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DEMOCRACY AND DEVELOPMENT

Lessons from Turkey's Experience applicable to Ethiopia

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ABSTRACT

Ethiopia's development problems are not unique. Similar problems have been (and are being) encountered in many other countries. Turkey's successful transformation from a politically and economically backward, stagnant country into one of the most dynamic societies of our time offers an example of the kind of progress Ethiopia can hope for during the 21st century. How did Turkey transform itself in little over half a century?

Turkey and Ethiopia have similarities. Both have complicated geography but lack major wealth in minerals and oil. Both have suffered strife and political turmoil. Both have unstable and aggressive neighbors. Both carry a heavy burden of history, but neither has ever been colonized or effectively conquered.

When the modern Turkish Republic was proclaimed in 1923, it had barely 12 million people most of whom were illiterate and lived in a countryside which had barely changed over several thousand years. The country lacked infrastructure and industry. Its exports consisted of tobacco, nuts, dried fruit and carpets, produce of traditional peasant agriculture. It was equally backward politically. A small elite class led by Mustafa Kemal Ataturk--who ruled as a benevolent but firm monarch--was determined to turn the country into an open society moving toward European civilization and modern development.

Today Turkey has over 70 million people, almost all literate. All Turkish children go to school. Every Turkish village has electricity and running water. Everybody has access to doctors and medicines. Turkey's exports totaled \$60 billion in 2004 and

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included automobiles, televisions, and manufactured goods of many kinds, huge amounts of processed food and vast quantities of textiles and other consumer goods. A majority of Turks now live in cities and enjoy a steadily rising standard of living. More than 30 universities produce skilled specialists. Communication and transportation systems approach those of most countries in Europe. A network of super-highways is now being built. For more than 50 years Turkey has enjoyed a democratic political system, a free press, and lively cultural life. It is likely to join the European Union by 2020.

Turkey's experience offers comparisons and lessons worth considering as Ethiopia embarks on a period of accelerated development.

I

Ethiopia's development problems are not unique. Similar problems have been (and are being) encountered in many other countries. Ethiopia can profit from examining the experience of all countries in similar circumstances. Turkey, with a population almost exactly the same size as Ethiopia's, offers especially interesting parallels with Ethiopia because it, too, was never colonized. Like Ethiopia, Turkey is the proud heir of ancient traditions which have produced a keen sense of nationalism. Like Ethiopia Turkey reached the 20th century with a heavy burden of history and had to face the challenges of modernization and development in a region torn by political strife. Turkey's successful transformation from a politically and economically backward, stagnant country into one of the most dynamic societies of our time offers an example of the kind of progress Ethiopia can hope for during the 21st century. How did Turkey transform itself in little over half a century? Having had the good fortune to be familiar with both countries for more than 40 years, I offer a few observations based on experience and study.

Turkey and Ethiopia have many things in common. Both have complicated geography but lack major wealth in minerals and oil. Both have populations of mixed origins with great natural talent. Both have suffered strife and political turmoil. Both endured foreign invasions and still have several unstable and aggressive neighbors. In both countries modern times brought a strong desire for education and development, first among elites, then among the population at large. Pressures for development intensified steadily as the 20th century advanced.

When the modern Turkish Republic was proclaimed in 1923, it had barely 12 million people. Most of them were illiterate and lived

in a countryside which had changed little over several thousand years. The country had been devastated by more than a decade of war and attempts by foreign powers to carve it up. Turkey lacked infrastructure and industry. Its exports consisted of tobacco, nuts, dried fruit and carpets, all produced by a relatively primitive agricultural sector. It was equally backward politically. Mustafa Kemal Ataturk mobilized a group of determined followers to lead the peasantry to eject foreign invaders and create a republic which was proclaimed in 1923. Ataturk ruled his new-old country as a benevolent, firm monarch. He and his associates were determined to restore Turks' confidence in themselves and build an open society based on the principles of European civilization. He had little help from the outer world in the task he undertook: to transform what remained of the heart of the old Ottoman Empire into a modern republic with a self-supporting economy, a society moving toward democracy, an educated population and a government prepared to defend itself and play a constructive role in international affairs.

Today Turkey has over 70 million literate people. All Turkish children go to school. Every Turkish village has electricity and running water. Everybody has access to doctors and medicines. Turkey's exports totaled \$60 billion in 2004 and included automobiles, televisions, machines of many kinds, huge amounts of processed food and vast quantities of textiles and other manufactured goods. A majority of Turks now live in cities and enjoy a rising standard of living. More than 30 universities produce skilled specialists. Communication and transportation systems approach the level of those of most countries in Europe. A network of super-highways is now being built. Airlines link all parts of the country and connect Turkey to the entire world. Democracy has flourished for more than half a century in spite of periodic political crises. For more than 50 years Turkey has enjoyed a multi-party political system, a lively press, and an increasingly vital cultural life. It is likely to become a member of the European Union by 2020. When it does, it will have the largest population of any EU member and one of its most dynamic economies.

II

How did Turkey reach this stage of development in 80 years? It took vision, organization, determination and dedication. Ataturk ruled as an autocrat out of necessity but remained a humane admirer of western civilization by conviction. Unlike Lenin he avoided dogmatism, coercion and violence and set out to reform his country by persuasion, example and steady pressure. Socialism never had any appeal to him. In the short period of 15 years before his death in 1938 he introduced a European-style

parliamentary system and new codes of civil, commercial and criminal law. He implemented reforms in dress, the calendar, language and alphabet and introduced the metric system. He laid the basis for an effective educational system. When the country's first census was taken in 1927, it was found to have only 13.6 million people. Population continued to grow slowly during the 1930s, for the country lacked doctors and medicines. Turkey was always able to feed itself, but agricultural productivity was not high, there was almost no agro-industry and exports were limited.

Ataturk laid a firm basis for future development, though progress was delayed by World War II.² Ataturk's political system survived his death without disruption. His successor, Ismet Inonu, remained committed to Ataturk's principles and led the country into a new era at the end of the war by inaugurating a multi-party political system. National elections in 1946 and 1950 resulted in a multi-party parliamentary democracy. Ataturk's Republican People's Party, which had continued to dominate the country under Inonu, accepted defeat gracefully and a the Democrat Party of Adnan Menderes, a prominent leader from the Aegean region became prime minister while a one-time close friend of Ataturk, Celal Bayar, assumed the presidency. A period of major economic development began.

Ataturk and Inonu were keen on economic development, but possibilities were limited. In the 1920s and 1930s the sources developing countries take for granted today did not exist. There was no World Bank, no IMF, no UNDP. Developed countries did not have foreign-aid programs.³ There were few private foundations affluent enough to make an impact on the needs of a fiercely independent country which was determined to progress. Ataturk had to scrape together the resources he could find. He adopted a policy called "etatism"--government-owned industries in key fields: textiles, minerals, petroleum, transportation. This was an effective approach at the time, but when the economy was opened up after 1950, it was no longer the best way of speeding up

²Turkey avoided direct involvement in hostilities until almost the end of the war when it joined the Western Allies as a founding member of the United Nations. Immediately after the war Joseph Stalin made territorial demands on Turkey which Turkish leaders rejected. Stalin's aggressive demands propelled Turkey into close relations with the United States and Europe and led to NATO membership in 1953. Turkey has been one of the strongest members of the NATO alliance ever since. Within NATO, Turkey's armed forces rank second to those of the United States.

³Turkey received limited economic aid from the Soviet Union.

development. Private initiative needed to be added to what the state could do.

III

In the 1950s Turkey benefitted from several major initiatives that had rapid effect:

*Private enterprise was encouraged. Entrepreneurs were given tax advantages and benefited from simplification of regulations. Foreign direct investment was welcomed and facilitated.

*Major programs for development of infrastructure were inaugurated: highways, airfields, maritime services. A national highway directorate divided the whole country into districts for major road construction and maintenance. It was supplemented by an innovative program put in charge of a separate ministry: "Road, Water & Electricity" (Yol, Su, Elektrik (YSE)) set up to service rural areas, build feeder roads, village water systems and extend electric service.

*A high-priority program was developed to build dams all over the country for both irrigation and water power. Turkey had (and has) only limited petroleum resources and coal deposits, but great unused water sources. Dam-building and transmission-line projects multiplied during the 1950s and 1960s and have continued ever since. Communities were at the same time encouraged to develop local power and irrigation resources of all kinds.

*New universities were established with special emphasis on training for development rather than traditional academic fields.⁴ A country-wide network of vocational, agricultural and industrial high-schools was created.

*Increases in agricultural production were encouraged by subsidies for farmers, an expanded government procurement system, by expanding agricultural training and extension services, encouraging agricultural research, introducing improved seeds and fertilizers, and building modern grain, cotton and other commodity storage facilities in producing areas. Land remained in private ownership without regulation of rentals and sales.

*Establishment of new industrial enterprises was encouraged

⁴E.g., Middle East Technical University in Ankara and Ataturk University in Erzurum at the eastern end of the country.

not only in and around major centers but especially in rural areas with surplus labor. These measures laid the basis for food-processing (dairy, canning, and beverage) industries as well as textile industries which became a major feature of Turkish development in subsequent years.

*The government welcomed foreign-aid programs and technical advisors, which began after enunciation of the Truman Doctrine in 1947.⁵ By the end of the 1950s Turkey was receiving aid and advice from the United States and several other countries as well as from most international grant and lending programs. The modernization of the Turkish armed forces was an important feature of aid programs.

Developmental momentum during the 1950s accelerated to the point where contradictions arose. Differences developed with the IMF and World Bank. The political system was affected by these and the Menderes government responded with repressive measures which brought international criticism. In May 1960 a group of Turkish military officers intervened to oust the Menderes government and establish a revised constitution. Military leaders introduced a liberalized political system with proportional representation which won international praise at the time but eventually proved to be the cause of difficulty because it permitted weak coalition governments. These weaknesses did not become serious until the early 1970s, however. The coup of 1960 had almost no effect on the economic momentum that had been generated during the 1950s. Economic progress continued.

IV

The 1960s were characterized by expansion of highways, feeder roads and expanded services to rural inhabitants. Agricultural productivity and exports increased sharply. The country built steadily on the successes that had been achieved in the 1950s. The period brought further important developments:

*Turkey had a surplus of manpower. Improved health conditions and medical services led to accelerated population growth. Though economic expansion at home absorbed some additional labor, there was more than enough. The government encouraged Turks to respond to opportunities for employment in Europe, especially in Germany, but also in Austria, Switzerland, Holland, France and even Britain. By the end of the 1960s, more than a million Turks were working in Europe and sending a substantial share of their earnings home. Remittances from workers abroad became a major component of

⁵Turkey was included in the Marshall Plan the next year.

Turkey's balance of payments by the beginning of the 1970s.⁶ Many workers brought their families to Europe and stayed, where they continue to form immigrant communities. (In several European countries they have gained citizenship.) Initially Turkish workers took low-level jobs that local people no longer were willing to take; gradually many moved to higher levels. Many returned to Turkey with skills in demand at home. They contributed to the expansion and rise in quality of Turkey's labor force. Many also returned to invest their savings in housing and businesses.

*Turkish workers found opportunities not only in Europe, but in the Middle East as well, though living conditions in Arab countries have always been less appealing. The most important development in respect to Arab countries in the 1960s and 1970s was the growth of Turkish construction companies who developed the capacity to undertake major projects in North Africa, Saudi Arabia and the Gulf. Even before the collapse of the Soviet Union Turkish construction companies had started to undertake projects of many kinds in Russia and other Soviet republics. Since independence their operations in Russia, Ukraine, Azerbaijan and Central Asia have continually expanded. As a result, industries providing construction materials, electrical goods, ceramics and equipment of all kinds have expanded in Turkey itself.

*Turks began to recognize that they had the basis for making tourism a major source of foreign-exchange earnings as well as profits for domestic business. Travel restrictions were eased. Government tourism-promotion programs in the 1960s were less than fully successful, however. Entrepreneurs eagerly took government subsidies to build hotels and resorts, but gave too little attention to management and maintenance. Thus subsidies were often wasted. Nevertheless the basis was laid for the vast expansion of tourism which set in in the 1980s. Concern for tourism encouraged efforts to preserve Turkey's extraordinarily rich cultural and archaeological heritage.

*All the factors discussed above combined to energize the countryside and bring provincial towns into the mainstream of economic development. The rural population pressed for improved education and services and political parties found it advantageous to champion their interests.

⁶Their relative importance declined as the economy expanded, but they have continued to be significant ever since.

V

The decade of the 1970s marked a partial hiatus in Turkish development. While some of the momentum generated during the previous two decades continued and resulted in establishment of new industries, the expansion of educational infrastructure and improvement of social services, the political system fell victim to confusion. Too many political parties competed in elections which produced weak and indecisive governments. The Soviet Union mounted a large-scale program of subversion against Turkey with the aim of destabilizing the country and rendering it ineffective as a member of the NATO alliance. Clandestine Soviet efforts supported terrorism by both rightists and leftists supported who received massive supplies of money, weapons and ammunition infiltrated clandestinely into the country through harbors along the Black Sea and through various channels from Bulgaria and Syria. During the final years of the 1970s life in Turkey was disrupted by violence which stopped universities and high schools from operating and severely hampered economic activity. Much of the economy went underground. Successive governments were unable to cope with the challenges they faced.

An emergency economic relief program organized by Germany and the US⁷ in 1979 was met by an increase in terrorist violence. During the first eight months of 1980, 28,841 terrorist incidents were registered throughout the country and 2,812 people were killed. On 12 September 1980 leaders of the armed forces designated themselves a National Security Council and took over the government. Orderly, normal life was quickly restored. The speed with which this happened proved that the degeneration which occurred during the 1970s did not reflect basic social weakness or economic decay. Political leaders and parties proved unable to overcome Soviet-supported destabilization. In the months following the military takeover, 43,140 terrorists and supporters were taken into custody. More than 800,000 weapons were confiscated along with 5,300,000 rounds of unused ammunition. During 1981 the generals convened an assembly to write a new constitution and create a new governmental system with new political parties. When national elections were finally held in November 1983 the unexpected victor was Turgut Ozal.

VI

Turgut Ozal quickly proved himself to be the most dynamic and successful Turkish leader since Ataturk. The reforms which he inaugurated and consolidated in Turkish society formed the basis

⁷Japan and Saudi Arabia were also major contributors.

for the extraordinary economic success Turkey has enjoyed ever since.⁸ Ozal had none of the socialist and etatist illusions that had continued to prevail among many Turkish politicians. His recipe for energizing the economy was to free it of regulations which discouraged enterprise and productivity and let entrepreneurs take advantage of the country's raw materials, able and increasingly educated labor supply, and managerial talent. The Motherland Party which he founded continued to gain strong support in elections through the 1980s. It attracted businessmen, encouraged openness and innovation, favored free trade and encouraged exports as well as imports. Notions of self-sufficiency--autarky--which had dominated Turkish economic policy since the Ataturk era, were set aside. Turkey opened itself to the world outside and step by step moved toward closer relations with the European Economic Community.

Until the 1980s politics in Turkey had a determining (and often debilitating) impact on economics. The political confusion and terrorism of the late 1970s had caused important sectors of the Turkish economy to go "underground". By the time of the military takeover at the end of 1980, as much of 40% of the Turkish economy was estimated to be operating outside official channels. Ozal moved energetically to turn things around. He encouraged economic openness. Realistic exchange rates, adjusted frequently, and eliminated a great deal of black-market activity. A simpler, more fair tax system made it unnecessary for entrepreneurs to resort to tax evasion.

Key features of the 1980s in Turkey were:

- *Measures to create an export-oriented economy.
- *Liberalization of investment procedures.
- *Reform of state economic enterprises to enforce profitability with the aim of facilitating privatization.
- *encouragement of private initiative in all fields.
- *in agriculture, expansion of irrigation, electrification and services to the rural population.

⁸Ozal, who had held important position in the Turkish government and served in the World Bank, came onto the political scene in early 1979 when Prime Minister Demirel, desperate to turn the deteriorated economy around, charged him with developing a reform program. The generals after taking power wisely continued him and his program.

*expansion of education at all levels with particular emphasis on adoption of modern techniques--encouragement of use of computers and electronic communications. Throughout the country private schools teaching computer techniques mushroomed during the 1980s.

*modernization and extension of communication networks to all parts of the country.

As a result of all these efforts the society was energized at all levels. To the network of government-sponsored universities, several new private universities were added. Leading Turkish businessmen competed with each other to set up new universities, establish research institutes and endow cultural institutions. The most successful of these, Bilkent University in Ankara, has reached a level comparable to the best European and American institutions. At the elementary level a program was undertaken to ensure that all Turkish children received 8 years of schooling, resulting in a population by the beginning of the 21st century where only a naturally declining portion of older inhabitants remain less than completely literate.

There was a downside to some of these measures. Export subsidies were sometimes abused. A more open financial system permitted unscrupulous operators to perpetrate fraudulent schemes. Inexperienced officials sometimes proved incapable of carrying out innovative policies. Gradually most of these problems were overcome.

By the beginning of the 1990s every Turkish village was connected to electricity. Major highway construction and maintenance programs were accelerated while rural road construction continued to expand.

Ozal's government committed itself to the massive Ataturk Dam project on the River Euphrates undertaken almost entirely with domestic resources by Turkish engineers. The project has resulted in opening vast new areas to irrigated agriculture. Much other development has occurred in the originally comparative backward southeast of the country. Southeastern areas irrigated by water from the Ataturk Dam replaced the rich Cilician plain as the main cotton-producing region of Turkey.

Meanwhile Ozal's export-led development program led to expansion of industries based on domestic raw materials: textiles, leather good and processed food. This expansion has been almost entirely the result of private initiative. At the same time industries benefitting from materials and skills partially imported from outside expanded: manufacture of automobiles, tractors and farm machinery; manufacture of household appliances and televisions.

Tourism came into its own during the Ozal era, again almost entirely on the basis of private enterprise. It has expanded steadily ever since.

VII

Ozal moved up from the prime ministry to become President of Turkey in November 1989. He died in April 1993 at the age of 66 after returning exhausted from a trip to Central Asia and the Caucasus. His energetic approach to both domestic and foreign affairs had taken a severe toll on his health. A period of some political confusion followed after his death but it had little impact on the economic momentum Ozal's policies and leadership had generated. The Turkish economy had reached the take-off stage. It ceased to be directly dependent on political decisions. Ozal's policies continued to guide the Turkish economy. It continued to expand, exports to increase, infrastructure to be maintained and extended, educational institutions to flourish and the standard of living of the population to rise.

It is beyond the scope of this paper to review in detail the political and economic developments that affected Turkey during the 1990s and first years of the 21st century. They reflected both the positive and negative features of of an established democracy which is never free political debate and competition. The country's problems were dealt with democratically through regularly scheduled elections. Domestic politics had little effect on the economic dynamism that has characterized the country since the beginning of the 1980s. A few important statistics demonstrate Turkey's successes during the past 25 years:

*Turkey's GNP increased by 9.9% in 2004 and its GDP 8.9% according to an announcement of the State Institute of Statistics in April 2005. Both increased from 5.9% and 5.8% in 2003⁹ Percapita GNP increased from \$3,383 in 2003 to \$4,172 in 2004. (Purchasing-power Parity (PPP) percapita GDP as of 2002 was calculated by the World Bank in constant 1995 dollars at \$6,390.)

*EXPORTS have increased steadily, totaling over \$60 billion in 2004, an almost 30-fold increase over 1980. Turkey sends its commodities and manufactures to more than 60 countries. EU countries are its primary customers, with Germany consistently in first place. Among other EU countries the

⁹This corresponds to the low average of Turkish growth over the past decade.

UK, France and Italy are also leading customers. The United States usually ranks fourth among Turkish export markets. Russia and several countries of the former Soviet Union are also significant importers of Turkish products. So are Arab countries. During the first three months of 2005 Turkey's export performance already exceeded that of 2004 by 25.8%. Turkey's exports are projected to reach a volume of \$71 billion by the end of 2005.

*Primary products no longer account for the bulk of Turkey's exports, though Turkish agriculture continues to produce large quantities of traditional produce: fruits, vegetables, nuts, tobacco, juice, wine, tea, spices and olive oil. While Russia has become a major customer of fresh fruits and vegetables, the bulk of Turkish agricultural production supplies domestic agro-industry which, in turn, not only supplies the domestic market with processed food in great quantities but also exports food products in large quantities. The principal contribution of Turkish agriculture to export industries is in the field of textiles. Turkey exports large quantities of knitwear, other fabrics and ready-made clothing made of cotton, wool, and leather, as well as shoes. Turkish industry now also supplies artificial fibers to manufacturers of clothing and accessories.

*The MAJOR PORTION of Turkish exports consists of industrial goods: automobiles, trucks, buses, agricultural machinery and machine tools; tires and other rubber goods; plastics, ceramics, iron and steel construction materials; aluminum products; electrical goods of many kinds; ships and boats; furniture, household appliances, televisions. While Turkey lacks major sources of oil and gas (and these constitute a major portion of imports) it possesses many minerals (iron, copper, chrome) and raw materials to support construction industries).

*TOURISM has become a major foreign-exchange earner as well as an important source of employment. It has generated private investment in hotels, restaurants, tour companies, car-rental agencies, airlines and ground transport services. It has also encouraged increased investment in restoration of historical buildings, expansion of museums, development of archaeological sites and new cultural preservation initiatives. Domestic tourism has also expanded steadily in Turkey and has had an important impact on development of many provincial towns. Turkey's tourism earnings in 2004 totaled almost \$16 billion. Of this sum, \$12.12 billion was realized from foreign tourists; \$3.76 billion from Turkish expatriates living and working abroad returning for holidays and family visits. 17,200,000 foreign tourists came to Turkey in 2004;

3,060,000 Turkish expatriates. Figures for 2004 were a 20% increase over 2003. Tourism receipts are expected to total well over \$17 billion in 2005.

A by-product of the rapid development rate during the past 25 years was a high rate of inflation. A currency reform effective on 1 January 2005 resulted in issuance of the New Turkish Lira (YTL), valued at YTL1.34 to US\$1, YTL1.74 to 1 Euro, and YTL2.53 to the Pound Sterling as of 1 April 2005. Inflation was largely brought under control during the past three years. The 2005 Heritage Foundation/Wall Street Journal annual survey rates most aspects of Turkish economic performance as stable, but notes that regulations and bureaucratic procedures have continued to discourage a high a level of foreign direct investment. Privatization of state economic enterprises (SEEs), a goal since 1980, has proved more difficult than originally anticipated. Measures to enforce SEEs to operate according to principles of profitability have brought many to the point of being net contributors to the national budget rather than a drain upon it. Thus they become more attractive to private buyers. Deregulation has encouraged private competition for SEEs in fields such as airlines. Economic policies and performance are the subject of continual debate in Turkey. Businessmen's organizations are important lobbying and pressure groups. TUSIAD, the Turkish Industrialists and Businessmen's Association, not only represents the interests of these groups, but supports continual economic research and issues period assessments of the performance of the economy.

VIII

From 12 million 80 years ago Turkey's population has increased to 71 million today and is still growing at a rate over 2% per year. This population history. It is closely parallel to Ethiopia's during the same period of time. Ethiopia can hope with spread of education and improved health and social services to make its population as valuable an asset for development as Turkey's. The two countries are at a very different stage of development. Nevertheless they share many aspects of historical experience and social challenge. Both countries live in difficult areas with troublesome neighbors and have had to devote substantial resources and manpower to preparedness for defense. Though Turkey is surrounded by seas, these have only recently become important as avenues of trade and interchange with neighboring countries. Ethiopia, of course, is presently land-locked, but has access to seaports in Djibouti and northern Somalia, more distantly through Sudan and Kenya. Its highway system, though being rapidly extended, lags far behind Turkey's. Both countries have suffered in the recent past from indirect and direct Soviet communist

intervention as well as instability in neighboring countries. Though poor in exploitable oil and gas sources, both countries have rich and dependable water resources which can be used for power and irrigation. Turkey has not yet reached the limit of exploitation of its water resources; Ethiopia has barely begun to exploit its.

Ataturk's authoritarian system enabled Turkey to recover from the devastation that ten years of war and loss of empire caused. Turkey was lucky in having a leader as far-sighted as Ataturk. He established the framework for a more open society and economy but by the time of his death his most important basic reforms had been firmly established. The process of evolution toward a more open system was delayed by World War II but at the end of the war a rapid but entirely peaceful evolution toward multi-party democracy brought Turkey to a stage where accelerated economic and social development could set in. A sound basis for future development was laid during the 1950s and 1960s, especially with the expansion of education at all levels. Even during the "time of troubles" of the 1970s Turkey continued to progress. Since 1980, with adjustments in the political system and a more open economy based on private enterprise, Turkey has moved steadily ahead, providing a vastly improved standard of living for its people and attaining a high level of economic growth.

Ethiopia was poised to begin a period of accelerated economic growth and constructive political evolution in 1974. The misfortune of 17 years of Derg rule set the country back severely. Even during the Derg era, however, spotty progress occurred. Perhaps the greatest net advantage Ethiopia gained from the Derg era was the emigration of a million or more of its best educated and most talented citizens. These now form a diaspora pool of talent and a lobby for Ethiopian interests in countries where they are established, especially in the United States. Like Turkish workers abroad, they are a source of remittances which contribute to Ethiopia's foreign-exchange income. As many have begun to return, the diaspora has become a source of expertise and new entrepreneurs to help develop the country.

Ethiopia cannot duplicate Turkish experience, but it can aspire to reach a take-off stage of self-sustaining development in the next two decades. Once achieved, as Turkey's experience demonstrates, successful development ensures further progress. A few lessons from Turkey's experience which have relevance for Ethiopia include:

*The net value of an open, democratic political system is of primary importance for successful development. Such a system does not guarantee trouble-free governance, but it promotes openness about priorities and performance. It promotes

compromise on important issues and permits timely adjustment of policies and procedures, thus avoiding crises and prolonged failed initiatives.

*Education at all levels is the essential for sound political and economic development. Ethiopian leaders have long understood this fact. Educational efforts need to be maintained and speeded up.

*Investment in key aspects of infrastructure is a prerequisite for development: highways, feeder roads, communications of all kinds, dams and water systems, power lines, urban infrastructure. This principle is understood in Ethiopia. Turkey's experience in encouraging local initiative and use of local resources is relevant for Ethiopia--and demonstrates that development momentum should never be only from the top down.

*Development of agro-industry as a basis for broader industrial development and as a means of raising productivity and the standard of living of the rural population is highly desirable. Efficient agro-industry can make a major contribution to exports. Turkey's experience with agro-industry offers a great deal from which Ethiopia can learn. An open economy operating on free market principles must offer opportunities to the primary producers in society--farmers--to increase their productivity and benefit from it. Agro-industry opens a wide range of opportunities for the rural population and especially for enterprising elements among it. It stimulates the growth of provincial centers, thus relieving population pressure on major cities.

One of the most promising aspects of agro-industry is manufacture of textiles based on domestic production of raw materials. Progressing through several stages from spinning and weaving to production of finished clothing and materials useful for other industries (upholstery, e.g.) a mature textile industry offers unlimited possibilities for development.

*Turkey's experience with exploitation of water resources for both power and irrigation offers examples for expanded and more efficient use of water in Ethiopia.

*Turkey's experience in developing tourism is worth studying for both the positive features of development and avoidance of less-positive problems with subsidies and restrictions. Given Ethiopia's location, the kind of success Turkey, located on the threshold of Europe, has achieved in tourism is not possible, but Ethiopia can surely make tourism a

greater contributor to its foreign exchange earnings and gain many other advantages from development of a sound tourism industry.

Contacts and visits by businessmen from both countries and visits by leaders are laying a solid basis for closer collaboration between Turkey and Ethiopia which promises to bring good results in the future.

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