

## Explaining the Ethiopian outmigration: Incentives or Constraints?

Seid Hassan and Minga Negash<sup>1</sup>

In both theory and practice, pull and push factors drive migrants out of their own countries of origin. The factors are complex but they are in general categorized as: (a) demand-pull factors, represented by better economic opportunities and jobs in the host (new) country; (b) supply-push factors, represented by the lack of economic opportunities, jobs, and economic downturns, political oppressions, abuses of human rights by home country governments, religious intolerance (constraints), war, conflict and insecurity in the home country; (c) mediating factors that accelerate or constrain migration which may include the existence or prevalence of opportunities available to human smugglers, fly by night recruitment agencies, registered recruitment agencies operating within the legal system and government policies encouraging/incentivizing citizens to migrate; and (d) social network (pull) factors such as the existence of relatives, friends and acquaintances in host countries, available opportunities for family unifications in host countries, and success stories of diaspora migrants. The role played by each of these factors and their relative importance and dynamics depend on the economic, political, societal conditions and geographical proximity between the home, transit and destination countries.

In attempting to explain the Ethiopian outmigration, our conjuncture is that the push factors play the dominant role in driving out Ethiopians out of their country, prominent among them being abject poverty and bad governance. Bad governance and economic constraints are highly correlated, for bad governance [basically means](#) the lack of rule of law, political freedom, accountability, transparency, efficient institutions and increased corruption and insecurity. Development economists have repeatedly shown that bad governance plays significant roles in retarding development in addition to exacerbating [economic inequality](#), [increasing poverty](#), [corruption](#), [conflicts](#) and [environmental degradation](#).

Development economists have also documented that economic mobility and geographic mobility are correlated. Unfortunately, the ruling party's ethnic policy is [known to have restricted internal migration](#). That is, by restricting internal migration, the ethnic based governance and political structure, has limited the economic opportunities of the citizens and the country's capability to absorb migrants internally. As [Gray, Mueller and Woldehanna \(2012\)](#) show, barriers within Ethiopia indeed exist, thereby prohibiting citizens from freely moving within regions, hence denying them the basic constitutional right of mobility. The expulsion of "others" from the [Benishangul-Gumuz](#), and Gura Ferda and the Ogaden regions, considered by many to be [crime against humanity](#) is the extreme version of it. Another political problem which has a colossal economic impact on migration is the corruption conundrum. As [Ariu and Squicciarini](#) argue, the prevalence of corruption within a nation tends to drive relatively skilled workers out of their own country in part because they distaste a non-meritocratic and nepotistic regime. The "prolonged loss in human capital" in turn leads a country to be afflicted by brain-drain which is known to be a major obstacle to economic growth. In the case of Ethiopia's opaque system, there is a widespread perception that one can only advance his/her career and economic opportunities using close knit ties established through one's ethnic stock, family connections or through corruption.

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<sup>1</sup> Seid Hassan is Professor of Economics at Murray State University and Minga Negash is Professor of Accounting at the Metropolitan State University of Denver and the University of the Witwatersrand, Johannesburg.

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In explaining the Ethiopian migration to the Middle East, which we believe is largely economic, we ask two interesting questions: Firstly, why do Ethiopians leave their birthplaces en masse when their country is alleged to have been registering double digit real economic growth rates for nearly a decade? Secondly, are there any overarching identifiable factors that explain the Ethiopian exodus? Managing the variables enables policy makers and the international community to find mitigation strategies for the outmigration, and the resultant human tragedy experienced by the migrants.

As indicated earlier, the research-based literature unanimously documents economic motives such as increased poverty playing a prominent role in international migration. In other words increased economic growth in the source country is a declining function of outmigration from that country. Hence, in order to understand the Ethiopian outmigration, it is important to briefly examine the state of the Ethiopian economy. The alleged double-digit growth, if it is real, should have served to keep citizens to stay put if not even serve as a magnet to attract foreign immigrants. The Ethiopian exodus, therefore, is incompatible with a growing economy. We argue that the fundamental determinants of economic growth and development (see [Barro: 1996](#) and [Petraikos et al: 2007](#), for example) and the realities on the ground do not support the economic expansion that the Government of Ethiopia (GoE) has been claiming. Furthermore, there are no indications that the alleged fruits of the growth are shared with the citizenry for the country's income disparities have been rising ([Shimeles & Delelegn: 2013](#), [Gebre-Sellasie: 2012](#), [Leite et al: 2009](#)).

Luckily, some economists and commentators have been questioning the credibility of the statistics that has been and continues to be produced by the GoE. A good example is the short commentary by Professor [Daniel Teferra](#) (2013) who not only poked holes on the government's claim of sustained double-digit growth rates but also criticized multilateral institutions such as the Africa Development Bank, the IMF, and the World Bank who happen to echo the government's claim in a rather scandalous proportion. The Economist magazine described the Ethiopian inflation figures as "fiddled with even more than those in Argentina" and "the double-digit growth rates predicted by the government of Prime Minister Meles Zenawi look fanciful." On a fundamental level, Professor [Abu Girma Moges](#) has shown that there is no reduction in poverty in Ethiopia as claimed by the GoE since the base for the claim is the "recent poverty index computation is the 2010/11 Household Income, Consumption and Expenditure Survey (HICES) conducted by the central statistical agency (CSA, 2012) was flawed and incorrect, "perhaps by design." Fortunately, still, other observers have begun questioning the GoE's double-digit growth rates and sustained economic development. The GoE's central planning which is a reminiscent of the old USSR planning system has caught the attentions of writers on Ethiopia. The French writer Rene Lefort, in his piece of 26 November 2012 observed what economists of Ethiopian origin have been stating for a long time. It is only in the Ethiopian context where the ex-ante economic forecasts (budgets) are nearly identical to the actual outcomes! [Lefort](#) succinctly puts the ruling party's performance evaluation (*gim'gema*) system as follows:

*"The first question concerns the reality of its achievements, notably the famous 'double digit growth' since 2004, which the authorities constantly extol. In fact, this figure is the product of a vicious circle. The government sets absurdly ambitious targets. The work of every public servant is assessed against those targets. Their careers depend on it. And of course, they claim to have*

*achieved them. Then the targets are raised again. Once again, they claim to have met them. The lie becomes institutionalized. The gap between basic national realities and the image that the authorities perceive and communicate, from summit to base, has become so great that it could be said that Ethiopia has turned out to be not so much a Potemkin village, as a Potemkin country. Sooner or later, the authorities will have to deal with the shockwave that results when the truth inevitably comes out.”*

Similar accounts have been made by [Epstein](#) whose finding was based on her own field-work that took her around the country as well as by [Abbink](#), (2009:21).

Having noted the incompatibility of outmigration with real growth, we now move to the second question of identifying the economic variables that explain the migration phenomenon. The economic variables however are affected by a number of mediating factors. One mediating factor that exacerbates outmigration is government ineffectiveness. We alert researchers on the Ethiopian outmigration to consider the following conjectures/hypotheses in any way they deemed it necessary. In particular, we observe that the existence of an organized crime, whose main purpose is reaping the benefits from [smuggling and human trafficking](#). This highly organized criminal activity enjoys an interlocking relationship with the strength of the institutions of governance and the political effort to delegitimize the Ethiopian State, ironically connected to the history of the ruling regime itself. Furthermore, the breakdown of law and order is in part explained by the GoE's increasingly repressive methods of resolving dissent. Our observations indicate that criminal syndicates pertaining to human trafficking have become powerful; often connected to either the law enforcement agencies or the various armed groups that claim to have political grievances. We also observe that the majority of migrants are coming from rural areas; they are poor, uneducated and unskilled and hence unable to legitimize their immigration. We therefore predict that the Saudi mass expulsion of Ethiopians will not be the last we would observe. Nor would we see Ethiopians stopping emigrating unless the root causes of the exodus and the mediating factors are recognized, and appropriate mitigation policies are put in place.

We list a few of the inter-related push factors that explain the Ethiopian outmigration below.

### **Factors that explain the Ethiopian outmigration**

1. As one of the current authors illustrated earlier, the repeatedly [devalued birr](#) (conducted without addressing the economic fundamentals of the country) which in turn was created by politically driven monetary and fiscal policy measures, raised prices sharply leading to a rise in the cost of living and a massive fall in living standards. Worse, the regime unwisely adopted [price caps](#) measures, despite warnings of its damaging effects. All the price caps measure did was create shortages without reducing prices. It is refreshing to see [Sendeq](#), one of the country's local newspapers in its November 27, 2013 edition rather boldly articulating the rising cost of living as one of the drivers of the Ethiopian outmigration.
2. Land policy: [Gebru and Beyene](#) document that landlessness is one of the key factors for outmigration in Ethiopia. This fact is buttressed by the significant portion of Ethiopian migrants to the Middle East being from rural areas where about 80% of the population depends on farming and nomadic cattle raising for its livelihood. The abject rural poverty that peasants are facing cannot be separated from the government's landholding policies ([Gebresellasie](#), 2006). Unfortunately and as Gebresellasie noted (P.4), the GoE's "insertion of the issue of land in the Ethiopian constitution [has made] rural land increasingly [to] become a political affair". By inserting the land policy in the constitution, the GoE has

effectively eliminated the possibility of flexible application of policy, extended its control over the population and made free and fair election only a dream. Worse, it has eliminated all meaningful debates about efficient utilization of land (Nega and Degefe, 2000). The net effect is that instead of curbing migration, the landholding policy is used to [disown and evict](#) peasants from their ancestral lands. The evictions are made in part to give way for the government's sugar plantations and facilitate for international agri-business which ironically come from Saudi Arabia and Asian countries. Furthermore, the lack of productivity in the agricultural sector is also connected to the GoE's land policy. According to a report published by the [Ethiopian Economic Association](#) (p.2), the government's bad land-holding policy has led to "declining farm size, tenure insecurity, and subsistence farming practices".

3. Rapid Population Growth and Weak Industrial Sector: Poor family planning and population policy when coupled with problematic land policy makes the situation explosive. As noted earlier more than 80% of the population lives in rural areas and depends on subsistence farming. The population growth rate hovers around 3%. The rapid growth in population has reduced the land that is held by each farmer, making it uneconomical for the small farmer to stay in rural Ethiopia. The effect of the land shortage is to create an influx into urban centers, which themselves are under extreme pressure. The manufacturing and the service sectors of the economy were supposed to absorb the rising population. This however is not the case as government itself [admitted its disappointments](#) about the industry sector of the economy. The fact that population growth has been outstripping food production, which is associated with increased land scarcity and environmental degradation, has been proved by the last and current regimes' attempts of repeated [land redistribution schemes](#).
4. Remittances not invested: According to some estimates the annual revenues from remittances is close of three billion US dollars, a figure that is much higher than the country's revenue from exports of goods and official development assistance (ODA). The bulk of the remittance is coming from the Middle East countries. The remittances are spent for repayment of debts (often borrowed from family, friends or loan sharks) and fees for recruitment agencies. Most of the financial flow is outside of the banking system and involves the money laundering networks. Anecdotal evidence indicates that income generated by migrants is rarely invested in productive assets. The leftovers from debt and fee repayment are used to support and alleviate family constraints and hardships. The few that is remaining is invested in real estate, an investment sector with no multiplier effects.
5. Most Ethiopian migrants to the Middle East are poor, women, uneducated and unskilled: Economic and migration theory indicate that relatively highly skilled workers are mobile, flexible and have a better chance of negotiating and enforcing employment contracts. Contrary to this fact, most Ethiopians who are migrating to the Middle East are relatively unskilled, less educated and destitute which makes them to be vulnerable for abuse. [Dawit Wolde Giorgis and David Weinberg](#) connected the labor brokerage system in the oil rich Kingdom to a form of modern day slavery. On the other hand the poorest households would have greater incentives to send their children in order to benefit from the accrued remittances. The poor households however would not have the financial wherewithal to afford sending their household members abroad to pay for the journey and the human smuggler or recruiter (([Taylor, 2006](#))). Even though the country exports both skilled and unskilled labor, the mass migration of unskilled manpower of the country is peculiar to the

country. To make matters worse, there was no meaningful effort on the part of the GoE to equip the migrants even with basic household management skills such as the operation of washing machines and stoves. The GoE did not and probably still does not have labor counselors in its embassies.

6. Unemployment is the main driver of the outmigration: According to [Serneels of Oxford University](#), Ethiopia has “one of the highest unemployment rates worldwide, around 50% of the urban men between age 15 and 30 are unemployed.” The official statistics for unemployment however is much smaller than what is indicated above. Widespread poverty, lack of jobs and hopelessness, [particularly among the youth](#), disadvantageous economic and social position of [women](#) (see also Endeshaw et al/IOM) are the driving force of Ethiopian migration. The great majority of the deportees from Saudi Arabia and the new arrivals in Yemen and Southern Africa are young people who are desperate about their future. They are by and large in the 20-30 years of age. This fact further indicates the inability of the local economy to absorb the younger and more productive portion of the labor force. This also should negatively affect productivity and Ethiopia’s growth capabilities. The massification of higher education and the 10+2 education policy have not helped to mitigate the problem, which in turn has resulted in an alarming level of poor education quality and high dropout rates, as reported by [Hassan and Ahmed: 2010](#); [Dyson:2012](#); [Tekeste Negash:2006](#)). This puts the country in a vicious circle.
7. Drought and climate change are major problems. The country has been frequently hard hit by [drought which exacerbates](#) the financial constraints of households and increasing food insecurity. The country has not been self-sufficient in food and about 20% of the population is in donor-supported social safety net program. The massive environmental degradation of the few virgin lands by commercial farmers when coupled with the eviction of peasants exacerbates both the despair and the outmigration.
8. Labor exporting policy to mitigate shortage of foreign currency: Exporting people is considered by the GoE as one of the best sources of foreign currency. Unlike in other countries, the [government encourages its citizens to migrate](#). The GoE’s [encouragement comes in two forms](#). The first is political while the second is economic. The immigration of political opponents is seen by the ruling party as a sign of relief. With regard to the economic reasons, [Kebede](#) notes that the government encourages and has instituted migration policies, to the extent of being “active in facilitating the recruitment of workers for employment abroad (p. 22) but without adequately informing migrants about the dangers they would face in host countries, and without negotiating with host countries on labor conditions. The diaspora did not disappoint when it comes to the latter, as it helped finance the ruling party’s mega projects by buying diaspora bonds, participating in government housing construction (condominium) schemes, building houses and increasing own family consumption expenditures. Both the government and families of emigrants view remittance flows as an important source of finance.
9. No reverse brain drain is observed. Countries such as China, India and Korea were able to attract their skilled members of the diaspora to help them develop their economies because as their economies grew, the diaspora was pulled back into these countries. The fact that Ethiopia is unable to do this suggests that the so-called growing economy either does not exist or is incapable of absorbing the skilled part of the Ethiopian diaspora, in part due to lack of opportunities ([Fransen and Kuschminder](#) (2009:23)). The political tensions exacerbate the problems of brain drain.

10. Voice and accountability problems. Ethiopia is ranked very low in most of the international and regional governance indicators. It is also in the list of the world's 20 failed states. Interestingly, the alleged economic expansion started to occur immediately after the 2005 election crisis. However, outmigration accelerated right after the 2005 election. This may indicate two factors playing a big role. One is the political difficulties the regime has faced since the 2005 election debacle. The second bolstering the claim made about the nonexistence of the much trumpeted growth of GDP and/or not reaching the majority of the people. Indications are that both may be working together as Nobel Laureate Amartya Sen shows that in countries where governments are accountable, human misery is low. The controlling nature of the ruling party is documented by [Arriola: 2005](#), [Abbink: 2006](#), [Epstein: 2010](#), [Human Right Watch: 2010](#) and others.

In conclusion we surmise that Ethiopia's outmigration is largely explained by several interconnected push factors. According to one of the aforementioned researchers, 71% of the migration from Gojam and SSNPR is "related to push factors in places of origin, and 29% to pull factors in places of destination." The pull factors are largely out of the control of the GoE and it may only have limited influence. The TPLF/EPRDF had 22 years to originate and implement policy, a job that Endeshaw et al (IOM), the [U.S. State Department](#), [Kebede, Teshome](#) and others have indicated that the GoE has failed to do. In other words the present crisis is yet another evidence of government ineffectiveness. Furthermore, it is hard to imagine that such a highly lucrative business involving huge network of migration facilitators, local brokers and recruiters and human trafficking networks, to the extent of making the country the [hub of human trafficking](#), would exist this long without being sanctioned by the regime, particularly in a system which controls each individual citizen with the notorious 1-to-5 bonding scheme.