

Assessing the Recovery Policy Measures of Industrial Sector in Tigray: Challenges and Prospects

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Abstract

The overall purpose of this study is to explore the overall industrial activity in Tigray before the war, the role of EFFROT enterprises in the growth of Tigray industry, the complaints raised by Tigray intellectuals against the operations of EFFROT enterprises and propose policy solutions to repair the damage done by the forces of destruction on Tigray industrial sector. To investigate such kinds of concerns the researcher has applied an action research design with a qualitative approach. The researcher has employed a purposive sampling technique, focused synthesis, observation, and secondary analysis as methods of data collection and both discourse analysis and content analysis as methods of data analysis to conduct the study. The study indicates that devastating war launched by the coalition forces on Tigray was a long-standing policy of destruction designed by unitarist Ethiopians. It was a life-long intention of Amhara Centered Ethiopianists to erase the people of Tigray. The Genocidal war had caused immense death of human beings and comprehensive destruction of institutions vital to human existence. The main focus of the genocidal war was not only on human beings but also basic human infrastructures have been targeted— in addition to the mass killings, murders, and displacements, the economic and social infrastructure has also been severely damaged. Findings also indicate that EFFROT has the lion's share in the economy of Tigray. However, EFFROT institutions are not free from the political influence of the Tigray People's Liberation Front (TPLF) and are vulnerable to various social extravagancies. Moreover, findings confirm that all EFFROT companies established outside Mekelle (the capital of Tigray) were completely destroyed by the allied genocidal forces. As solution proposal for the comprehensive destruction on human and basic economic infrastructures, the researcher advises that Tigray must apply a public referendum using the principle of self-determination to the establishment of an independent state if the nation would have to find eternal relief and ensure its sustainable national existence; the government of Tigray must mobilize all its resources to ensure that the Ethiopian government and its partners pay proper compensation for all the damage and should hold accountable; the Government of Tigray must introduce a policy that fundamentally eliminates the political culture of party interference in EFFROT institutions, and institutional practices accustomed to family, localism and corruption; make EFFROT institutions provide free market opportunities to all relevant Tigrayan scholars to job responsibilities and professional services based on educational background, research performance or professional qualifications; make EFFROT institutions provide vast opportunities to local entrepreneurs, Tigrayan diaspora entrepreneurs, and foreign entrepreneurs in shares or another business manner to enter and become profitable.

Keywords: Tigray, Industrial strategy, industrial sector, manufacturing, structural transformation, industrial structure, industrialization, industrial policy

DOI: 10.7176/JESD/14-11-01

Publication date: June 30th 2023

INTRODUCTION

1.1 Background of the Study

Governments and societies should quicken structural change in their economies and actively influence the transformation's course for many reasons. Here, the issue of generating wealth might come first. Productivity growth and greater earnings are significantly influenced by structural change, or the reallocation of resources from low- to high-productivity activities. This is crucial for emerging nations when incomes are low and poverty is widespread. Second, economic growth has thus far been attained at the expense of severely excessive overuse of natural resources (UN ENVIRONMENT, 2017). The quest for economic development can be the third objectives of nations demanding structural change. As a result, one of the most significant problems facing today's for policy makers and economists is improving people's socioeconomic conditions. To accomplish this aim, policies, and sophisticated plans are developed each year (UNCTD, 2016).

East Asian industrial strategy was more than just infant industry protection through trade protectionism (through tariffs, quotas) and subsidies for strategic industries. It encompassed a wide range of policy measures that were used in various quantities and intensities in different nations. Some of the policy measures included: coordination of complementary investments (the so-called Big Push); coordination of competing investments through entry regulation; coordination of policies to ensure scale economies and coordination of measures to promote technology transfer and absorption (Economic Commission for Africa, 2016,p.60).

To avoid the harmful repercussions of a commodities crisis, African countries must focus on creating possibilities to boost industrialization. Countries with a cohesive policy have the capacity to foster inclusive, broad-based growth and development in order to achieve structural transformation. A key lesson from successful industrial policy is that governments should act as facilitators and enablers (, p.2).

During the Imperial period, an import substitution industrial strategy (ISI) and accompanying policies were implemented (1950– 1974). These sectors were consumer-oriented, dominated by foreign investors, and centered in Addis Abeba, Asmara, and Dire Dawa.

With the demise of the imperial regime, the Derg dictatorship followed a cocktail of flawed economic policies, violent resolution of national issues, and the Eritrean war of independence, as well as authoritarian political rule that prohibited all democratic procedures.

It should be highlighted that it is difficult to picture Tigray as a component of the Ethiopian Empire during the feudal or Derg regimes. There was no such thing as infrastructure in Tigray. There was no road or water infrastructure at all. Tigray was a region that was shrunk by war and systematic discrimination (Tewodros, 2018 at https://www.youtube.com/watch?v=6Pl_9rL6Ipg).

The Ethiopian governments had never intended to construct land and air communications in Tigray. The primary cause of this economic isolation was not a lack of government strength or strategic leadership rather it was a policy aimed at undermining Tigrayans and Tigrayanism.

The people of Tigray have been waging political and military struggles to free from this political, economic, historical and ethnic oppression. The struggle lasted for 17 years and ended in 1991 with the victory of the Tigray Uprising. The 17-year-old Derg crown was suspended forever.

Following the demise of the Derg regime, the EPRDF first came to power in 1991. Resolving the agricultural crisis was a top priority for the EPRDF Regime, with agricultural recovery serving as a catalyst for economic reform. The government chose the Agricultural Development-Led Industrialization (ADLI) plan as a significant industrial policy instrument in 1994, in order to reinvigorate the industrial sector and accelerate economic development (Arkebe, 2018).

The industrial development policy stressed export-led industrialisation and concentrated on labor-intensive industries, infrastructure development to enable rapid economic growth, and the development of small businesses to promote enormous job creation and poverty reduction. (FDRE 2002).

During the transition phase, a new constitution was developed that aimed for a multiparty political system, separation of powers within government, and federalism as a state structure (MOFED 2012a, 2012b).

The manufacturing industry in Ethiopia, according to Arkebe (2018), has two distinctive characteristics.

First, the level of industrialization is low as measured by the sector's contribution to the GDP, export revenue, industrial intensity, and competitiveness.

Second, the industrial structure is centered on the capital city and dominated by small businesses and resource-based industries (particularly the food industry).

1.2. Statement of the Problem

At the Tigray level, no scientific research has been conducted by scholars and other elements. However, the intellectual society of Tigray has been raising fundamental complaints to the economic activities and the performance, and leadership of EFFROT enterprises. Furthermore, the industrial sector of Tigray, especially EFFROT, was the main victims of the war launched by the forces of destruction. Therefore, the main focus of this study is mainly on the damage done by the forces of destruction to the Tigray industry, especially to EFFROT enterprises and to provide policy solutions for rehabilitation including the complaints that have been raised by the intellectual society of Tigray.

1.3. Objectives of the Study

The overall objective of this study is to explore the overall industrial activity before the war, the role of EFFROT enterprises in the growth of Tigray industry, the complaints and opposition raised by Tigray intellectuals against the ownership and overall activities of EFFROT enterprises and propose policy solutions to repair the damage. Specifically,

- 1) To assess and propose policy recommendations to the complaints and objections which has been raised by the intellectual society of Tigray to the ownership and overall operations of EFFROT companies.
- 2) To propose policy solutions to repair the damage caused by the forces of destruction to Tigray industry, especially to EFFROT enterprises.

1.4. Research Questions

- 1) What are the complaints and objections that the Tigray intellectuals have been raising about the ownership and overall operations of the EFFROT companies?
- 2) What are the policy options to resolve these grievances and objections?

- 3) What is the depth and danger of the damage caused by the forces of destruction to Tigray industry, especially to EFFROT enterprises?
- 4) What would be the policy options needed to repair the damage done to Tigray industrial enterprises?

1.5. LITERATURE REVIEW

1.5.1. Conceptual and Theoretical issues in Industrial Policy

Industrial policy may be defined as “a strategy that includes a range of implicit or explicit policy instruments selectively focused on specific industrial sectors for the purpose of structural change in line with a broader national vision and strategy. Structural transformation involves the shift of people and economic activities between sectors, and from less to more productive activities. It involves diversification (both vertical and horizontal) into new more dynamic activities, fostering domestic linkages and building technological capabilities, and developing the stock of technical knowledge that constitutes wealth (Arkebe 2015: 18).

Industrial policy may also refer to government actions to alter the structure of an economy, encouraging resources to move into particular sectors that are perceived as desirable for the future development. Traditionally, industrial policy has focused on productivity enhancement as the key mechanism that would ensure rising returns to capital and labour and thus enable economic growth and prosperity. Increasingly, however, the goals of industrial policy have been broadened. In practice, industrial policy agencies undertake measures to influence structural change such that regional disparities are reduced, labour-intensive industries or small enterprises are encouraged and/or the economy becomes environmentally more sustainable (Altenburg and Lütkenhorst, 2015).

1.5.2. The Practice of Manufacturing Sector in Tigray

Ethiopia's agriculture-led industrial policy developed during the TPLF-EPRDF era is based on the following principles.

(1) Ensure active participation of private entrepreneurs in industrialization, (2) Pursue agriculture-led industrial development, (3) Pursue export-led industrial development, (4) Pursue labor-intensive industrial development, (5) Integrate local and foreign entrepreneurs, (6) Continue to strengthen the role of government leadership, (7) Participation of all people for industrial development, (8) Continue to focus on infrastructure construction, (9) Produce a competent and trained workforce, (10) Pay special attention to the manufacturing industry.

State governments under Ethiopia's federal system are in charge of putting economic and social development plans into action. The members of the state council, which represents woredas, are chosen directly by the voters of each state. Each state develops a state industrial development strategy and a state MSE development plan, which often closely resemble the federal industrial development and MSE strategy. A state MSE council oversees the implementation of these strategies in each state (R Pinto, 2019).

Accordingly, the new industrial policy direction of the Tigray government in 2018 EC has identified the priority sectors for foreign and domestic entrepreneurs, job opportunities created by investment, their share and growth in technology and their future industrial growth and transformation. These identified sectors are the basis for growth and transformation for many countries, especially in recent East Asia. Secondly, investments that can take Tigray to the next level should be carried out as much as possible.

1.5.3. The Foundation, Ownership and Operations of Effort

EFFORT enterprises were the pioneer and most influential business organizations established in the mid-1990s (Zekarias, 2010). Individual shareholdings in existing share firms were allegedly 'irrevocably transferred' to EFFORT, which was established as a non-profit non-governmental endowment fund. Endowment funds like EFFORT are one of four forms of Charity recognized by Ethiopian law, according to new Charities and Societies legislation that went into effect in early 2009 (Vaughan and Mesfin, 2011).

EFFORT was launched by 25 "founding members," each of whom provided ETB 2,000 in starting investment. These comprised 16 members of the TPLF's top leadership's central committee, as well as nine additional non-fighters, peasants, and mass association members from various districts of Tigray (Vaughan and Mesfin, 2011).

Siye Abreha, who was the CEO of EFFORT from 1995 to 2001, confirmed this fact on March 17, 2009, with Wikileaks in the following statements:

"In the 1980s, the TPLF received huge international aid from the United States to support its struggle against the Derg regime. From 1991 to 1995, these companies were organized under the Economic Affairs Department of the TPLF under the leadership of Sibhat Nega. The first companies were founded under the ownership of party loyalists. TPLF had funded the other three EPRDF parties to set up their own rehabilitation agencies each from a portion of EFFORT resources. EFFORT is overseen by a CEO and Board of Directors recruited exclusively from loyal members of the TPLF and is managed and evaluated by highly skilled professionals in the related field EFFORT (Siye, 2009; on Wikileaks)". Furthermore, Nega's confirmed as:

"During the Tigray Revolution, there was a time when both the superpowers, the United States and the Soviet Union, rushed to dominate the Horn of African Region. The United States was looking for an ally to expel the Soviet Union from the politics of the Horn of Africa. They came to the conclusion that the TPLF was the

strongest force in the region, to form a tactical alliance. The USA and its partner NGOs provided humanitarian aids. With the financial aids, extensive agricultural investment was being carried out in Sudan and in Tekeze. Machinery rental were in Port of Sudan in addition to buying and selling houses in England, and restaurant business in Judah. In Dubai, there was Jebelali Free Trade Zone and a ship trading in the Red sea by the name of an Afar man. The reserved money was deposited in Hong Kong, Italy and England in the name of TPLF loyalists. The source and foundation of this institution was the people of Tigray and the TPLF as such that the central beneficiaries are also both. (https://www.youtube.com/watch?v=B_FD1AfGIYM)".

1.6. Policy objectives and organisational structures of EFFROT

The policy of the company is based on the following objectives or principles. These objectives are:

- 1) 'To use the resources 'of the people of Tigray' held by the TPLF;
- 2) To generate income for the families of the martyrs and other victims of the war in Tigray,
- 3) To act as an instrument to promote the industrialization of Tigray;
- 4) To open up new sectors into which private sector businesses could follow;
- 5) To contribute to the development of human resources in Tigray;

The capital sources for the establishments of EFFROT are:

- 1) Irrevocably committed contributions from supporters of EFFROT;
- 2) Money and material accumulated during the armed struggle;
- 3) Profits from EFFROT's own investments.

EFFROT is legally administered by a Cabinet of 55–75 members selected by regional governments, municipal governments, and other groups (Vaughan and Mesfin, 2011). The structural governance of EFFROT has two wings. They are the investment wing and the humanitarian aid wing (38).

EFFROT-owned enterprises were divided into five groupings, each supervised by a prominent TPLF central committee or ruling body member. During the 1990s, the original sectoral classification was centered on Industry, Mining, Finance & Trade, Construction & Transportation, and Agriculture.

1.7. Research Methodology

1.7.1. Research Design

The research under investigation is a policy research. Policy research can be described as research investigation concerning complex economic and social problems to provide policymakers with action-oriented recommendations for alleviating problems. Since no comprehensive methodology for policy research exists, researchers must know a variety of different methods in order to apply them selectively to particular research questions. Thus, action research is employed to conduct the research under investigation. Action research is problem-solution oriented research design. It falls under the category of applied research and subsequently, uses practical approach to solve an immediate problem.

1.7.2. Sampling Technique

For the reason that is because the research focuses on assessing the Recovery policy Measures of the Industrial Sector in Tigray in the post war period. Thus a non-probability sampling technique was employed to frame the sources of data for the study. A purposive sampling method was used to select the most accurate and relevant documents from government organizations (Trade and Industry Bureau), non-governmental organizations (EFFROT), Media outlets and the Internet.

1.7.3. Research Approach

Focused synthesis is a guide to gathering conceptual data from selected scientific literature, research findings, government documents or media statements and performance reports in policy research. The data used in this study are data from various government institutions, media, research institutions and individuals that describe government beliefs, policy implementation and the nature of the policy and government. Accordingly, for such kinds of qualitative data qualitative approach has been applied as preferable.

1.7.4. Method of Data Collection

Since the data used in this study are data on government policy performance, and the nature of the policy and government from various government agencies, media, research institutions, and individuals; focused synthesis, observation, unstructured group or peer discussions, and Secondary analysis (all are qualitative methods) are preferable data collection methods. Focused synthesis is somewhat akin to traditional literature reviews by involving the selective review of written materials and existing research findings relevant to the particular research questions.

Secondary analysis: Another method that uses existing information and is a method which, by far, is the most cost- efficient method for answering policy research questions. Secondary analysis refers to the analysis and reanalysis of existing data- bases. In qualitative research, observation is mostly categorized as a method of data collection and features in various research methods including ethnography, case study and action research.

1.7.5. Method of Data Analysis

Because of the qualitative nature of the study, discourse and content analysis have been employed in which discourse analysis is to analyze the data obtained from public figures made on social media as briefings, statements, or discussions, and content analysis is to discuss the data obtained from mass media reports, vast scientific literature and official policies, strategies, and other relevant documents to the study. Discourse analysis is a method of a thorough understanding of the political, cultural, and power dynamics that exist in specific situations. The focus here is on the way people express themselves in different social contexts. Qualitative content analysis can be considered as an approach for methodically articulating the meaning of qualitative data. The approach is distinguished by three characteristics: qualitative content analysis, data reduction, and flexibility (Schreier, 2012).

1.8. Data Presentation and Analysis

1.8.1. The Intent and Purpose of Economic Infrastructure Destruction

The devastating war launched by the coalition of forces (Ethiopian Defense Forces, Eritrean Defense Forces and Special Forces, and FANO Armed Forces) against Tigray on November 4, 2020, was not the result of the then temporary political fever between the Tigray and Ethiopian governments. Instead, it is a unitary nation-building project that has been going on for thousands of years. This project of building a unitary Ethiopia is one of the national identity-building projects that started in the history of Ethiopia after the fall of the Akusum kingdom, which snatched the statehood from the kings of Lasta and made the center of its rule in Shoa (Ankober).

This unitary force was able to establish the first Solomonic (Jewish) dynasty in Ethiopia by fraudulently moving the Akusum dynasty from Lasta to Ankober. The kings of King Solomon's lineage (Menelik I and his successors) who ruled for centuries during the reign of Akusum believed in their Kushitic, Agazian, or Akusumite political monarchy and did not have an identity crisis that forced them to accept a Solomonic or Jewish dynasty. The 12th-century Solomonic II Dynasty which does not even believe that it is Ethiopian, was a royal power with an identity crisis, indicating that it was the Solomonic tribe that was allowed to reign in Ethiopia by the power of God.

This Solomonic (Jewish) dynasty follows an ideology of Amhara-centered Ethiopianism and does not accept Oromonism, Tigrayanism, or any other ethnicity other than Amharanism. It has waged a centuries-long struggle to suppress all nationalist ideologies and sentiments outside Amharanism.

The national struggle of both Tigrayans tested this Jewish dynasty to the greatest extent. In the late 1990s, the oppressive Jewish dynasty was removed from Ethiopian politics due to the bitter identity struggle of both nationalist forces (TPLF and EPLF).

The unitary construction of the Ethiopian state has been dusted off, replaced by a multi-nationalist federal construction system of government. The nationalist forces that formed the identity front and defeated the old aged Solomonic (Jewish) dynasty in Ethiopia, however, both Tigrayans split in their ultimate goal. The northern Tigrayans gained independence and established a state, while the southern Tigrayans accepted internal independence and established a national government within Ethiopia. The independence struggle of the Northern Tigrayans gave birth to freedom, established the state of Eritrea, and created a citizenship called Eritreanism.

Eritrean citizenship was transformed into a policy of Eritrean national identity, and just like Ethiopianism, it was strategically worked out to stand against nationalist thought and sentiment of Tigrayanism. The Isaias leadership worked to erase the sense of Tigrayanism among Tigrayan Eritreans in various ways. At a policy level, ideas and institutions that expressed the sense of Tigrayanism and strengthened the social and historical ties between the two Tigrinya speakers were deliberately attacked and destroyed. For example, some of the measures taken in this regard include the conversion of the former Emperor Yohannes Airport to today's Asmara Airport and the conversion of the former Queen of Sheba Stadium to today's Asmara Stadium. This act was deliberately done to erase the thought and feeling of Tigrayanism in Tigrayan Eritreans and to destroy the social and historical bridge of communication between the two Tigrinya speaking nations.

However, the biggest project used by the Isaias leadership to sever the historical and social ties between the two Tigrinya-speaking peoples is the outbreak of the Badme war. The main mission of the Badme war was to sever the historical and social ties between the two Tigrinya-speaking peoples and to cause them to bleed to prevent from meeting once again for ever. If he succeeded, Isaias's main goal would have been to weaken the national statehood of Tigray and make Tigray a meaningless element of Ethiopia. Because the EPLF leadership believes that the national statehood or independence of Tigray is a fundamental threat to the construction of Eritrean national identity. For this, President Isaias has repeatedly stated that Article 39 of the Ethiopian Constitution should be repealed. This is due to the fear that Tigray may use this article to declare its independence if it does not benefit from staying in Ethiopia. It stems from the Isaias' belief that if Tigrayanism develops beyond regionalism to national statehood, it would be against the project of building an Eritrean national identity.

The Eritrean national identity building project and the Ethiopianism are both anti-Tigrayanism and anti-

TPLF ideologies practically. Tigrayanism is the nationalist ideology of establishing the state of Tigray or the independence of Tigray while the ideology of the TPLF is to establish a multi-national federal system based on the democratic equality of the peoples of Ethiopia.

Either the ideology of establishing a state of Tigray or the ideology of a multi-ethnic federal system based on the democratic equality are against these forces that promote unitary Ethiopianism or Eritreanism. Therefore, the Tigray genocidal war was waged by unitary Ethiopianism and Eritreanism against the ideology of establishment of Tigray statehood multi-national federal system. The nationalist ideology of Tigray independence would be destructed to sustain the advancement of unitary Ethiopianism and Eritrean national identity construction.

The struggle for independence of the Southern Tigrayans, on the other hand, entered the palace of Menelik under the leadership of the TPLF and the militaristic victory was retained for the equality of Ethiopian nations and nationalities. The struggle for freedom of the people of Tigray was transformed into a struggle for democratic equality under the leadership of the Communist affiliated Party of Tigray Peoples Liberation Front. Therefore, Tigray politics was embedded in the circle of Ethiopianism and stuck in the struggle for democratic equality with in Ethiopia.

Since then, the TPLF-EPRDF leadership has implemented a program of economic and administrative decentralization through a succession of declarations based on the idea of democratic equality. Regional governments have the authority to establish and implement economic and social development policies and plans, according to the Federal constitution (Tefaye, 2007)

The administration improved food security in the region by fostering diversity and sustainability in subsistence farming, allowing commercial production, and developing a solid social safety program in collaboration with foreign partners and entrepreneurs. The Endowment Fund for the Rehabilitation of Tigray (EFFORT) had invested in construction, textile, mining, industry, and pharmaceutical subsectors that engaged thousands following the Ethiopian Civil War (1974-1991) and famine (1983-1985) (OMNA, 2022).

However, dispute between the federal and Tigray governments had been developed since Abiye Ahemed come to power reshuffling the old aged EPRDF informally. The political dispute had developed to full flagged war on November 4, 2020, when the Ethiopian government declared a military attack in reaction to Tigray's administration and Tigrayan military officers' intentions to eliminate the Ethiopian army's formidable Northern Division in Tigray. Tigray's army was forced into the highlands of central Tigray after 3 weeks, and Ethiopian forces took control of Mekelle (ETHIOPIA IN SIGHT, 2022).

The majority of structural damage occurred after Mekelle was seized. Reports indicate that Ethiopian and Eritrean soldiers stealing and damaging key companies in the region emerged shortly after Abiy declared the conclusion of military operations in Tigray. Goda Bottle and Glass Sharing Company, for example, were demolished on 2 December, a week after Mekelle was captured. Eritrean and Amhara forces, according to Tigrayan reports, robbed practically all enterprises and stores in central and eastern Tigray, notably in Hawzen, Tembien, Wukro, Agbe, and Abadi. Almost all industries in central and eastern Tigray had been damaged and left inoperable by late February. According to an interim government source, re-establishing them will cost at least 100 billion dollars (ibid).

In furthermore to burglary, vandalized, and destroying hundreds of buildings, trying to invade Ethiopian, Eritrean, and Amhara forces have haphazardly denied access to banks and finance companies, shut down vital services, and seized private and public facilities, exacerbating the region's financial recession. As a result of the invading armies' purposeful assault of economic structure (OMNA, 2022).

According to GLOBAL AGRICULTURAL MONITORING (2022), since the beginning of the conflict in November 2020, the production process in Tigray has continued to be influenced both by aggressive attacks on the agriculture and industry (GLOBAL AGRICULTURAL MONITORING, 2022). Here below are the factories damaged in Tigray

	Factory	Location	Ownership	Damage	# of Employees
1	Addis Pharmaceuticals	Adigrat	EFFORT	Looted, destroyed by fire	3,000
2	Almeda Textile Factory	Adwa	EFFORT	Looted, destroyed by fire	8,000
3	Zenith Hair Oil,	Shire	Private	Looted, destroyed by fire	500
4	Mesebo Cement Factory	Mekelle	EFFORT	Looted	3,000
5	Oil Processing	Shire	Private	Destroyed by airstrike	1,000
6	Sheba Leather Factory	Wukro	EFFORT	Looted, destroyed by fire	1,000
7	Guna Trading	Aksum	EFFORT	Looted	1,000
8	Saba Dimensional Stones PLC	Adwa	EFFORT	Looted, destroyed by fire	1,500
9	Semayata Dimensional Stones Factory	Wukro	Private	Destroyed by fire	5,00
10	Dejen Flour Factory	Aksum	EFFORT	Looted	2,00
11	Goda Bottle and Glass Factory	Adigrat	Private	Looted and Destroyed by airstrike	325
12	Sur Construction, Mekelle	Mekelle	EFFORT	Looted and Destroyed	7,000
13	Mesfin Industrial Engineering	Mekelle	EFFORT	Looted and partially destroyed by air bomb	10,000

Source : the World Peace Foundation, 2021

1.8.2. The Contribution of Effort to Industrial Development in Tigray

EFFROT institutions are established to fill the gaps that entrepreneurs and the government cannot fill and to encourage the industrial development of Tigray. In addition, in a region without adequate infrastructure; investment in the industrial sector cannot be expected to intensify. As a result, EFFROT enterprises were established with the goal of stimulating the industrial development of Tigray by transferring knowledge, technology, developing skills and attracting new investments. The TPLF leadership also asserts that EFFROT companies are established to encourage Tigray industry by filling gaps that the government and private sector cannot fill (Addis Fortune, 2018).

Accordingly, the Tigray government introduced a policy in the 1990s that follows the principle of conservation-based agriculture-led industrial development within the framework of an agriculture-led industrial development strategy. This industrial policy principle of industrial development based on conservation-based agriculture consisted of 2 phases of industrial development.

The first phase is to strengthen agricultural income by using various agricultural inputs (modern fertilizers, improved seeds, pesticides and herbicides), modernizing and technologically assisted agriculture.

The second phase is a manufacturing strategy that encourages agriculture to ensure food security and go beyond agro-processing to feed industry.

To achieve the stated policy objectives EFFROT was playing a leading state investment involved in key industries like food production, construction, pharmaceutical, manufacturing, textiles and mining, with total assets estimated at more than \$500 million (Clark, 2021).

1.8.3. The Critiques of Tigray Intellectuals in the practice of EFFROT

The political affiliations of EFFROT with TPLF leadership

The alliance of EFFROT with TPLF is associated with the historical evolution of the endowment. From 1975 to 1990s, TPLF was a military Front with a mission to ensure the national liberation of the people of Tigray. After completing this mission and establishing a civilian government in 1990s, it formulated its policies and programmes and registered with the Election Board of Ethiopia as a nationalist political party representing the nation of Tigray. Therefore, the armed struggle and the political struggle age of TPLF are separate in political mission, if not in name and symbol.

The name and symbol of the TPLF as political party is the political gimmickry used to gain popular acceptance that was during the armed struggle. Otherwise, the TPLF military front (1975-1991) and TPLF political party (1991-present) are different in nature and mission. The TPLF political party is a force of power that defines its party policy and program and engages in peaceful struggle to control state power.

The TPLF military front (1975-1991), however, was a military force that has paid valuable sacrifices for the national liberation and independence of the people of Tigray. Its mission was completed in 1990, when Tigray was freed from the foreign rule of the Shewa Ethiopia; while it should have asserted its national independence by referendum, it was crushed by the TPLF political party wing (1991-present); and the military victory of the Tigray Army was sold to the Ethiopian nations and nationalities by the political wing of the front.

As long as the TPLF military front (1975-1991) during the armed struggle was a military force that did not

aim to control state power rather to liberate of the people.

However, the problem arose as a result of political party formulated social and economic policies to compete in a free political arena for control of state power but grumbled to manage social institutions outside the state structure. A political party that has competed in the political arena and controlled the state power through a political maneuver that everyone understands should also govern and lead the 3 government structures that are: legislative structure (policy or Law maker), judiciary structure and executive structure.

Commercial or endowment companies, civil or professional associations outside the state structure and government agencies should not be directly or indirectly interfered with by any force that has gained state power in any way as long as they are NGOs. But it is not only the EFFROT companies that are being swayed and oppressed by the interference of the TPLF leadership in Tigray politics. The Tigray Relief Association, Tigray Development Association, Tigray Teachers Association, Tigray Farmers Association, Tigray Women's Association, and Tigray Youth Association are also victims of the TPLF leadership's political influence. Zakaariyaas (2020) assures that they are major indigenous NGOs under the control of the TPLF leadership to protect and sustain political power of the regime without any challenges. This is the ultimate political reality observed by any ordinary person as well as officially confirmed by the top leadership of the organization. For example, former Ethiopian Defense Ministry and EFFROT CEO Siye Abrha (2009) confirmed that EFFROT companies are controlled by CEOs and boards of directors recruited only from loyal members of the TPLF.

Furthermore, Sibhat Nega (2018) stated that the sources of the EFFROT in general are the people of Tigray and international donors, but the central beneficiaries of those endowments are the people of Tigray and the TPLF. The TPLF has managed this public resource economically and profitably. Therefore, EFFROT is the property of the people of Tigray, handed its management over to the TPLF.

EFFROT productivity and Redistribution

Not only that, cement produced in Mesbo Cement Factory (one of the EFFROT Enterprises) in Tigray is sold to consumers at the same selling price in Tigray and Addis Ababa (Ethiopian capital) and other Ethiopian cities. This has sparked outrage among Tigray intellectuals, businessmen, contractors, and entrepreneurs against the EFFROT board leadership and the government. This anger is caused by the fact that all the labor and natural inputs required for the production of Cement are from Tigray. However, it sells its product equally in Tigray and other parts of Ethiopia. This has led to the belief that Tigray's human and natural resources are being exploited by the Factory as to foreigners. Not to mention the fact that it is wasting Tigray human labor and natural resources, the transportation costs from Mekelle to all the cities of Ethiopia is also being covered by Tigray expenditure.

Another additional complaint against Mesobo Cement Manufacturing Company is related to the recruitment and deployment of manpower. As a principle, all Tigrayans should compete for the job schedule and responsibilities in Mesbo Cement Manufacturing Company on an equal basis based on professional qualifications and training background. However, the main criterion for entering this institution and becoming a staff member or professional worker is the orientation of revolutionary democracy, family background/contact, or a material connection with the relevant authorities. Accordingly, almost every intellectual in Tigray (except those who are brokered for profit) believes that Mesbo Cement Factory is a source of economy for the TPLF and their partners or families. It is established to serve groups with political, family, or partnership ties and therefore recruits manpower in a clever manner to eliminate the risk of any other type of Tigrayan entering by chance. It is also one of the threats that strictly prevents or discourages entrepreneurs from entering the enterprise through shares or other commercial means.

1.8.4. Assessing the damage to EFFROT institutions by the forces of destruction

The World Peace Foundation (WPF) reported in April 2021 that there has been large-scale looting, asset stripping, asset destruction, pillaging, and vandalism across factories in Tigray. Alula Habteab, head of the Tigray interim administration's construction, road and transport department (prior to the reoccupation of Mekelle by TDF on June 28), confirmed that Eritrean and Amhara forces, in particular, have inflicted the most destruction against Tigray's economic infrastructure. The Eritrean forces have destroyed all factories, employing thousands of Tigrayans, without exception, Alula reported. Prominent examples of such factories include Almeda Textile/Garment Manufacturing, Addis Pharmaceuticals, Adigrat Pharmaceuticals, Sur Construction, and Sheba Leather. It will require at least 100 billion birr to replace and reestablish these factories, according to Mr. Abera Niguse, head of the Tigray former interim government's justice bureau (PAGE, 07).

The WPF's report underscores the pre-meditated, vindictive, and deliberate damage to the economic foundation of Tigray inflicted by the invading forces. This destruction was undertaken with the intention of depriving Tigrayans of objects and resources necessary for their continued survival. In particular, the Eritrean and Amhara forces undertook extensive looting, carting away machinery, cars, and other properties from factories in Tigray. The destruction of factories that employed thousands of workers additionally contributes to the economic hardship Tigrayans face as they continue to deal with the fallout of the genocidal war (PAGE, 08).

In addition to ransacking, vandalizing, and setting hundreds of buildings and factories on fire, the invading

Ethiopian, Eritrean, and Amhara forces have also arbitrarily prohibited access to banks and microfinance institutions, closed essential services, and overtaken private and public infrastructure, compounding the economic crisis in the region (PAGE, 08).

1.9. Findings and Policy implications

1.9.1. Findings

The study indicates that the devastating war launched by the coalition forces (Ethiopian Defense Forces, Eritrean Defense Forces and Special Forces, and FANO Armed Forces) against Tigray on November 4, 2020, was not a result of the then temporary political fever between the two governments rather it was a long-standing policy of destruction designed by unitarist Ethiopians. It was a life-long intention of Amhara Centered Ethiopianists to erase the people of Tigray from the landscape.

This intention was not a hidden policy but well-articulated and documented as a strategy. Ethiopian politicians and military leaders have spoken out in media streams and written about their Dream and aspiration to eradicate Tigray people from the face of the Earth. They have also worked tirelessly to diplomatize that the international community should stand with them in implementing their Genocidal Policy. Ambassador Pekahafisto testified that the government of Ethiopian has formulated a policy to eradicate the people of Tigray from the face of the earth for at least 100 hundred years.

To implement a genocidal policy Cooked up with evil vision and intentions, the Ethiopian government leadership and its allies launched a war on Tigray on November 4, 2020, causing immense death of human beings and destruction of institutions vital to human existence. The main focus of the genocidal war was not only on human beings but also on the destruction of infrastructure that is important for the sustainable existence of human beings. Accordingly, in addition to the mass killings, murders, and displacements, the economic and social infrastructure has also been severely damaged. This indicates that the destruction was deliberately taken as part of genocide and led by a higher authority.

EFFROT enterprises were established to contribute to the revival of the industrial sector in Tigray, to ensure the sustainability of the Tigray economy with a strong foundation and to become more productive. The focus of EFFROT's policies and strategies is on Tigray. Their main objectives are to invest in areas that cannot be covered by the government and entrepreneurs in Tigray, attract investors, open new economic and market sectors, and open research and science centers to support human development. According to the researcher's survey, the major economic enterprises in Tigray were mainly established by EFFROT. This indicates that EFFROT has the lion's share in the economy of Tigray. EFFROT has created permanent job opportunities for more than 50,000 citizens in Tigray. In addition, EFFROT companies are at the highest levels of government tax generation.

However, EFFROT institutions are not free from the political influence of the Tigray People's Liberation Front (TPLF) and are vulnerable to various social corruptions. Regarding the criticism related to political influence, this study found that EFFROT institutions have been led by politicians and board members recruited as loyalists of the Tigray People's Liberation Front (TPLF) since their establishment until this century (2023).

In this regard, the data referred to in this study confirm that there is no free market in these institutions where everyone can compete for job opportunities according to their qualifications. As a result, there is a large section of the society that believes these institutions are exploitative institutions that stand for the interests of the TPLF and its allies.

Moreover, the Ethiopian government and its allies launched a genocidal war against Tigray on November 4, 2020. EFFROT enterprises were one of the main targets of destruction. According to the findings of this study, all EFFROT companies established outside Mekelle (the capital of Tigray) were completely destroyed by the Ethiopian Defense Forces, Eritrean Defense Forces, and Amhara forces. Most of the basic parts of EFFROT companies have also been stolen and destroyed even those established in Mekelle City.

1.9.2. Policy implications

The study indicates that the devastating war launched by the coalition forces against Tigray on November 4, 2020, was not a result of the then temporary political fever between the two governments rather it is a long-standing policy of destruction designed by unitarist Ethiopians. As it was articulated by Daniel Kibret (Social Affairs Advisor of The Ethiopian Prime Minister) the project was a life-long intention of Amhara Centered Ethiopianists to erase the people of Tigray from the landscape.

The unitarist model of state structure has been tried and failed many times in Ethiopia, intended to cut the people of Tigray out of the politics of the Horn of Africa. Interestingly, there is no model of state structure that has not been tested by the empire to ensure the sustainability of the Imperial State. Imperialism, unitary system, or federalism have all been tried and failed in Ethiopia.

The only model of state structure that has not been tested in Ethiopia to date is only the confederation. This arrangement can be formulated if the statehood-seeking regions of Ethiopia voluntarily form economic, political, and military alliance after they have taken their independence using the constitutional principle of self-determination up to secession enshrined in article 39 of the Constitution of the country.

If the nation of Tigray would have to find eternal relief and ensure its sustainable national existence, it would be a must to use the principle of self-determination until the establishment of an independent state. This is because the nation of Tigray needs to build its own country structured with the psychological of Tigrayanism to ensure its regional security and build strong economic development in the Horn of Africa region.

On November 4, 2020, the leadership of the Ethiopian government and its allies launched a genocidal war cooked up with evil vision and intentions. The study points out that this war has caused immense death of human beings and destruction institutions that are crucial for human existence. The data examined in this study indicate that the main objective of this war was to eradicate the people of Tigray from the land. Its main focus was not only on people but also on destroying infrastructure that was important for human survival.

Accordingly, all economic companies in Tigray, including EFFROT enterprises, were the focus of attacks and destruction. Economic activity in Tigray will all start from the scratch. A World Peace Foundation study reports have also indicated that \$100 billion is needed to rehabilitate and restart EFFROT enterprises.

Therefore, the Tigray government must mobilize all its resources to ensure that the Ethiopian government and its partners pay proper compensation for the damage and should hold accountable. Furthermore, diplomacy must be done to ensure that the international community fulfills its moral obligation to achieve this.

In addition, EFFROT institutions are not free from the political influence of the Tigray People's Liberation Front (TPLF) and are exposed to various social extravagancies. As a result, they have been receiving several criticisms and isolation from the general society and especially the intellectual section of society. This behavior and political culture will continue to be a major obstacle to EFFROT institutions being rehabilitated and starting their operations and playing their role in recovering the economy of Tigray.

Therefore, the Government of Tigray must introduce a policy that fundamentally eliminates the political culture of party interference in EFFROT institutions, and institutional practices accustomed to family, localism and corruption. Since EFFROT enterprises are non-governmental public enterprise companies operating in various sectors of the economy, by no means should a political party controlling state power be allowed to assign leadership to them. The Tigray government should formulate and implement a policy direction that will enable all concerned Tigrayan scholars to compete and operate these institutions.

Another finding of this study in relation to EFFROT institutions relates to ownership and economic mobility is indicating that there is no free market in these institutions where everyone can compete for job opportunities based on merit and educational qualifications rather political attitude, localism and family are the main criteria of recruitment. Furthermore, the study found that the recruitment criteria for leadership-level executives, industry managers, executive directors and others in these institutions are based on their loyalty to the TPLF and their political views, not their educational background, research activities or professional qualifications.

Therefore, the Government of Tigray shall introduce a policy and strategy that :

- Makes free EFFROT enterprises from political influence and interference of the TPLF,
- Makes EFFROT institutions free from institutional practices accustomed to corruption, political affiliations, localism, and family as the criteria for recruitment,
- Make EFFROT institutions provide free market opportunities to all relevant Tigrayan scholars to job responsibilities and professional services based on educational background, research performance or professional qualifications,
- Make EFFROT institutions provide vast opportunities to local entrepreneurs, Tigrayan diaspora entrepreneurs, and foreign entrepreneurs in shares or another business manner to enter and become profitable and
- Makes EFFROT companies belong to every Tigrayan and serve all Tigrayans equally as a policy principle.

To do this, it requires fundamental policy reforms in these institutions. Local businessmen, Tigrayan diaspora and foreign entrepreneurs with technological resources and knowledge of lines in world market must be involved in a sustainable manner so that EFFROT enterprises can return to operation and play a role in Tigray economy.

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