civil society to fulfill its much-needed role—still a requirement for EITI membership. In fact, the implementation of the CSO law resulted in the closure of most every independent civic organization; at last tally this included over 2,600 organizations. ***The effect continues; however, because democratic institutions, even if in name only, often bring benefits in this global world, the regime has replaced those that have closed down with their own pseudo-organizations. These are all controlled by the government and meant to appear legitimate to outsiders while really serving the purposes of power-holders—all at the expense of the people.***

Now, four years later, Ethiopia is once again attempting to become an EITI compliant country. It has announced its intention to implement the EITI standards within Ethiopia; however, the same CSO law will be a [stumbling block as the law](#)<sup>v</sup> remains intact and repressive conditions have only worsened in the country. *It is doubtful that this opportunistic and authoritarian regime would be willing to make the kind of concessions that would bring them into true compliance as their pattern, especially since 2008, has been to exclude all but themselves and their cronies from enjoying the benefits of Ethiopian resources.*

In the past and present, the people of Ethiopia have suffered gross human rights violations, displacement, the loss of livelihoods and their lives as a result of resource and land-grabbing.<sup>vi</sup> *This continues to be associated with regions of the country where there are resources—in the Ogaden, in the Omo Valley, in Gambella, on the border of the Amhara region and Sudan, in the Afar region, in Oromia, in the South and in too many places to mention. The problem is endemic to the flawed system which promotes it. Contracts are secretive or so vague they mean little. Locals are often unable to participate.*

For example, a [recently passed amendment](#)<sup>vii</sup> (12/31/2013) to a mining law now blocks artisan miners working in cooperative unions from operating any longer. Previously, licenses to engage in artisanal mining could be obtained by individuals, if gathered in groups of ten or more, forming a cooperative union. Mining licenses were available from regional authorities for land ranging from 5,000sqm to 10,000sqm and money could be borrowed from micro finance institutions (MFIs). They could reserve or “claim areas” and obtain exclusive claim licenses. Currently, a total of 75,000 to 100,000 miners have been organized into cooperatives and 50,000 as micro and small enterprises (MSE’s). Now, they will be [replaced by only micro and small enterprises \(MSE’s\)](#)<sup>viii</sup>. What recourse do they have as many lose their livelihood? These artisan miners have little voice and the watchdogs of civil society are absent.

In the [Ogaden region](#)<sup>ix</sup> of the country, *which has been called a silent Darfur in the past, oil and gas companies have come and gone while the entire area has been blocked to humanitarian organizations and human rights groups. Companies involved in the region in the past were operating as the government cracked down on the people, contributing to the incitement of a rebel movement.*

In November of 2012, the former head of the Ministry of Mines, Sinkinesh Ejigu, signed a new [petroleum production sharing agreement](#)<sup>x</sup> with Poly GCL Petroleum Ltd, a Chinese company, for the Ogaden basin’s Calub and Hilala gas reserves. This is all going on while transparency is absolutely blocked. What kind of accountability is this?

*Control of civil society, the recruitment of their members and utilizing them to deliver regime propaganda did not start with the more draconian CSO law or Anti-terrorism law, but it has been integral to a plan adopted and implemented by the ruling party in 1993, according to inside sources familiar with the inner workings of the ruling party, the Ethiopian Peoples’ Revolutionary Democratic Front (EPRDF), which is controlled by the Tigrayan Peoples’ Liberation Front (TPLF), in power since 1991.*

That plan, [TPLF/ERPFD’s Strategies for Establishing its Hegemony and Perpetuating its Rule](#), laid out specific ways to achieve control of such groups as women’s associations, youth associations, cooperatives, professional associations, peace organizations, human rights organizations, development associations, workers’ associations, trade unions and government organizations like the army, the security, and the judiciary.[Section VI].

*In summary, the acceptance of Ethiopia as a member of the EITI brings with it a desirable tool in attracting potential oil, gas and mining companies as well as global investment institutions; however, the people of Ethiopia have seen the disenfranchisement of the people, the disintegration of civil society and its institutions and the favored status of power holders increasingly enjoying the benefits of Ethiopian resources. The exclusion of the majority of Ethiopians has led to resentment and increasing tensions within the country, which could explode into violence according to organizations like Genocide Watch and the International Crisis Group.*

It is doubtful that the Ethiopian government under the current leadership will make the broad changes required not only to address these tensions but to meet the criteria of EITI membership.

*To do so they would have to rescind the CSO and the Anti-terrorism law that have both been used to silence civil society along with individual voices of truth, democracy and freedom. Ethiopians do take heart when organizations like the EITI hold fast to their principles, giving real consequences to repressive governments like our own for their failure to free up civil society. Then we know that the people of Ethiopia have been heard and it helps in our own struggle towards a more democratic Ethiopia.*

We in the SMNE continue to work towards achieving meaningful reforms, the restoration of justice and the reconciliation necessary to create a better future for the people of Ethiopia. *We look for major indicators of change within Ethiopia that will eventually bring stellar compliance with the standards of the EITI, but the changes must be real, not simply pretense. We condemn the constant diet of deception that has become the trademark of the EPRDF since they came into power.* The illusion of a well-functioning civil society will never protect the people of Ethiopia. Until genuine changes are made, we strongly urge the EITI to continue to uphold EITI's important principles, standards and demands.

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<sup>i</sup> <http://eiti.org/eiti> Extractive Industries Transparency Initiative

<sup>ii</sup> Ibid; Download for a fact sheet "What is the EITI?"

<sup>iii</sup> <http://www.financialtaskforce.org/2011/12/05/illicit-financial-outflows-from-ethiopia-nearly-doubled-in-2009-to-us3-26-billion-reveals-new-global-financial-integrity-report/>

<sup>iv</sup> <http://anthonyrichter.blogspot.ca/2010/04/testimony-at-us-helsinki-commission.html>

<sup>v</sup> <http://addisfortune.net/articles/cso-law-stumbling-block-in-mining-transparency-application/>; CSO Law Stumbling block in Mining Transparency Application; Eleni Araya, Fortune, 9/22/2013

<sup>vi</sup> <http://www.solidaritymovement.org/110608PressReleasesOnJointReport.php>; Joint Report from Oakland Institute and SMNE Sounds Alarm on Foreign Agri-Investments in Food Insecure Ethiopia

<sup>vii</sup> <http://addisfortune.net/articles/new-mining-amendments-favour-mses-ahead-of-cooperatives>; New Mining Amendments Favour MSEs Ahead of Cooperatives; *BINYAM ALEMAYEHU, FORTUNE STAFF WRITER*

<sup>viii</sup> <http://addisfortune.net/articles/proposed-mining-amendment-favours-mses-instead-of-co-ops/>

<sup>ix</sup> <http://www.hrw.org/reports/2008/06/12/collective-punishment>; War Crimes and Crimes Against Humanity in the Ogaden area of Ethiopia's Somali Region

<sup>x</sup> <http://addisfortune.net/articles/ministry-of-mines-signs-agreement-with-chinese-firm-for-ogaden-gas-reserves/>