

Good Governance as an Ultimate Weapon to Eradicate Poverty: ***The Utmost Wish of the Tigrai People to Own that Weapon!***

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Good Governance Conference 2016: an Event that Ushered in Hope and Optimism

Yes, this was good news to many. Acknowledging existence of the social disease called corruption, manifested through mischievous activities of *rent-seeking selfish individuals*, is a very good start strategically. Observing a reigning government admitting the challenges it is facing and considering good governance (detailed below) as an ultimate weapon to defeat the enemy number one, poverty, has ushered in hope and optimism among many of us, who are willing to contribute our shares. We look forward to reading the final resolutions' 11-point *Communiqué of the Conference*.

The Opening Ceremonies

These were historic ceremonies. Declaring an open war against a perverse governance system (chronically corrupt) by involving more than 1,500 members of the enlightened grassroots reveals boldness, honesty, and determination of the leadership to win the war against poverty, using good governance as an ultimate weapon. The leadership deserves credit for accepting its limitations (weaknesses) and for openly expressing its determination to take remedial actions.

The opening ceremonies were graced by a variety of motivational activities. First, the musical and theatrical showcase of the *Tigraian Revolutionary (Woyenty) Artists* galvanized the scene. It was a true revolutionary-motivational show. Second, journalist Awet Wodaj's poetic and patriotic exposition (comprehensive description and explanation) of the chronically endemic corruption, a disease within the Tigraian governance system, was very touching. AigaForum's Manager/Editor summed it up as follows:

“Journalist Awet, thank you for the wonderful Poem! It is with tears flowing we watched and heard you! You said it all!”² (emphasis added).

Indeed, it was upsetting to hear and imagine depiction of the adverse effects of corruption on the well-being of the people of Tigrai. After sacrificing more than 60,000 heroes and heroines, fighting for justice and well-being against the savagery of the Derg, it was heartbreaking to hear and imagine the people of Tigrai still suffering from abject poverty for lack of leadership. This is despite the fact that people in the other regional states of Ethiopia are doing relatively OK, compared to the sacrifices they paid, if any. Why?

Third, I commend the Master of Ceremony (MC), for articulating the burning issues and for managing the Opening Ceremonies skilfully. After highlighting the historical background of the sacrifices the people of Tigrai paid, and the overarching goal and strategic objectives of the Conference, she invited President Abai Woldu to officially open the Conference. The President focused on “great” accomplishments of his government, using Tigrai's gross domestic product (GDP) growth rates (currently 10% and in the future between 11%, and 12%) as evidence of his government's successes. He, of course, admitted implicitly existence of deeply rooted corruption in his administration.

In any case, I strongly disagree with the President, particularly in using GDP growth as an indicator of his government's successes in achieving development, which is measured in terms of *human well-being*. Yes, development means *better quality of life*. Then, what is GDP?

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² <http://www.aigaforum.com/>, accessed on 19 Jan. 2016

What is and is Not GDP, for the Curious Mind: an Overview

GDP is just an aggregate estimate of monetary transactions in the marketplace, computed either from output value added, incomes, or expenditures. It does not measure the **social costs**, such as the predicaments of inequality, environmental degradation, congestion, and all sorts of crime, including corruption. The developed countries use it only to get rough estimate of goods and services generated in their respective domestic economies. It has limited application to evaluate performance of even an industrialized and a commercialized economy.

In fact, GDP growth has associated costs that outweigh the benefits. Reporting on his empirical findings to the US Congress Simon Kuznets³, the architect of GDP and GNP (gross national product) “disapproved” the use of either of these market-based statistical facts; he said, “...it was not meant as the primary scorecard of a nation’s economic health and well-being.” Unfortunately, economists, governments, international agencies, such as the World Bank and the International Monetary Fund, NGOs, and the media, use GDP as the primary scorecard of a nation’s economic health and human well-being. This is absolutely wrong!

In the case of Tigrai particularly, GDP should never be used. There is no GDP to begin with. Structure of the peasant economy renders GDP as a useless measure of human well-being. We all know, the majority’s life is sustained by hand-to-mouth daily and/or seasonal incomes. The point is not only the uselessness of GDP as a measure of development, but also the fact that we cannot find statistically credible data to evaluate performance of a peasant economy. Households of the peasantry, which account for nearly 95% of the population of Tigrai, survive on daily wages and survival food grains, harvested from fragmented, overused, and ecologically fragile farmlands that produce only subsistence grains. What upsets many experts is that the food deficit is subsidized by donated *Food for Work* (FFW): for certain amount of kilograms the peasant carries out backbreaking terracing work at afforestation and reforestation sites. FFW is a nationally demeaning and a shameful program, designed by the West, particularly the United States, to damp surplus grains so that American farmers are subsidized from their public purse to keep producing. Consequently, market prices of food grains produced in the aid-recipient poor country are depressed, discouraging national farmers not to be motivated to be productive. This is what they call a double-edged sword. Through this and similar strategies markets for American and European multinational corporations are expanded. Multinational corporations of the West, supported by their respective governments, operate under the precepts (rules) of neoliberalism, the mother of capitalism, which is rooted in *laissez-faire*, free market economy.

So, where from is Tigrai’s GDP? Where are the market transactions? If any, who accumulated the revenues and profits? In short, Mr. President you are not to be blamed, but your advisors and professional experts. GDP does not measure quality of life. Well-being of Tigraians must be measured in terms of the following metrics— among many others: (i) the essentials of life that include food, shelter, clothing, safe drinking water, energy, financial income, material wealth assets (e.g., houses and livelihood assets), health, and education, (ii) personal involvement in productive work and leisure activities, (iii) free universal suffrage for political voices and actions to reform a corrupt governance system, i.e., to be able to remove a government that **does not meet its social contract**, (iv) social connections and relationships (i.e., strong social capital), (v) best quality of social and natural environments to live in; (vi) constitutionally enshrined and enforced primacy of *the rule-of-law*, (vii) ability to enjoy all services of healthy bioecological systems, (viii) unfettered freedom to speak, to write, and to assemble within the bounds of the rules of the law, and (ix) capacity to cope with and to mitigate the adverse effects of natural and human-induced disasters (e.g., floods, drought, famine, and civil strife).

³Simon Kuznets (1901–85), was an American economist, statistician, demographer, and economic historian, who received the 1971 *Nobel Memorial Prize in Economic Sciences* "for his empirically founded interpretation of economic growth which has led to new and deepened insight into the economic and social structure and process of development": https://en.wikipedia.org/wiki/Simon_Kuznets, accessed on 20 Jan. 2016

Thus, financial transactions, such as GDP growth, are wrong and misleading metrics of human well-being. Incidentally, that is why Ethiopia was ranked **173** out of the **187** nations surveyed in the last UN Human Development Index (HDI)⁴. Imagine where Tigrai might be ranked in the highly aggregated-average HDI, which includes multiple qualitative and quantitative variables.

Meaning and Guiding Principles of Good Governance; a Generalized Sketch

What is governance? Governance is a dynamic process by which scarce resources (e.g., human and physical capital) are allocated among alternative courses of action or specific projects. In the context of a social, political, economic, and institutional environment of a democratic-developmental state, *good governance* is characterized by the following *key terms* that must be used to develop strict guiding principles: (i) personal dedication *to serve the people* rooted in strong nationalism as well as in values and ethics code of professionalism, as enshrined in the Constitution; (ii) deliberative and participatory decision making, involving all stakeholders; (iii) horizontally and vertically integrated, coherent, policies based on effective institutional configurations; (iv) devolution of power to local community-based development organizations; (v) gender equity in sharing decision-making power; (vi) effectiveness and efficiency in allocating scarce productive resources; (vii) strategic vision for the long-run economic outlook; (viii) accountability (ability to demonstrate and explain one's actions); (ix) transparency (free flow of information) in all operational and managerial activities; (x) responsiveness to society's preferences, aspirations, and expectations; (xi) equity in rights, obligations, benefits, and costs; and (xii) upholding the *primacy of the rule-of-law*. These are key terms of cardinal rules that must be upheld. They collectively form a *sacrosanct* code of professional conduct.

The reader can help me expand this crucial subject area, which establishes the boundaries within which an Adaptive Democratic Developmental State (ADDS)⁵ should function. In closing, for now, I only hope to observe the Government of Tigrai striving to meet these key guiding principles that usher in good governance. Let good governance be used as an ultimate weapon to eradicate the chronic poverty from all urban and rural landscapes (the human and natural environments) of Tigrai.

Thanks for reading; your feedback will be appreciated!

⁴ *Why Ethiopia is making a historic 'master plan' U-turn*, Mathias Muindi, BBC Monitoring: <http://www.bbc.com/news/world-africa-35325536>, accessed on 19 Jan. 2016

⁵ **Adaptive Democratic Developmental State: *The Pathways to Ethiopia's Total Transformation*** (Asghedom Ghebremichael, 2015), a piece of commentary that was posted on TigeaiOnline, AigaForum, and Ethiopian Observer