

GLOBAL INTERESTS AND THEIR IMPLICATION TO ETHIOPIA'S ECONOMIC DEVELOPMENT

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Abstract

In this paper, I explore the history of global interests in the globalisation process and its implication on Ethiopia's Economic development. I focus on the history of convergences and divergences of the interests of the international actors in capturing the complex nuances of the changes and developments in international politics, economics, and the role of international organizations. Most importantly, on one hand, I show the convergence of global interests mainly on democracy, the respect of human rights and economic and trade liberalization, and on the other hand, I show there is a divergence or clash of interests in the practical application of these important international issues, which in their resolution reflect a global reality not totally dominated by one sector. Hence, I argue the present convergence of global interests on democracy, the respect for human rights and economic liberalization, and a world order where no force is able to totally dominate, provide a favourable environment for a developing nation like Ethiopia in its endeavour for economic development. Also, I suggest a bold implementation of democracy and a prudent economic policy to seize the time for progress and to avoid the negative repercussion of globalisation must be encouraged.

1. INTRODUCTION

The main question posed in this paper is: does the present interrelation and interaction of global interests point to or not to any favourable international environment for an economic growth of a developing nation like Ethiopia? Though this question may appear simple, the variables at play are complex. For example, does a developing nation in the international arena face forces with monolithic interests bent to destroy them, or forces with diverse interests? What are, if any, the common global interests? What are the conflicting international interests at work? Is the present global situation always suitable to the interests of certain power groups and dangerous to developing nations like Ethiopia? Are the powerful interest groups always able to unite against the weak on every international issue and in its practical

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translation? Is the world reality totally dominated by one sector's wish or demand?

To this end, I explore the history of global interests focusing on convergences and divergences of the interests of the international actors during the globalisation process from the pre-colonial period (before 1800) to the end of the Cold World Era in 1991. Furthermore, I explain the increasing convergence of global interests due to changes in politics, economics, and international organizations since the end of the Cold War. I also illustrate the divergence of global interests between developed and developing nations, which arises out of practical applications of democracy, human rights, and economic liberalization. In the end, I attempt to explain the implications of the interrelations and interactions of global interests on developing nations like Ethiopia seeking economic progress

Before I start my analysis of the history of the interactions of the diverse interests of the world community I will present a detailed analysis of the events during the World Trade Organization (WTO) meeting in Seattle in 1999. The presentation of the events during the WTO meeting is relevant because they concretely illustrate the characteristics of the interactions of the convergence and divergence of global interests. Also, these characteristics will clearly show the principles that lie at the centre of my study.

The ministerial conference of the World Trade Organization (WTO), which took place between November 30 and December 3, 1999 in Seattle, Washington, was marked by conflicts arising from the complex interactions of diverse interests; this was particularly evident in its mass media coverage. On the one hand, more than 130 trade representatives of different nations came to, or converged in, Seattle to attend the WTO meeting with the earnest hope of formulating trade talks for the 21st century among member countries. Among the outcomes that they were hoping for was the liberalization of multilateral trading systems. On the other hand, the ruckus that arose among the representatives of different nations as a result of serious disagreements between them shows their divergent interests. Some of the contradictions in interests will be discussed later in this introduction.

In addition, there was a serious confrontation between the crowds on Seattle's streets and the representatives in the conference rooms. On the streets, more than 50,000 protesters from various sectors of American society confronted more than 130 trade representatives of different nations, including labour organizations such as the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO), environmentalist groups, and protesters from international groups. The situation grew so chaotic that the National Guard was called in and hundreds of protesters were arrested. The turmoil that put Seattle under siege made headline news in the international and domestic media and reflected the fierce divergence of interests of the world community (Downey 1999).

A close investigation of the serious debates in the WTO conference room indicates divergences of interests among developed nations, as well as between developing and developed nations. As Li Bain (1999) explains, most of the antagonism arose between the United States and the European Union on trade issues related to agricultural exports. America wanted a substantial reduction of agricultural tariffs and accused Europe of levying too many export subsidies on agricultural products. In fact, it was the European Union that first presented a draft demanding the reduction of all forms of export subsidies. More specifically, the draft required the U.S. to eliminate subsidies for farmers. The EU also wanted a standard for food hygiene included in the agenda (Li Bain 1999). As to the divergences between developed and developing nations, Downey (1999) explains one of the disputed issues between them:

The objector also was angry that so far as the developed countries were concerned, "free trade" appeared to be a one-way street. If a pharmaceutical company discovered a new antibiotic in the Indonesian jungle, took it home, patented it, and shipped it back to Indonesia at a 100% mark-up that was a protected free trade. If a third world country exported textiles or steel at a price which undercut that of the same product manufactured in a developed country, that was called destructive "dumping" and could be banned (p. 1).

However, divergence and convergence of interests were not only evident on the international level, among nation-states, but also reflected the internal dynamics of the participators. Various sectors of both developed nations and third world countries also collided. In the developed nations, the conference illustrated the differences among the governments, labour groups, environmentalists, and others. For example, the AFL-CIO and the environmentalists came together in demanding the adoption of labour protection and environmental standards for international trade. The AFL-CIO also demanded labour participation in trade talks (Downey 1999).

There were others who had different views. The neo-liberal economists who support globalisation and free trade explained that globalisation had improved the American economy to the point that it was performing at its highest capacity. Unemployment was lower than ever, and inflation was negligible. Hence, they claimed that removing all barriers to exports and the transfer of capital by transnational corporations would spread the rewards across the entire globe. On the other hand, the American protesters at the WTO meeting claimed that wages were stagnant, that the number of people without insurance was rising, that the number of families that had to work at two or three workplaces to make both ends meet was increasing, and that insecurity among ordinary people was mounting (Marsh 2000).

The representatives from Thailand, India, and Brazil were against labour and environmental standards. They called labour and environmental standards an indirect restriction of investment and trade liberalization that was not conducive to alleviating

poverty in developing nations. The representatives claimed that labour and environmental standards restricted investment and trade, and thus prevented the absorption of unemployed surplus and cheap labour forces, which are the main causes of poverty in these countries (Anderson *et al.*, 2000).

What is striking here is the complexity of the contradictions in global interests. The labour standard mentioned above appears as a disguised trade protection that harms developing nations and reflects the contradiction between the needs of the poor people of developing nations and the workers of developed nations. Regarding the contradiction between workers of developed and developing nations, Anderson, Cavan, and Lee (2000) write:

The corporate spread of global assembly lines means that production workers based in richer countries are placed in competition in a global labour pool that includes workers from countries where wages are low, and in most cases, labour rights protections are weak (p. 48).

In addition, the WTO reflected another aspect of international relations. The meeting events are a good example of the power relations among international actors participating in an international organization such as the WTO. The interests and demands of many developing countries were not reflected in full, and many of the preferential governmental policies set down in the previous WTO meeting in Uruguay in September, 1986 had not been implemented. Furthermore, the developed countries had set limits to developing countries over their export of commodities, and they went so far as to hold a separate meeting without the participation of developing countries (Li Baiñ 1999).

Yet, in spite of the inherent advantages of developed countries in a WTO-type organization and their efforts to dominate the meeting in Seattle, they were unable to control the event. Latin American countries issued a joint statement indicating their indignation at their exclusion. These countries held that they would refuse any agreement reached without their participation. Similarly, 53 members of the organization of African Unity sent out warnings demanding that developing nations achieve some gains. In spite of this, the Seattle conference reached consensus in aiding developing countries, notably the most underdeveloped nations (Li Bain 1999).

Hence, the above type of interrelations of diverse interests of the global community reflected on a small scale at the WTO conference offers us a glimpse into the workings of today's international relations. It also clearly indicates that further study of the interrelation of the diverse interests of the world community will accomplish the aim of this paper in answering whether the complex interrelation of the convergence and divergence of diverse interests of the global community creates an opening for developing nations like Ethiopia seeking economic development.

Definition of Terms

I refer to "globalisation" as the process that has been going on for the past thousand years, immensely accelerating after the industrial revolution and further increasing after the demise of the Soviet Union in 1991.

I employ the term "convergence of interests" to mean the increasing globalisation and unanimity of interests of the world community on economic, political, and organizational issues and principles.

I use the term "divergent interests" to refer to the contradictory or conflicting interests of global actors in the globalisation process.

I use the terms "developed," "western," and "advanced" nations interchangeably to refer to industrially advanced nations such as the United States, Japan, and Western Europe. In the same way, I use "developing nations" and "Third World" to refer to Asian, Latin American, and African nations who experienced European colonization.

I use "neo-liberal scholars" and "policy makers" to refer to the most powerful international actors such as the International Monetary Fund and World Bank. These organizations are controlled by the Western countries and are the most vocal advocates of democracy and the respect of human rights that come with the package of economic liberalization.

Literature Review

The literature review involves an extensive reading mainly on the history of globalisation; focusing on the interrelation and interaction of global interests and including readings on social and political perspectives on globalisation—the effect on the struggle for democracy; economic development and globalisation and philosophical aspect of democracy and the respect of human rights.

2. RESEARCH METHODOLOGY

To effectively address all the questions regarding the study of this paper, it is imperative to employ a research methodology that takes into account the implications of the full array of facts, events, and opinions regarding the globalisation process and its impact on developing nations. As Leedy (1993) explained, historical methodology, or historiography, is not just telling a story or retelling facts from the past, nor is it nostalgia for a comfortable retelling of past events or situations; further, it is more than linking together tired pieces of information found in diaries, letters, or other documents. Rather, historical research systematically recaptures the complex factors—the people, meaning, events, attempts, and ideas -- of the past that have influenced

and shaped the present. Therefore, in this paper, I explore the history of the globalisation process focusing on the convergences and divergences of the interests of the international actors from pre-industrial revolution to the present. The historical approach of the global interests helps to facilitate my research effectiveness in capturing the complex nuances of the changes and developments in international politics, economics and organizational roles in the globalisation process and finds the key factors that have influenced the past and continue to influence the present, and will certainly affect the future.

The Convergence and Divergence of Global Interests Before the Industrial Revolution

Before the Industrial Revolution, the contact among Europe, Africa, Asia, and Latin America was minimal or limited to regional and local economic, social, and political affairs. The global community at that time was confined to its own internal, local relations, at best extending to their regional surroundings (Paul *et al.*, 1993). The contact between Asia, Latin America, and the rest of the globe was vastly different from the globalisation of today. The issues of politics and economics, such as democracy, human rights (expressed in different terms) and economic liberalization, were confined to local areas. Hence, the concept of global convergence and divergence of interests could not have been conceived as a day-to-day issue as it is in our time. For example, in ancient Greek and Roman (slave-based) societies, there arose abundant statements concerning the rights of man. Examples of this can be found in the laws of the gods and of nature. Such laws were understood to take precedence over laws formulated by the state. During the period of Greek civilization, the concept of the rights of the individual were expressed in that the citizen was a man who had the right to vote and took his turn as magistrate or judge. (Ball & Dagger, 1991, pp. 22-50). Melba (1988) writes about the African Gadaa system practiced by Oromo nationalities in Ethiopia in which the Oromos developed a uniquely democratic socio-political structure. These and other conceptually democratic regimes and movements of the pre-industrial world **were localized affairs**, because socio-economic developments, like that of capitalism that propelled Europe to every corner of the world, were lacking.

The Convergence and Divergence of Global Interests and the Industrial Revolution

It is true that one can effectively argue that different continents played significant roles in bringing the world closer, starting from pre-Industrial times to the present. For example, Bentley (1998) looks at some of the significant turning points in the history of globalisation, such as the appearance of *Homo erectus* in Africa some 500,000 to 1,000,000 years ago; the domestication of horses and the invention of stout watercraft around 4000 B.C.E.; the invention of the wheel about 3500 B.C.E.; the domestication of camels after 3000 B.C.E.; the establishment of well-travelled sea

lanes in the Indian Ocean after 500 B.C.E.; the opening of the silk roads around 200 B.C.E.; the spread of epidemic diseases throughout the Eastern hemisphere after 200 B.C.E.; the establishment of permanent contacts between the Eastern hemisphere, the Western hemisphere, and Oceania after 1492; the founding of global trading companies after 1600; the development of modern transportation and communication technologies after industrialization; and the emergence of transnational corporations and an integrated global economy in the 20th century.

However, in modern times, many scholars of international affairs and economics agree that it was Europe's expansionist adventure and accumulation of capital during the mercantilist period that boosted its internal dynamic to bring about the Industrial Revolution that propelled Europe outward. From that historical moment, the unstoppable globalisation process had begun to accelerate. Before the Industrial Revolution and the acceleration of globalisation, European contact with the rest of the world was based on trade and exploration. The advances of the Portuguese facilitated this, along with contributions by the Spanish, Dutch, and British. This period—from 1500 to almost 1700, known as the age of mercantilism—was characterized by discoveries (exploration) encouraged by crown governments seeking economic profits by granting companies chartered monopolies for trade. During this period, territorial control was mainly a secondary concern. The only exception to this rule of economic interest over political interest was in the Americas, where territorial settlements were early imposed by the Spanish in Latin America and the Portuguese in Brazil, and later the British and French in the Caribbean and northern America (New World). However, circumstances started to change during the second period, dating from 1700 to 1817. This period saw the shift to territorial occupation, which signalled the beginning of the plantation and tribute taxation system in the West Indies, Brazil, and Asia. This controlled economy was given over to the production of export crops using slaves or contract labour. The period between 1817 and 1900 entailed the consolidation of colonialism, through which mercantilism successfully developed into capitalism (Paul et al., 1993).

The bases for Europe's expansion were internal dynamics gaining impetus from external factors. Internally, Europe went through a revolutionary change from absolute monarchies to more democratic capitalist systems. Before the industrial revolution and the establishment of capitalist systems, the issues of democracy and human rights, expressed in different terms, had been raised and entertained across societies and timelines all over the world. However, democratic principles were never the global concern that they became with the advent of capitalism. Capitalism has always been a world system because of the process of accumulation that governs its dynamics and propels its economic persuasion to every corner of the world. This tendency ultimately brought the world together, **globalising issues** and interests (Amin 1992).

Hence, with the coming of the Industrial Revolution, social and economic

development, population growth, urbanization, mass transit, and communication furthered the division of societies into social and economic classes. Furthermore, the bourgeoisie possessed the capital, the means of production and distribution, and their new accumulated wealth empowered them to overthrow the fettering feudal system in Europe. During its bitter struggle against royal dynasties, the emerging bourgeoisie had the full support of the working class and other social and economic sectors. At last the bourgeoisie, under the people's democratic slogan of "liberty, equality and fraternity" in the 1789 French revolution, overthrew the feudal system. In the process, the French people transferred their political status from that of subjects of the monarch to that of citizens of a French nation and transferred sovereignty from the French monarchy to the French state. Theoretically, the citizenry became the source of all sovereignty and the principle of national self-determination and popular sovereignty to the world. At the same time, the framework of democracy that came with the Industrial Revolution came to be understood as based on the broad ideal of "liberty, equality and fraternity." It is impossible to achieve liberty without destroying equality; i.e., the liberty of the individual to develop his or her own intellectual and other resources is at odds with others' rights of equality for scarce resources. However, the third principle, fraternity, reconciles the two through conscious association, affiliation, and social responsibility for the individual and the community (Democracy and Democratic Principle *Ethiopian Perspective*, 1993, pp. 10-12).

From this reading of democracy, we can define fraternity as the participation of the people in determining major issues of public policy. It also connotes freedom to organize, to speak, to criticize, to offer alternative policy, to oppose, to form coalitions and parties, and to be allowed to participate in economic structures. Equality signifies equality of individuals before the law and recognizes the right of people to determine their destiny (i.e. to arrange/rearrange their lives without interference). It also implies that peoples and nationalities within the state can exercise self-determination and unite to help determine the political nature of the state. Liberty implies the free access of information, freedom of speech and of the press, freedom of petition and assembly, and freedom from arrest for political opinions (Democracy and Democratic Principle *Ethiopian perspective*, 1993, pp. 10-12).

Furthermore, the Industrial Revolution increased Europe's appetite for raw materials, fuelling its established manufacturing industries. Europe also wanted to obtain a protected market for its manufactured goods. The European relationship with areas known today as developing nations slowly changed from one of commerce to a colonial relationship, creating a **divergent interest** of colonial powers and colonized nations. Colonialism brought Asia, Latin America, and Africa under the roof of Western capitalist powers. At the same time as the world was coming under the umbrella of capitalism, democracy became the aspiration of the working classes in both colonial and colonized nations.

The democratic struggle of the working classes first erupted in Europe. It was led by

people like Louise Blanc, a socialist from France. The movement was against the private capitalists and demanded planned society. Later in the colonial period many of the colonized people embraced the call for democracy and started leading the struggle for independence and freedom. For the first time, **the struggles for democracy in particular in European and other countries reverberated on an international level**

Even though Europe's expansion was the driving force in the acceleration of globalisation, we must also note that Russia expanded toward Eastern Europe and Asia. Europe was consolidating her colonial empire up until the Second World War. Moreover, new forces appeared on the scene of international domination, such as the United States, which acquired Puerto Rico, the Philippines, and some Pacific islands in the Spanish-American War of 1898. Japan also joined the colonial powers through wars with China in 1894-95 and with Russia in 1905. In 1910 it annexed Korea, and in 1932 it occupied Manchuria. (Smith and Smith 1999).

Although European interests had converged in the singular goal of colonization, bitter divergences and fierce contradictions among European and other powers escalated in conflicts that culminated in the First World War, all aimed at dividing the world under their perspective sphere of influence. For example, Britain and France fought over the question of Egypt in 1898; the British also clashed with the Boer in 1899; Germany and France clashed over Morocco in 1911. Other powers, like Russia, the Austro-Hungarian Empire, and the Ottoman Empire were at odds over dominance in the Balkans; Russia and Japan struggled over which would be the dominant power in Manchuria. On top of these hotly intensified contradictions, a network of alliances was in place. Germany, to prevent France from regaining Alsace-Lorraine, entered into a defensive alliance with Austria-Hungary. In 1882, Italy joined the alliance for its own expansionistic reasons, making it the Triple Alliance. Many such alliances were compelled by global expansion. For the first time, humanity experienced a world war that engulfed the entire planet.

In such a fiercely contended world two significant things happened: first, the socialist revolution of 1917 guided by Marxian working class ideology, erupted in Russia, The second most important event to follow World War I was the establishment of the first international organization in 1920--the League of Nations. After the socialist revolution in Russia Communism spread to Eastern Europe, China, and many other countries. The working class, whose ideology was conceived in the womb of capitalism, started to struggle for a further democratisation of society claiming that bourgeoisie democracy was not universalised. It claimed that the new bourgeois economic system fell short of becoming a universal, social, and economic democracy, and rather held that the so-called democracy was established for the sole benefit of the bourgeoisie. Intellectuals who supported the demands of the working class attacked the pillar of the bourgeoisie, namely private property. The working-class agenda was to replace capitalism by communism so that there would be social equity.

Later, the consolidation of the new socialist government transformed Russia from an agrarian to an industrial nation. Simultaneously, the establishment of a strong socialist Russia presented an alternative to capitalist development. Encouraged by a new development model, almost all Third World countries started to struggle for freedom and independence from colonial rule (Paul *et al.*, 1993).

The second most important event to follow World War I was the establishment of the first international organization in 1920—the League of Nations in which more than 20 nations including Ethiopia converged with the common interest of preventing another World War. Woodrow Wilson, the then president of the United States was the first leader to suggest the league as a basis for armistice negotiations in the prevention of another World War. However, the United States Congress refused to back Wilson, thus weakening the League. Despite this weakness, the League of Nations did propose specific measures of global interest, such as preventing war and encouraging disarmament. The League of Nations achieved great success in the fields of international communication, protection of children's health, and so forth. All of the specialized organizations of the League of Nations were carried over to the United Nations. It also successfully arbitrated a number of international disputes, but, after a series of defeats, was unable to prevent another war. In defiance of the League, Japan invaded Manchuria and China; Germany absorbed Austria and Czechoslovakia; and Italy invaded and occupied Ethiopia and Albania (Smith and Smith 1999).

In spite of the efforts of the League to prevent war, the fierce contradictions and divergent interests among the European powers contributed to the Second World War, led by fascist Germany with Hitler at the helm. In May 1939, World War II started with the signing of a pact of support by Germany and Italy. On September 1, Germany annexed Danzig and invaded Poland. To stop this new menace, capitalist, socialist, and other nations from Africa and Asia joined hands and militarily defeated fascism. For the first time in the history of the world—in October 1946—the allied forces established an international tribunal in Nuremberg to try Nazis on charges of crimes against humanity. This clearly signals the convergence of interests of **the global community on the rather unfamiliar terrain of universal human rights. The most significant development in the convergence of interest of the world was the establishment of the United Nations on October 24, 1945.** Fifty-one countries joined together to preserve peace through international cooperation and collective security. Eventually, the United Nations became the organization of almost all nations, where the interests of humanity converged on the ideals of democracy and respect for human rights. Also, The United Nations became the great gathering place of different national ideologies and cultures. Today, the slogans of democracy and human rights have become the call of the entire world.

The subsequent proclamation of the Human Rights Declaration by the General Assembly of the United Nations, in resolution 217 A (III), on December 10, 1948,

confirmed that respect for human rights has become the agenda of the world:

Proclaims this Universal Declaration of Human Rights as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

Today, the majority of nation-states have ratified and acceded to many of the international human rights conventions. The business of the United Nations, however, does not merely comprise of the convergence of interests. It is at the United Nations that the many divergent interests of global actors are also ironed out—at least in theory. At its best, this process of interrelation between global actors old and new makes the United Nations a meeting ground of the various converging and diverging interests of Third World nations, socialist states, capitalist nations, women workers, various religions and other international non-governmental and inter-governmental organizations, in the interest of continuing to contribute to the enrichment of the concept and the meaning of democracy and human rights and other global issues.

Divergent Interests and Colonialism and Neo-colonialism

Colonialism and neo-colonialism brought together different nations with different economic and political systems and with different cultures and languages under the influence of the more powerful capitalist system of Europe. For the first time in the history of the world, Asia, Latin America, Africa, and the Middle East fell under the same experience of colonialism and neo-colonialism. This, in turn, brought about **the convergence of half of the world's interests to build unity in a struggle for equality, development, and self-determination**. Most Third World nations share a history of colonialism. This common experience of Asia, Latin America, Africa, and the Middle East under powerful Europe not only gave them the same socio-political experience, but also categorized them as developing nations, or the Third World. The common name for the powerful nations of the West, including Japan, is now G7 (which, with the inclusion of Russia, has come to be known as G8).

Some of the common experiences of the developing nations are as follows:

1. Politically, they have experienced colonial domination, and their sovereignty is always threatened by colonial powers. They are also victims of power politics by the powerful nations.
2. Economically, these heterogeneous groups of over a hundred countries from middle income to the poorest nations in the world, face economic domination

- by industrial nations.
3. They are threatened by poverty and natural disasters.
 4. They are mainly primary product-producers and victims of price fluctuation in the export market.
 5. The processing, transporting, and marketing of these primary goods are by industrialized countries and transnational companies.
 6. Their technology is substandard and accessibility to technology is almost impossible. They can buy the products of technology, but they pay a heavy price, both in economic and political terms, either to the country concerned or to transnational corporations.
 7. The free market system, as it exists in international trade, seems to deny the developing countries free movement of labour and capital goods through heavy restrictions.
 8. The decision-making power resides with the industrial nation, even in the field that directly affects the developing nation.

Most of the above issues are still the issues that create **divergent interests** between the developed and developing nations, and the struggle of developing nations is continuing.

The Democratic Struggle of Developing Nations

During the period of colonialism, the democratic struggle of the Third World for self-determination ranged from non-violent struggle, like that of India under the leadership of Mahatma Gandhi, to the armed conflict of the Mau-Mau of Kenya. In the struggle against colonialism, the nascent nations have found recourse in various slogans and ideologies. In China, they used armed struggle under the communist banner to attain liberation. On the main, the banner of their struggles was anti-neo-colonialism, based on a wish for self-determination; they also embraced socialist or communist ideologies, allying with the Soviet Union or China, as in the case of Vietnam and Cuba. Later, because of the relentless struggle of the emerging nations, the United Nations adopted the **rights of nations for self-determination** as one of the categories of its Human Rights charter, making it the common agenda of the globe. Hence, this democratic gain by the emerging nations increased the impetus of the struggle of the third world on an international level. Later, more of their democratic demands, such as the right to development, the right of access to the natural and cultural heritages of humanity, etc., were incorporated in the United Nations Human rights charter, enriching the democratic and human rights concept of the common agenda of the global community.

Ghosh (1984) explains how, in the period of colonialism and neo-colonialism, including the cold war era, the organizational framework of the democratic struggle of developing nations was mostly carried out in exclusive organizations based on the platform of anti-imperialist struggle. During the 1960s and early 1970s, the

Developing Nations formed a few organizations within and outside the United Nations. The most important was the Group of 77. The Group of 77 (G-77) was established on June 15, 1964. Seventy-seven developing nations signed the "Joint Declaration of the seventy-seven Countries," issued at the end of the first session of the United Nations Conference on Trade and Development (UNCTAD) in Geneva. The first Ministerial Meeting of the Group of 77 in Algiers in 1967 adopted the Charter of Algiers. A permanent institutional structure gradually developed that led to the creation of chapters of the Group of 77 in Rome (FAO), Vienna (UNIDO), Paris (UNESCO), Nairobi (UNEP), and the Group of 24 in Washington, DC (IMF and the World Bank). Although the membership of the G-77 has increased to 133 countries, the original name was retained for its historical significance. As the largest Third World coalition in the United Nations, the Group of 77 provides the means for the developing world to articulate and promote its collective economic interests and enhances its joint negotiating capacity on all major international economic issues. It also promotes economic and technical cooperation among developing countries.

Even more exclusive Third World organizations flexed their muscles; for example, the Organization of Petroleum Exporting Countries (OPEC), challenged the Western-dominated economic order by quadrupling the price of crude oil in 1973-74. Prices were increased again in 1979 and 1980. This altered the international flow of funds as the OPEC countries' monetary reserves accumulated rapidly. At the same time, the industrial countries experienced strong inflationary pressures, which were addressed by an increase in interest rates and a reduction of imports. This was the first challenge to the international system as it had evolved between 1945 and 1970 weighed heavily in favour of the Western powers (though held in check by the strength of the USSR). Other significant organizations included the Non-Aligned Movement (NAM), which was first created in 1961 at the Belgrade Summit as a voice of the developing world. At the time, the NAM had become the main forum representing the interests and aspirations of the developing world. Its membership has more than quadrupled, from 25 original members to 113 members today from Africa, Asia, Europe, Latin America, and the Caribbean. During the Cold War, non-alignment was the answer of the developing world to the policies and rivalries promoted by the then current superpowers. NAM helped reduce the polarization, which had aligned the world into two armed camps, led the fight against colonialism, and contributed to the independence of more than 100 countries in Africa, Asia, Latin America, and the Caribbean. NAM also played a historical role in the fight against "apartheid" in South Africa and discrimination worldwide (Zuhayr 1972).

According to Knasbulatu (1980) the main issues in such organizations revolved around the economic and political needs of the developing nations, and their desire for a new economic and political order that contained the following:

- Mutual respect for territorial integrity and sovereignty.
- Non-aggression.

- Non-interference in one another's affairs.
- The right of all nations to self-determination.
- Full permanent sovereignty of every state over its natural resources.
- The rights of every country to adopt the economic and social system that seems appropriate for its own development, and not to be subjected to discrimination and other kinds of pressure as a result.
- Regulation and supervision of the activities of transnational corporations by taking measures in the interest of national economies of the countries where such transnational corporations operate.
- Trust and equitable relationships between the prices of raw materials and manufactured goods.
- Extension of active assistance to developing countries by the entire international community, free from any political or military conditions.
- Securing favourable conditions for transfer of financial resources for developing countries.

For example, the Declaration and Action Program on Establishment of a New International Economic order adopted in May 1974 in a special session of the UN general assembly, reflected a new sense of power felt by the Third World. In this declaration the Third World countries promoted their demand against the old economic order (Quattara 1997).

Although the fierce contradiction between the developed and developing nations manifested itself politically and organizationally up to the end of the Cold War era, the relations between developed and developing nations were not always confrontational. Compromises based on the needs of both sides did occur. Some policymakers in the United States, like Irvin Kristol (1975), rejected compromises with the demands brought by developing countries for a new economic order:

- In truth this now Cold War is not really about economics at all but about politics. At the bottom is a conflict of political ideologies. What the third world is expecting is not that it needs our help, but that its poverty is the fault of our capitalism (p. 34).

There were, however, policymakers of developed nations who advised in favour of compromise. For example, Daniel Moynihan (1975) encouraged the United States government to make concessions and meet halfway the demands of the Third World.

3. THE CONVERGENCE AND DIVERGENCE OF GLOBAL INTERESTS AFTER THE COLD WAR

Changes in Economics

Since the collapse of Eastern European and Soviet type socialist systems starting in the 1980s, developing nations, including socialist countries, appear willing to embrace market liberalization. This, in turn, has led the developing nations to adjust their own economies to fit global economic trends in order to escape economic underdevelopment.

Today, as economic development remains at the top of the agenda of the Third World, these countries are increasingly opening their economies to foreign investment, liberalization, and a market system. The rising need for foreign investment has increased interdependence and **convergence of economic interests**, and created a global market economy. In the process, transnational companies have expanded to more than 180 countries. Their direct investment worldwide is sustaining growth in developed countries, such as improved productivity, advanced science and technology, low interest rates stimulating production, consumption, and investment in machinery. Also, some Third World countries are closing the gap between developing and developed nations (Ghosh 1984).

This economic progress in developing countries, especially in Asia and Latin America, shows that a new centre of growth has been formed in the world despite the financial crisis of 1997. The significance of this point is not only the growing trend of the economic and societal blossoming of developing countries, but also the process of change in the balance of power toward multi-polarization. In addition, this trend indicates that developing nations have sufficient resources controlled under their private and public sectors. Hence, wealth accumulation, technological change, increased productivity, and economic developments depend on the internal dynamic of nation-states (Robert and Hite 2000).

Even though we are witnessing the trend of fast growing economies in developing nations in Asia and Latin America, many countries in developing nations have not shared in the wealth of rich nations. Over the past 30 years, the 20 wealthiest countries have increased their share of the total world income, while the poorest have witnessed a real decline in income (IMF 1999). Science and technological advancements have increased employment in developed countries, which has not been passed on to the developing countries. At present, unemployment in developing countries is rising due to restructuring policies imposed on developing nations, and the imposition of controls from the World Bank and the IMF. The other drawback for most developing countries is that their economies remain primitive, while developed countries are readjusting their industrial structures to achieve greater efficiency by increasing their exports and opening new markets. This process, Jinhui (1999)

explains, has escalated since the service industry agreement was reached in the Uruguay negotiations. Developed nations have made deep inroads in already fragile markets in less developed countries. The increasing economic gap between developed and developing nations is polarizing the relation between the West and developing nations. Today this polarization is the source of **divergent interests** and has manifested itself in the struggle for a new democratic world order.

Changes in Politics

After the collapse of Soviet-type socialism in Eastern Europe, the major political issues for developed and developing nations have become the democratisation and respect of human rights. In the September 8, 2000 Resolution of the United Nations Millennium, the leaders of 189 nation-states met and cited freedom, equality of individuals and nations, solidarity, tolerance, respect for nature, and shared responsibility as six values fundamental to international relations for the 21st century. This suggests that the **increasing convergence of the interests of the world community on the questions of democracy, respect for human rights**, and other global socio-economic issues is consolidating and strengthening.

Moreover, the loud demands by powerful international actors of the West for democracy, and the vigorous promotion of democratisation globally by their supporters--the neo-liberal scholars and policy makers, global civil societies, and non-governmental organizations of the world--have added impetus to the spread of democracy. Recently, more than 1,350 representatives from over a thousand non-governmental organizations (NGOs), and other civil society organizations from more than 100 countries, gathered at the UN Headquarters in New York from May 22 to 26, 2000 for their millennium meeting; they declared:

Their vision is of a world that is human-centered and genuinely democratic, where all human beings are full participants and determine their own destinies and promise to work for the fulfilment of that. (We the People's Millennium Forum Declaration and Agenda for Action to Strengthen the United Nations for the 21st Century, p. 15).

The increasing call for democracy by international actors, as a common agenda, by no means signifies that the old arms struggle waged in the Third World has disappeared. Other forces in Africa, South America, the Middle East and Asia continue to fight, citing socio-economic disparities.

The Application of Democracy and the Divergence of Interests and Neo-liberalism

The call for democracy since the collapse of the Cold War indicates that the world community has agreed in principle on the need for democracy and its unequivocal

implementation by all nations. The world seems to realize that democracy, the respect for human rights and its translation to practical reality, and the call for further democratisation are not in the exclusive domain of Europeans, Asians, or Africans. They belong to all of humanity's achievements that came as a result of centuries of struggle. At this present juncture in history, democracy has become the slogan of our era. The globalisation process has brought the rich and accumulated experiences, ideas, and beliefs of democracy and human rights principles together from every corner and culture of the globe as manifested in the UN charter. Today, the majority of nations are in agreement about the necessity of democracy and the respect for human rights.

However, **the main divergence of interests on the question of democracy** that exists among international actors, especially between powerful global actors and developing nations, is the imposition and exportation of the application of the principles of democracy for political gain. After the collapse of Soviet type socialism, the neo-liberal intellectuals and policymakers who represent the powerful international actors such as IMF and World Bank demanded that their prescription for the application of democracy be implemented *in toto*. This imposition of the application of democracy on the third world is the main cause of the contradictions among developing and developed nations. For example, neo-liberalism advocates democratisation and respect for human rights that accompany the package of private property, pluralism, and economic liberalization. The neo-liberal policy makers present themselves as the champions of democracy and demand that developing nations accept their application of democratic principles such as the respect of human rights and economic and trade liberalization dogmatically. If their demands are not met, they resort to economic, social, and political pressures. Neo-liberal intellectuals even go so far as to call the decentralized, or any other type of application of democracy, "illiberal democracy." For example, Zakaria (1997) warns that the rise of illiberal democracy is a threat to what he calls the application of true democracy, i.e. liberal democracy.

Many countries resist the imposition of democracy. When countries refuse to accept the neo-liberal prescription, the neo-liberal forces use their economic and political superiority to threaten these countries with economic sanctions and other means. When they do this, they are denying the principle of the decentralization of governance that they themselves advocate.

In talking about decentralization, the neo-liberal intellectuals Ebel (2000), the principal economist at the World Bank Institute, and Febres (2000), an operations officer at the World Bank Institute, write:

The other revolution, equally significant, is "localization" - the decentralization of government itself. This is all about pluralism, democracy and citizens demanding a government system that they can understand and control. In

countries of the former Soviet Union, a bottom-up political imperative is at work. Local citizens are working to undo years of central government control. In the kingdoms of the Middle East, there is a top-down effort to transfer some fiscal power to localities. The same story is going on elsewhere: India, where the states are emerging as the laboratories of innovation in economic development policies; Thailand, where decentralization is emerging as a response to the Asian financial crisis; and Latin America, which in some cases can be held out as a role model for participatory democracy. Governments decentralize for a variety of reasons. Generally, it is a strategy for improved service delivery or a way for reforming tax systems. For some it is also a form of nation building (p. 20).

When a developing nation, applies the global democratic system based on its internal reality, neo-liberal intellectuals like Zakaria (1997) blame it by raising isolated and distorted human rights issues and events that were difficult to prove and call that type of democracy illiberal democracy—a threat to liberal democracy. This kind of one-sided analysis denies the efforts of the people of developing nations to build the structures and institutions that can bring about lasting democratic governance. What they do not realize is that the decentralization process is in itself in line with democracy. Their mistake arises from their understanding of what they call liberal democracy, or western democracy.

Zakaria (1997) seems to say that there is only one correct type of democracy, that of western world. This kills the universality of democracy. Democracy is not western or eastern; it doesn't belong only to Africa, to Asia, or to Europe. According to the historical analysis of this paper, it is rather the cherished effort of humanity to build institutions and systems of governance that will allow different ideas, thoughts and policies to contend with so that the people can have a choice or alternatives, so that they may exercise their human rights without any restrictions.

However, the interests of developing nations of our time may not be similar in principle but **converge with the interests of the dominant global communities** and the dominant international neo-liberal forces in all aspects of democracy, from human rights to economic liberalization. For example, liberalizing the global market is in accord with the interests of developing nations, especially when they stand to gain from exporting to the world market free of tariff and non-tariff barriers. Also, Prime Minister Meles Zenawi's call on the European and North American countries to open up their markets to African exports and help realize the vision of the New Partnership for Africa's Development (NEPAD) shows that free trade fairly translated to reality is essential for the economic development of these countries. A good example of this is the Uruguay Round ministerial meeting, which improved market access for developing nations. This liberalization of the global market for the Third World was gained by the relentless struggle of developing nations at the trade meeting where the United State and Europe tried to block it. That is why we see one of the biggest

developing nations, China, attempting to join WTO, to reap the benefit of global trade and investment liberalization.

Here, again, it is the imposition of economic liberalization that intensifies the contradiction between developed and developing nations and causes instability in the third world nations. Shultz (2000) describes the extreme push for liberalization exerted by the IMF and the World Bank which includes the privatisation of everything, including water. This kind of push is against the people's interests in developing nations. This kind of action, which tramples upon the rights of citizens, clearly foments trouble and causes destabilization, which is not in the interest of the world community. He further gives an example of how the World Bank forced privatisation on Cochabamba in 1999, following years of direct pressure. The government of Bolivia finally agreed to privatise the public water system in its third largest city, Cochabamba. A 40-year lease turned over control of the water to a subsidiary of the California-based Bechtel Corporation. Immediately afterward, the high water bills of the company hit the poor and they could not afford to pay them. The people responded with massive demonstrations that shut down the city for a week and they refused to pay their water bills. Finally, the military forces used tear gas and live bullets. The Bolivian government declared a state of emergency, suspended constitutional rights, shut down radio stations, and arrested protest leaders and put them in jail. This is one of many chaotic events around the globe that happened in response to forced privatisation and liberalization by the World Bank and the IMF.

Therefore, any application of economic policy by poor nations like Ethiopia and international organizations needs to take into account the democratic and human rights of the people and the current reality of the country. Shultz states it clearly:

The World Bank could play a useful role in that process, but to do so it will have to set aside its "privatisation or we hurt you" theology and start listening much more closely to the people it is supposed to be helping (p. 10).

The economic liberalization policies, which include privatisation, are being implemented by trampling upon the rights of third world countries. This is happening under the banner of democracy, and faces increasing resistance from the people of developing countries. It is the source of the main divergence of interests between developed and developing nations.

Changes in Organizations

Until the end of the cold war, developing nations, to promote unity and to fight the unequal relations that existed between Western and developing nations, established some **exclusive organizations**. Examples of such organizations include the Non-Aligned Movement, the Pan-Asian Organization, the Arab League, the Organization of African Unity, and other groups with specific objectives. However, today, as

Zonghau (2000) explains, we see regional, and international organizations that include developing and developed nations. These organizations work within the framework of globalisation, and promote liberalization of the world economy. The North American Free Trade Agreement, which went into effect in January 1994, and stipulated that Canada, America, and Mexico phase out tariffs and other barriers, is an example of such an organization. At the Asia Pacific Economic Cooperation (APEC) organization held in November 1994 in Bogor, Indonesia, APEC suggested that developed and developing nations in cooperation adopt open trade and investment policies for the 21st century. Not only is regional cooperation increasing, but transregional cooperation is growing as well. For example, the United States is forging trade links on three fronts simultaneously: the American free trade zone, Europe-American trade alliance, and the Asian Pacific economic block. The European Union is moving eastward and southward in an attempt to vie for markets with the US and Japan. The Association on Southeast Asia is also reaching to other markets. Russia, too, is seeking cooperation with other countries in the Asia Pacific region while promoting integration within a commonwealth of independent states. This trend is not confined to Asia, Europe, and America. In Africa, the 1990's saw a resurgence of interest in cooperation and integration. No doubt a number of medium-sized countries, such as Australia, India, and South Africa, are feeling left out in the cold by the emergence of large trading blocs in the Asian Pacific (APEC), the Western Hemisphere (FTAA, NAFTA), and Europe (EU). The three countries mentioned, however, are major actors in small-scale regional trading clubs. Australia, which is a member of APEC, has a regional trading arrangement with New Zealand (CER). India has petitioned APEC for membership, but is also a member of the new South Asia free trade area (SAPTA). South Africa has recently acceded to the South African Development Community (SADC, formerly SADCC) and the Common Market for Eastern and Southern Africa (COMESA). Recently, a meeting was launched of a free trade area by the Common Market for Eastern and Southern Africa (COMESA), which, according to Mauritian Prime Minister Anerood Jugnauth, is "a major milestone in our lives" (Zonghau 2000).

Sometimes regional organizations promote the interests of the world community. For example, the Economic Community of West Africa (ECOWAS), established in May 1975 to facilitate trade in West Africa, has changed to a peacekeeping force with a green light from Western countries to stop ethnic or civil war in Liberia. Even the Organization of African Unity (OAU), established to unite Africans against neo-colonialism and racism, has, in conjunction with the UN, become embroiled in the effort to stop ethnic war in Somalia, Rwanda, Burundi, and in the Ethio-Eritrean conflict (Hassen 1994).

Another significant factor is the role of all-inclusive non-governmental organizations and intergovernmental organizations that are becoming important actors internationally, as Paul (2000) writes:

Today, NGOs address every conceivable issue and they operate in virtually every part of the globe. Though international NGO activity has grown steadily, most NGOs operate within a single country and frequently they function within a purely local setting. Some, such as legal assistance organizations, mainly provide services. Some, such as chambers of commerce, concern themselves with narrowly defined interests. And some, such as neighbourhood associations, promote civic beautification or community improvement. But many important NGOs, such as those working for human rights and social justice, campaign for broad ideals. At the international level, thousands of organizations are active. According to one estimate, some 25,000 now qualify as international NGOs (with programs and affiliates in a number of countries) - up from less than 400 a century ago (p. 72).

A Change in How Issues are Raised

International issues today are raised mainly within the framework of global needs and rules. This is quite different from the past, when the issues raised by OAU, NAM, and other Pan-Arab and Pan-African organizations were exclusively organized by developing nations to fight economic and political domination by US-led Western countries and other superpowers, such as the USSR. Today, most of the issues are raised mainly within all-inclusive organizations, like the UN, WTO, and other human rights and environmental organizations. For example, the issues of democracy, human rights, the rights of women, the rights of children, the environment, and poverty were all problems rose by Western and developing countries, and promoted by non-governmental organizations, which include members from both sides. Therefore, difference and compromise are dealt with in the framework and rule of these organizations. Increasingly, it seems that the only venue for all nations to promote their demands is through these organizations and by accepting the rules of the game. (Paul 2000).

Change in the Democratic Struggle

The increasing call for democracy by international actors as a common agenda has engaged the struggle for democracy within international organization rules and games. This by no means signifies that the independent old democratic armed struggle waged in the Third World that was mainly anti-imperialist and anti neo-colonialist, and against leaders who were linked with the neo-colonial powers, has disappeared. Also, other new forces that struggle for democracy, like those of religious movements, continue to fight injustice through an array of different means. Many oppressed ethnic groups are also fighting for justice and equality in different part of the world. Fuller (1997) warns:

The present international order of exiting state borders drawn with barely passing regard for the ethnic and cultural wishes of their inhabitants' is now essentially obsolete. The rising forces of nationalism and cultural resurgence are poised to assert themselves. Those states that cannot manage their ethnic minorities in ways that satisfy both past grievances and the future aspiration for greater self-determination are destined to break apart (p. 78).

However, even these independent democratic struggles are attracting world attention, and some have found internationally designed solutions, such as those applied to the ethnic problems in Yugoslavia and clan war in Somalia.

Today, the developing nations, due to the strengthening of all-inclusive international organizations, have intensified their demand for a new democratic global order within these all-inclusive international organizations. To achieve their goal, they are demanding the democratisation of international organizations, including the UN, WTO, etc. For example, at the millennium meeting of the UN, democratic demands by an overwhelming majority of developing countries delegations were heard. They called for good global governance that must go hand-in-hand with good governance at the national level. This point was echoed even louder this year. One of the main issues raised was that poverty is in part a result of the unequal distribution of economic power in the world and of the current international financial and trade-related structure.

Democratisation of the United Nations was also a frequent theme at the United Nations millennium meeting. The call for democratisation by the United Nations Security Council was particularly strong. There was a call from the international financial institutes to be more democratic, because the rules of the international financial institutions favour rich countries, and the United Nations might help train countries to negotiate with international financial institutes (Chandavarkar 2000). This convergence of the interests within the global community indicates the increasing interdependence of the world community and the acceleration of the globalisation process in modern time.

4. CONCLUSION: IMPLICATIONS, SUGGESTIONS AND SYNOPSIS OF ETHIOPIA'S PRACTICAL EFFORT TO TAKE ADVANTAGE OF GLOBALISATION

The above presentation is an in-depth examination of the history of the interaction of the convergence and divergence of the interests of global actors. The characteristics of this interaction of the diverse global interests were also briefly illustrated on a small scale, using the WTO meeting in Seattle as an example. Hence, from the outcome of this study, we can assess whether the trend, the transformation and the reality of

developing nations, like Ethiopia face in the present global process. It also helps to answer, if the reality of globalisation offers any possibility that is favourable for them to improve economically. Moreover, the paper will attempt to give summary of the practical applications taken in Ethiopia to take advantage of the above-mentioned global socio-political, economic and organizational changes.

The history of the interaction of the convergence and divergence of the interests of the global actors suggests that the developing nations including Ethiopia are facing two important factors in their effort for economic development. On one hand, they are facing the increasing trend of the convergence of the interests of international actors politically, economically, and organizationally. On the other hand, they are facing a divergence of interests between powerful international actors and developing nations when it comes to the application of the principle of democratisation and the respect for human rights and free trade; besides, some of the old contradictions among nation-states' interests still persist.

The Democratisation Principle

In terms of the convergence of interests in the present world reality, examples in history from pre-industrial times to the present illustrate the most important convergence point: the democratisation principle where the respect of human rights can be exercised. This is now true more than any other time in the history of the globalisation process. The principles of democracy and the respect for human rights has been a goal of humanity for centuries. My analysis demonstrates how the struggle for democracy has greatly shaped the evolution of globalisation in the past, and argues that it will continue to shape the global reality in the future. In the past, humanity fought for democracy and the respect of human rights (expressed in different terms and action) in local settings; today people are fighting for it as part of the global agenda, which is a great triumph of humanity. Therefore, democracy and the principles of human rights are not a product of an overnight declaration or proclamation of legislative bodies, or a gift or something that can be exported from benevolent individuals or rulers, but to be achieved in a struggle for freedom and justice by the people of the world.

Now this important aspiration of humanity has become the common agenda of the global community, as stipulated in the United Nations' charter. As pointed out in this paper, more than 180 member countries of the United Nations have all agreed to translate it into reality. Moreover, we can also assess from the analysis that today's democratic principles and the respect for human rights in the charter of the United Nations include the ideals of the French Revolution, the socialist ideas, the anti-colonial revolts, and the women's struggle for equality and justice. Therefore, the charter is rich in content and meaning in expressing the highest ideals of life and human rights. Hence, the globalisation process has brought democracy and human rights to the world as a common agenda. In addition, the historical examples noted in

this study suggest that democracy and human rights were the most cherished goals of humanity in the past, and are still in our time. These goals facilitated socio-economic changes and betterment in the globalisation process, especially since the democratic revolutions of the Industrialization era. I think developing nations including Ethiopia need to embrace it boldly, and implement it prudently and creatively in accordance with the subjective and objective conditions of their people. I feel this will bring about stability to the countries and facilitate their economic development.

I suggest that if there is no democracy and respect for human rights in a developing nation, there cannot be peace and stability. Peace and stability open the path for development, and strengthen the bargaining position of that nation in international organizations to take advantage of the favourable condition in the globalisation process. In extreme cases, the nation's sovereignty may be jeopardized, especially in third world countries where the world is watching, and even some global forces are ready to interfere in their affairs. Hence, all these factors make democracy and the respect for human rights a prerequisite for any socio-economic policy measures.

In order to take advantage of what globalisation has to offer, developing countries like Ethiopia with many nationalities must avoid ethnic, religious, and other forms of strife through bold democratic measures including the right of nationalities to self-determination. That is I believe the only way out.

Practical Translation of the Democratisation Principle in Ethiopia

Those who see a positive trend in Ethiopia, after the overthrow of the military junta in the 1990s, say that Ethiopia has taken bold democratic measures to take advantage of the globalisation process. They say that it has recognized the right of nationalities to self-determination. They say that it has devolved power to the regions from a unitary and centralized government. They say that it has accepted human and democratic rights as the common agenda of the global community, as stipulated in the United Nations' charter, and pursues a multi-party democracy.

A new government was organized by Meles Zenawi in 1991 who began a policy to pursue multi-party democracy. The first multi-party elections were held in 1992. (Pankhurst 1998).

In addition, they say that Ethiopia, at present, is primarily engaged in agricultural-led industrial development to fulfil the desires of its people for development. Achieving economic development is the key answer to the demand of the Ethiopian people for their most important rights to shelter and food. It is evident that all these democratic measures have brought some change in creating peace in the country and economic development.

Since the early 1990's, Ethiopia has pursued a market-oriented economic

development strategy and focused on agricultural development as the catalyst for economic growth. It has eliminated discriminatory tax, credit, and foreign trade treatment of the private sector and tried to simplify bureaucratic regulations and procedures. Ethiopia's reform program has achieved some success in stabilizing the economy, reducing poverty, and aiding the transition to a free market system. From 1993-1999, the country achieved an annual average economic growth rate of 6% and an annual average inflation rate below 5%. In addition, its government budget deficit before donor grants is about 6% of GDP. (U.S. Embassy 2000).

However, the problem created because of the recurrent draught; ethnic problems; and some human rights abuse claimed by the opposition have brought the Ethiopian government's sincerity in translating its own constitution to practical action. (Ethiopian human rights council 2003). There are other opposition groups who consider article 39 of the Ethiopian constitution that guarantees the right of nationalities to self-determination up to cessation as a racist policy designed for a sinister aim of the governing group, and consider the democratic and human rights situation in Ethiopia as poor.

Critics of the FDRE frequently and ably have enumerated the evils by which Ethiopia has been beset since the EPRDF came to power in 1991, and the list of human rights abuses continues to grow day by day. In my opinion, there are two main causes for Ethiopia's dismal record in the protection of human rights. One can be traced to the political theory of the ruling party, and the other, mistrust and hatred among ethnic groups (Vestal 1997).

There are different opinions about the practical application of the democratic principle and respect of human rights in Ethiopia. Hence, one has to look at the truth from facts through time-consuming investigation. I think, whatever the reality in Ethiopia is, the bold application of democracy and the respect of human rights is the only way out to avoid the viscous circle of socio-political and economic crises and take advantage of the global situation.

The Economic Liberalization Principle

This study suggests that the liberalizing of the global market and the local economy is also in accord with the interests of the developing nations like Ethiopia, especially when such developing nations stand to gain from exporting to the world market free of tariff, Non-tariff barriers, and from private and foreign investments for transfer of technological know-how. Therefore, this is also one aspect of the positive trend of globalisation. It is favourable to Third World countries' economic development. Hence, I suggest that the present major task for the Third World, including Ethiopia, is to continue to struggle for democratic, fair, and equitable implementation of economic liberalization and demand democratic new economic order

Practical Translation of the Economic Liberalization Principle in Ethiopia

Since the overthrow of the military junta that ruled Ethiopia for seventeen years under command economy, it is clear that Ethiopia has followed a consistent policy of economic liberalization. Ethiopia has accepted and pursued a market-oriented economic development strategy. At present, it has focused on agricultural-led industrial development as a mechanism for economic growth. Looking at Ethiopia's Privatisation policy, it has recognized that the role of the private sector is indispensable to the economic development. The Ethiopian Privatisation Agency has sold over 190 government enterprises. Although the bulk of these were state-owned retail shops, hotels, and restaurants, they also included the Pepsi-Cola and Coca-Cola bottling plants, the St. George Brewery, and the Lege Dembi Gold Mine. Recently, private companies have signed agreements with the government for the sale of the Kenticha Tantalum Mine and the Calub Gas Share Company. Many enterprises valued at over three million dollars, such as major hotel chains, tanneries, textile mills and garment factories, have become incorporated as share companies under the ownership of the government. The government has facilitated their sale, in whole or in part in joint venture with the government. Ethiopia has eliminated discriminatory tax, credit, and foreign trade treatment of the private sector and tried to simplify bureaucratic regulations and procedures.

However, there is a question mark in Ethiopia's liberalization policy. Many both in the international and domestic circles say that foreign investors find a difficult environment in their operation. They say that the government retains rigid control over the utilities and the transport sector and prohibits foreign participation in banking and insurance. Most importantly, they say that because land cannot be purchased or sold but can only be leased at often exorbitant rates and after long delays, investors are obstructed from bringing about faster economic development. (U.S. and Foreign Commercial Service and the U.S. Department of State 1999).

I suggest Ethiopia's careful implementation of the liberalization policy is positive and should be continued. However, I advise that Ethiopia should base its economic liberalization on democratic principles both locally and internationally. Hence, it should struggle for fair and equitable implementation of economic liberalization globally and for a new democratic global economic order.

The Organizational Principle

The historical assessment in terms of organizations also shows the convergence of world interests. The convergence in the role of international organizations is reflected in the weakening of international organizations that deal exclusively with problems of third world countries. Today, exclusive organizations like NAM, and OAU, and other Pan-African and Pan-Arab organizations are weakened or have become the instruments of the more inclusive international organizations. The organizations that

are more inclusive, like the UN, WTO, and regional and trans-regional economic organizations, like APEC and NAFTA, and many other non-governmental organizations, are in the limelight of global affairs. Therefore, major international issues, including the democratisation of international organizations, are raised in these international organizations more than ever before. Here again, I suggest that developing nations like Ethiopia should boldly and creatively democratise their society primarily but also need to find ways that will strengthen their positions in international politics in order to promote their interests and unite with those forces that have the same interests to change the unequal relations that exist in international organizations. If so, I think all-inclusive organizations can be advantageous to developing nations through the transfer of economic, scientific, and technical expertise, and investment capital from advanced nations to developing nations.

The Practical Use of the Organizational Principle in Ethiopia

Ethiopia has always given a paramount place to international organizations, in its relation with other nations. Ethiopia is the founding member of the League of Nations. Emperor Haile Sellassie, looked to the League of Nations when major powers tried to force humiliating concessions on Ethiopia at the time Mussolini invaded Ethiopia in 1935. This event in history is considered as a significant diplomatic triumph for the black race and weak nations.

In September 1934, Mussolini had decided to take Ethiopia, so the Welwel incident provided an excellent basis for further action, although it remains uncertain whether the Italians then wanted war. Ethiopia immediately called for arbitration according to the Treaty of 1928, which Rome refused, arguing irrationally that Ethiopia's aggression rendered Article 4 moot. When Italy insisted on a number of demeaning conditions to resolve the matter, Haile Sellassie looked to the League of Nations, complaining that Italian forces had no right being within Ethiopia's frontiers (One World magazine).

At the same time, Ethiopia has played a major role in many regional organizations in pushing Africa's and developing nations' interests. It is a founding member of the Organization of African Unity and many others. Ethiopia is a member of many international organizations and played vital roles in these organizations. Ethiopia recognizes the supremacy and the importance of international laws, and promises to play a vital role regarding respect for global laws. In terms of international non-governmental organization, the Ethiopian government clearly recognizes the great contribution of these organizations in economic development and in the struggle against human suffering. Ethiopia is working very closely with these organizations on common agenda. (Ministry of Foreign Affairs of the Federal Democratic Republic of Ethiopia's Policy and Strategy of its foreign relation 2002).

However, the recent invasion and occupation of Iraq by the U. S. that went against the law of the United Nations has put in doubt, for the first time, the significance of the most important international organization, United Nations, in keeping global peace and collective security. Hence, I suggest Ethiopia should struggle for the democratisation of the global organization, and employ a creative diplomatic manoeuvre to reach the global community and boldly advocate democracy; this task should not be left to the powerful only. Ethiopia should boldly advocate and uphold democratic principles locally and internationally. Ethiopia's and other third world countries' recent policy of fear and appeasement of aggressive war against a small Third World nation like Iraq, in my opinion, will not stop the ship from sinking. Appeasement will encourage aggressors to wage war even further, and help war to knock at every one's door soon. To avoid war, a democratised world is the only way out.

Divergent Interest Principle among Nations

When we come to divergent interests, some of the old contradictions remain the source of divergence between developed and developing nations. This study indicates that the global balance of power is still greatly skewed toward western countries, and that it is more difficult for developing nations to take advantage of the globalisation process. However, the developed nations do not completely and totally dominate the global events.

In addition, the study also indicates that the fierce contradictions of interests among developed nations that led to the First and Second World Wars seem to have mitigated. Nonetheless, contradictions among them are still present as they were reflected at the WTO meeting. The developed nations fought to promote their divergent interests in the conference room. This suggests that the Third World countries are not facing a monolithic interest, but rather a diverse global interest. Here, the global reality indicates a favourable situation for developing nations to take advantage of the international affairs of our time to promote and realign their interests so that they will correspond with their interests in international affairs.

The Multi-Polar Principle

Furthermore, the rise in political and economic power of some developing nations in East Asian countries and China indicates that the New World Order is going to be multi-polar, rather than uni- or bi- polar, and not dominated by one super power as neo-liberal intellectuals claim. Here, the multi-polar trend of the global balance of power shows that developing nations can take advantage of the international situation of our time through realignment of their interests with those that are corresponding in order to strengthen their positions. Additionally, the examples in this study clearly indicate that some developing nations have achieved economic development in the globalisation process, showing that a favourable situation exists for developing nations to take advantage of globalisation.

Ethiopia's Practical Use of the Divergent Interest among Nations. and Multi-Polar Principle

It is clear that primarily, the written policy and strategic interest of Ethiopia's foreign policy, is based on facilitating democracy and development in the country. The Ethiopian government also numerates where Ethiopia's interest corresponds with divergent interests of international actors. (Ministry of Foreign Affairs of the Federal Democratic Republic of Ethiopia's policy and strategy of its foreign relation 2002). Here again, I stress that the politics of fear and appeasement will not work for peace and development. I suggest that Ethiopia should build its relation with the global community based on promoting democracy especially to facilitate its rights to development. An interest based outside democracy and the respect of human rights is an illusion

In reference, to Multi-Polar Principle, if Ethiopia upholds democracy and the respect for human rights, most importantly the rights to development, (the goal of maximization of the right for shelter and food for Ethiopian people) as its base for its relation with other nations, it can take advantage of the international situation of our time. It can realign its interests with those that are corresponding with its interest in order to strengthen its bargaining position to bring about development.

The Decentralization Principle

In terms of other contradictions of interests, this paper argues that the demand that democratic principles be applied in a centralized manner is the source of divergence of interests between developed and developing nations. Therefore, I further argue that neo-liberal intellectuals and policy makers can play an important role in the democratisation process by allowing and encouraging the decentralized application of the democratisation principle. Decentralized application of the globally accepted principle of democratisation in accordance with the objective reality of a developing country precludes instability, such as that caused by the World Bank when it forced privatisation on Cochabamba in 1999. Stability in developing countries is beneficial to developing nations' economic progress in creating peace, a prerequisite for implementation of development policy. It also creates safe and stable conditions for investment.

Ethiopia's Practical Use of The Decentralization Principle

Ethiopia seems to accept and apply the demand of the global community for democratisation and economic liberalization in many aspects as mentioned in many parts of this paper. However, there is a question mark in Ethiopia's democratic and liberalization policy. The opposition parties and some international actors question the Ethiopian government's sincerity in translating its own constitution to practical action. Many, both in the international and domestic circles, say that foreign investors find a

difficult environment in their operation. They say the government retains rigid control over the utilities and the transport sector and prohibits foreign participation in banking and insurance. Most importantly, they say that because land cannot be purchased or sold but can only be leased at often exorbitant rates and after long delays, investors are prevented from bringing about faster economic development.

Here, I advice that Ethiopia should not import democracy because of any pressure from powerful international actors but learn from accumulated knowledge of humanity and translate democratic principles to reality in accordance with the experience and subjective and objective needs of its people in a decentralized manner. If Ethiopia's refusal to privatise land and foreign participation in banking and insurance is meant to prevent the negative consequences of such act, then it must be supported. If democratisation is imported and economic liberalization is applied against the interest of the people the type of strife caused by the World Bank when it forced privatisation on Cochabamba in 1999 at Colombia Latin America, is inevitable.

In conclusion, I argue that globalisation is a complex interrelation and interaction of the convergence and divergence of interests of the international actors. In this study, I presented examples of how the Industrial Revolution, the establishment of the United nations, the expansion of transnational companies, the need of developing nations for economic progress, and the collapse of Soviet and Eastern European-type socialism have accelerated the convergence of global interests. The convergences of interests as they relate to democracy, the respect for human rights, and economic liberalization are the most important positive results of the globalisation process and are necessary for developing nations' economic aspirations.

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